

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

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**MOTION RECORD OF THE APPLICANT
(Returnable March 3, 2025)**

February 24, 2025

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant

TO: SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (d/b/a True North Cannabis Co.), 2744364 ONTARIO LIMITED
(d/b/a Bamboo Blaze), AND 2767888 ONTARIO INC.

Respondents (Debtors)

SERVICE LIST
(as of February 24, 2025)

NAME	METHOD OF DELIVERY	ROLE/INTEREST
MILLER THOMSON LLP 40 King Street West, Suite 5800 Toronto, ON M5H 3S1 Larry Ellis lellis@millerthomson.com Tel: 416.595.8639 David Ward dward@millerthomson.com Tel: 416.595.8625 Patrick Corney pcorney@millerthomson.com Tel: 416.595.8555 Sam Massie smassie@millerthomson.com Tel: 416.595.8641	Email	Counsel to the Applicant

DELOITTE RESTRUCTURING INC. 8 Adelaide Street West Toronto, ON M5H 0A9 Todd Ambachtsheer tambachtsheer@deloitte.ca Tel: 416.607.0781	Email	Monitor
BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5 David T. Ullmann dullmann@blaney.com 416.596.4289 Alexandra Teodorescu ateodorescu@blaney.com 416.596.4279 Anisha Samat asamat@blaney.com 416.593.3924	Email	Counsel to the Monitor
Shawn Dym sdym@yorkplains.com	Email	Chief Restructuring Officer
Alena Hapanovich 960 King Street East, 7 Cambridge, ON, N3H 3P3 alonagap@me.com	Email	
Corry Van Iersel 84 Brewster Place Cambridge, ON, N3C 3T9 Corry@vancorgroup.com	Email	
Kenneth Schaller 697 Coronation Blvd., Unit 5 Cambridge, ON N1R 3G5 max@nanosourz.com	Email	

<p>BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower, 22 Adelaide St W #3400 Toronto, ON M5H 4E3</p> <p>Alex MacFarlane AMacfarlane@blg.com Tel: 416.367.6305</p> <p>Jasmine Lothian JLothian@blg.com Tel: 416.367.6452</p> <p>Kevin Lambie KLambie@blg.com Tel: 416.367.7290</p>	<p>Email</p>	<p>Counsel for the Respondents (Debtors)</p>
<p>MPG LAW PROFESSIONAL CORPORATION 25 Mill Street North, PO Box 770 Waterdown, ON L0R 2H0</p> <p>Mathew Glowacki mglowacki@mpglaw.ca Tel: 905.512.4711</p>	<p>Email</p>	<p>Litigation counsel to Kenneth Schaller</p>
<p>THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200 Toronto-Dominion Centre Toronto ON M5K 1K7</p> <p>D.J. Miller djmiller@tgf.ca Tel: 416.304.0559</p>	<p>Email</p>	<p>Counsel to Firm Capital Mortgage Fund Inc.</p>
<p>PERLEY-ROBERTSON, HILL & MCDOUGALL LLP/s.r.l. 340 Albert St #1400 Ottawa, ON K1R 7Y6</p> <p>Joel Turgeon jturgeon@perlaw.ca Tel: 613-566-2224</p>	<p>Email</p>	<p>CCAA Counsel for Garas Family Holdings Inc.</p>

SMITH VALERIOTE LAW FIRM LLP Barristers and Solicitors 245 Hanlon Creek Boulevard, Unit 102 Guelph, ON N1C 0A1 Trenton Johnson tjohnson@svlaw.com Ben Grant bgrant@svlaw.ca Tel : 519.837.2100	Email	Litigation counsel for Garas Family Holdings Inc.
LANDLORDS		
METAL TREE INC. 32 Seguin Street Parry Sound, ON P2A 1B1	Courier	
SPORTSWORLD SHOPPING CENTRE INC. 4396 King Street East Kitchener, ON N2P 2G4	Courier	
TANDIA FINANCIAL CREDIT UNION LTD. 352 Queen Street East, Unit 4 Acton, ON L7J 1R2	Courier	
2375144 ONTARIO CORPORATION 1076 Cedar Street, Unit 3, Oshawa, ON L1J 3R9	Courier	
879011 ONTARIO LIMITED 715 Wellington Street West, Guelph, ON N1H 8L8	Courier	
726494 ONTARIO INC. 110 Broadway Street Tillsonburg, ON N1H 8L8	Courier	
THOMAS SCHMIDT 31 Ontario Street, Units 2 & 3 Grand Bend, ON N0M 1T0	Courier	
TORBILL HOLDINGS LTD. 43 Main Street Brighton, ON K0K 1H0	Courier	
1815513 ONTARIO INC. 170 McNaughton Avenue West Unit 9, Chatham, ON N7L 1R4	Courier	
MARVIN HERTZMAN HOLDINGS INC. 951 Gordon Street, Unit 8B Guelph, ON N1G 4S1	Courier	

SECURED CREDITORS		
METAL TREE INC. 65 Treanor Crescent Georgetown, ON L7G 5J1	Courier	Lender to 2767888 Ontario Inc.
SEAVALE INCORPORATED 87 Marsh Drive North Bay, ON P1B 8G3 nickyg@sympatico.ca	Courier and Email	Lender to 2767888 Ontario Inc.
FIRM CAPITAL MORTGAGE FUND INC. 163 Cartwright Avenue Toronto, ON M6A 1V5 mwarner@firmcapital.com	Courier and Email	Lender to 2767888 Ontario Inc.
GARAS, NASHAAT 124 Silver Maple Crescent Cambridge, ON, N1R5S6 GARAS FAMILY HOLDINGS INC. 124 Silver Maple Crescent Cambridge, ON, N1R5S6 MANAL GARAS PHARMACY PROFESSIONAL CORPORATION 124 Silver Maple Crescent Cambridge, ON, N1R5S6 higginsmark@nexicom.net	Courier and Email	Lender to 2767888 Ontario Inc.
MUSKOKA REAL ESTATE SERVICES INC. 810 Bay Street Gravenhurst, ON P1P 1G7	Courier	Lender to 2767888 Ontario Inc.
M.HIGGINS & ASSOCIATES INC. 17 Queen Street Campbellford, ON K0L 1L0 higginsmark@nexicom.net	Courier and Email	Lender to 2767888 Ontario Inc.
818876 ONTARIO LTD. 69-1235 Radom St Pickering, ON L1W 1J3	Courier	Lender to 2767888 Ontario Inc.

ANASTADSIADIS VENIZELOS 279 Springbank Drive London, ON N6J 1G3 victor_anast@hotmail.com	Courier and Email	Lender to 2767888 Ontario Inc.
BANK OF MONTREAL 101-20 Erb St W, Marsland Center Waterloo, ON N2L 1T2 Adam Mitchell-Li Adam.MitchellLi@bmo.com Leo Chun leo.chun@bmo.com	Courier and Email	Lender to 2767888 Ontario Inc.
GOVERNMENTAL AGENCIES		
CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Fozia Chaudary Fozia.Chaudary@justice.gc.ca Kevin Dias Kevin.Dias@justice.gc.ca	Email	Governmental Agency
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 osbservice-bsfservice@ised-isde.gc.ca	Email	Governmental Agency
HEALTH CANADA Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9 Licensing and Security Division Emails: licensing-cannabis-licenses@hc-sc.gc.ca collections-recouvrement@hc-sc.gc.ca	Email	Governmental Agency

Ministry of Finance (Ontario) Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca	Email	
ALCOHOL AND GAMING COMISSION OF ONTARIO 90 Sheppard Avenue East Suite 200-300 Toronto, ON M2N 0A4 Nick Fera Email: nick.fera@agco.ca Sandra Lucas Email: sandra.lucas@agco.ca Ashley An Email: ashley.an@agco.ca	Email	

EMAIL SERVICE LIST

Corry@vancorgroup.com; hdahrouj@tncc.ca; lellis@millerthomson.com;
pcorney@millerthomson.com; dward@millerthomson.com; smassie@millerthomson.com;
tambachtsheer@deloitte.ca; dullmann@blaney.com; ateodorescu@blaney.com;
asamat@blaney.com; sdym@yorkplains.com; alonagap@me.com; AMacfarlane@blg.com;
JLothian@blg.com; KLambie@blg.com; mglowacki@mpglaw.ca; djmiller@tgf.ca;
jturgeon@perlaw.ca; tjohnson@svlaw.com; bgrant@svlaw.ca; nickyg@sympatico.ca;
mwarner@firmcapital.com; higginsmark@nexicom.net; victor_anast@hotmail.com; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; Fozia.Chaudary@justice.gc.ca;
Kevin.Dias@justice.gc.ca; osbservice-bsfservice@ised-isde.gc.ca; licensing-cannabis-licenses@hc-sc.gc.ca; collections-recouvrement@hc-sc.gc.ca; insolvency.unit@ontario.ca;
nick.fera@agco.ca; sandra.lucas@agco.ca; ashley.an@agco.ca; Adam.MitchellLi@bmo.com;
max@nanosourz.com; leo.chun@bmo.com;

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

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

INDEX

TAB	DOCUMENT
1.	Notice of Motion, returnable March 3, 2025
2.	Affidavit of Corry Van Iersel, sworn February 24, 2025
A.	Affidavit of Corry Van Iersel, sworn January 23, 2025 (without exhibits)
B.	Amended and Restated Initial Order dated February 3, 2025
C.	The Honourable Justice Penny Endorsement dated February 3, 2025
3.	Draft SISP Order
4.	Draft Claims Procedure Order

TAB 1

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

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

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**NOTICE OF MOTION
(Returnable March 3, 2025)
(SISP, Claims Procedure)**

The Vancor Group Inc. (“**Vancor**”) will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (“**Court**”) on Monday, March 3, 2025 at 11:00 a.m. (Toronto time), or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard via Zoom videoconference.

The Zoom link will be uploaded to Case Center.

THE MOTION IS FOR:

- (a) an order (“**SISP Order**”), substantially in the form attached at Tab 3 to the motion record, approving: (i) a proposed sale and investment solicitation process (“**SISP**”) and related activities and (ii) execution by the CRO of a stalking horse subscription agreement (“**Stalking Horse Agreement**”) between Vancor (in such capacity, the

“**Stalking Horse Bidder**”) and the Debtors, which establishes a “**Stalking Horse Bid**” in the SISP;

- (b) a claims procedure order (“**Claims Procedure Order**”) substantially in the form attached to the motion record at Tab 4, approving a proposed claims procedure (“**Claims Procedure**”); and
- (c) such further and other relief as counsel may request and this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. This is a creditor initiated CCAA reorganization proceeding of a vertically integrated retail cannabis business conducting retail operations under the brand name “True North Cannabis Co.”
2. The applicant, Vancor, is the largest creditor of the Debtors, having invested over \$23,000,000 in principal through unsecured Shareholder Loans.
3. Each Debtor’s role in the business is as follows:
 - (a) TNCC operates 48 retail cannabis dispensaries in Ontario, as well as an online storefront for direct-to-consumer cannabis sales in Ontario;
 - (b) Bamboo Blaze is a supplier of: (a) personal protective equipment (such as masks, medical gowns, and gloves) to cannabis producers, and (b) cannabis accessories (such as cannabis grinders, rolling papers, and bongs) to cannabis retailers (including TNCC); and

(c) 888 is a real-estate holding company that owns 41 properties. 888 is TNCC's landlord under the majority of TNCC's commercial leases.

4. The Debtors' financial circumstances and events leading up to the CCAA filing are described in the First Van Iersel Affidavit.
5. The Debtors obtained protection under the CCAA pursuant to the terms of an Initial Order granted by the Honourable Mr. Justice Penny on January 24, 2025.
6. The Initial Order, among other things:
 - (a) declared that the Debtors are companies to which the CCAA applies;
 - (b) appointed Deloitte as Monitor;
 - (c) granted an Initial Stay of Proceedings in favour of the Debtors, and their respective directors and officers, until and including February 3, 2025;
 - (d) approved the Debtors ability to borrow up to a principal amount of \$900,000 under a DIP Term Sheet from Vancor (in that capacity, referred to herein as the "**DIP Lender**") to finance, among other things, the Debtors' working capital requirements and post-filing expenses;
 - (e) granted the Administration Charge and the DIP Lender's Charge (collectively referred to herein as the "**Charges**");
 - (f) approved the appointment of Shawn Dym as Chief Restructuring Officer of the Debtors pursuant to the CRO Engagement; and

(g) sealed, until the earlier of (i) the termination of this CCAA proceeding or (ii) further order of the court, the unredacted copy of the CRO Engagement.

7. On February 3, 2025, Vancor sought and obtained an amended and restated Initial Order that, among other things:

- (a) extended the Stay Period up to and including May 2, 2025;
- (b) approved an increase to the permitted borrowings under the DIP Facility and a corresponding increase to the DIP Lender's Charge; and
- (c) approved an increase to the Administration Charge.

SISP Order

8. This motion seeks approval of the SISP Order which will allow the Monitor, on behalf of the Debtors, to canvass the market for an investment in, or sale of, all or substantially all of the Debtors' Business and/or Property.

9. The SISP was developed by the Monitor with consideration given to the financial circumstances of the Debtors and the marketing objectives of the process.

10. The proposed SISP contemplates the following milestone dates:

Milestone	Deadline
Commencement date	Immediately following the granting of the SISP Order
Bid Deadline	45 days after the granting of the SISP Order
Auction Date	3 business days after the Bid Deadline
Sale Approval Motion (as defined below) in CCAA Court	Forthwith
Closing of the Transaction	10 days after the granting of the Sale Approval Order

11. The SISP will be administered by the Monitor in consultation with the CRO and the Debtors.
12. The SISP contains protections regarding bids by insiders of the Debtors, or persons affiliated with such insiders.
13. The Monitor will have certain rights in connection with material decisions related to the SISP (for example, extending timelines, dispensing with Bid requirements, and terminating the SISP).
14. A Court-supervised SISP under the CCAA will be the most cost-efficient and effective means of maximizing creditor recovery and preserving employment for as many employees as possible.
15. In the event that the SISP and Stalking Horse Agreement are approved, Vancor will act as Stalking Horse Bidder in the SISP.
16. The Stalking Horse Agreement will bring stability to the process and help to ensure that the Debtors emerge from these CCAA proceedings as a going-concern enterprise.
17. In the event that the Staking Horse Agreement is the Successful Bid (as defined in the SISP), and the transaction contemplated thereunder is approved by the Court, Vancor (as **“Stalking Horse Purchaser”**) will become the owner of 100% of the newly issued common shares of each of the Debtors.
18. The Purchase Price is equal to: (a) all amounts outstanding under the DIP Facility; (b) all Secured Debt (as defined in the Stalking Horse Agreement); (c) the value of all unsecured claims proven in the proposed Claims Procedure; and (d) a closing payment sufficient to

cover amounts owing under the Administration Charge, and amounts required to wind up the proceeding (including administering the Claims Procedure to its conclusion).

19. As the Purchase Price includes the assumption of Proven Claims, it cannot be definitively determined until the Claims Procedure has concluded, however it is estimated to be in the range of \$42 million to \$52 million.
20. The Stalking Horse Agreement provides that if the Stalking Horse Bidder is not the Successful Bidder in the SISP, the Stalking Horse Bidder will be entitled to a Break Fee of \$400,000.
21. Inclusion of the Stalking Horse Agreement as part of the SISP will establish a baseline price and commercial terms for a transaction involving the Debtors' entire business.
22. The consideration provided under the Stalking Horse Agreement is fair and reasonable in the circumstances and is the product of good faith negotiations between the Stalking Horse Bidder, the CRO and the Debtors' counsel.

Claims Procedure Order

23. The motion also seeks approval of the Claims Procedure Order to allow the Debtors to identify existing claims against them, including those claims against their directors and officers. The Stalking Horse Purchaser intends to assume all claims against the Debtors proven through this process (other than Excluded Claims as defined in the agreement).
24. The Claims Procedure Order establishes a claims procedure whereby:
 - (a) the claims of the Debtors' Secured Creditors in relation to their security will be Excluded Claims (as such term is defined in the Claims Procedure Order);

- (b) claims against the Debtors under \$10,000 are subject to a reverse (or “negative notice”) claims procedure, through which the Monitor will give notice to creditors understood to hold claims of less than \$10,000 and the amount of the claim in the notice will be deemed to be the claim of the creditor, unless the creditor formally disputes it in accordance with the prescribed process and timeline; and
- (c) specified pre-filing litigation claims involving some or all of the Debtors will be subject to an affirmative claims procedure and, if not consensually resolved, will be subject to a bespoke adjudication process before a claims officer.

25. The establishment of a Claims Procedure will facilitate the Debtors’ restructuring for two reasons. First, a claims procedure is required to implement the Stalking Horse Agreement because the agreement contemplates that Proven Unsecured Claims (i.e. claims proven in accordance with the Claims Procedure) will be assumed. Second, in the event that the Stalking Horse Agreement is not the Successful Bid (as defined in the SISP), the Successful Bid will, by definition, have generated proceeds for distribution to unsecured creditors. In this alternative scenario, resolving claims in parallel with the SISP will facilitate the fastest possible distribution of proceeds to unsecured creditors.

26. The proposed Claims Procedure is a fair and reasonable method of identifying, quantifying, and resolving unsecured claims against the Debtors. The combination of reverse and traditional claims procedures, along with flexible adjudication mechanisms, ensures that the universe of claims is comprehensively solicited and that the nature, quantum, and validity of claims are determined as fairly and expeditiously as possible.

27. The notification processes described in the Claims Procedure Order will provide claimants with adequate notice of the Claims Procedure and an adequate opportunity to prove their claims prior to the relevant bar dates.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- (a) The second report of the Monitor, to be filed;
- (b) The third affidavit of Corry Van Iersel, to be filed; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

February 24, 2025

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W
Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor
Group Inc.

TO: SERVICE LIST

THE VANCOR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, et al.
Respondents (Debtors)

Court File No. CV-25-00735482-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at
Toronto

**NOTICE OF MOTION
(RETURNABLE MARCH 3, 2025)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 2

Court File No.: CV-25-00735482-00CL

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

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

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**THIRD AFFIDAVIT OF CORRY VAN IERSEL
(Sworn February 24, 2025)**

February 24, 2024

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor
Group Inc.

TABLE OF CONTENTS

	Page
I. BACKGROUND	1
II. RELIEF SOUGHT	3
III. RELIEF UNDER THE SISP ORDER.....	3
A. Approval of the SISP.....	4
B. Approval of the Stalking Horse Agreement.....	5
IV. RELIEF UNDER THE CLAIMS PROCEDURE ORDER	8
V. FORM OF ORDERS AND CONCLUSION	11

AFFIDAVIT OF CORRY VAN IERSEL
(Sworn February 24, 2025)

I, Corry Van Iersel, of the city of Cambridge in the Regional Municipality of Waterloo, Ontario, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. BACKGROUND

1. I am the President and sole shareholder of The Vancor Group Inc. (“**Vancor**”), the applicant creditor in these proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (“**CCAA**”). I am also an officer and director of each of the Debtors (defined below) and hold direct or indirect equity interests in each of the Debtors. As such, I have personal knowledge of the matters hereinafter deposed. If I have obtained information from others, I state the source of the information and believe it to be true.
2. Unless stated otherwise, capitalized but undefined terms used herein have the meaning given to them in my affidavit sworn in support of the Initial Order (“**First Van Iersel Affidavit**”).
3. On January 24, 2025, Vancor sought and obtained an Initial Order (“**Initial Order**”) under the CCAA in respect of the “**Debtors**”: 2744364 Ontario Limited (“**TNCC**”), 276888 Ontario Inc. (“**888**”), and 266805 Ontario Inc. (“**Bamboo Blaze**”).
4. The Debtors are engaged in a vertically integrated retail cannabis business conducting retail operations under the brand name, “True North Cannabis Co”.
5. The applicant, Vancor, is the largest creditor of the Debtors, having invested over \$23,000,000 in principal through unsecured Shareholder Loans.

6. Each Debtor's role in the business is as follows:
 - (a) TNCC operates 48 retail cannabis dispensaries in Ontario, as well as an online storefront;
 - (b) Bamboo Blaze is a supplier of (a) personal protective equipment (such as masks, medical gowns, and gloves) to cannabis producers, and (b) cannabis accessories (such as cannabis grinders, rolling papers, and bongs) to cannabis retailers (including TNCC); and
 - (c) 888 is a real-estate holding company that owns 41 properties. 888 is TNCC's landlord under the majority of TNCC's commercial leases.
7. The Debtors' financial circumstances and events leading up to the CCAA filing are described in the First Van Iersel Affidavit. A copy of the First Van Iersel Affidavit, without exhibits, is attached hereto as Exhibit "A".
8. Copies of all materials filed in the CCAA proceedings are available on the website of the Monitor at: <https://www.insolvencies.deloitte.ca/tncc>.
9. On February 3, 2025, the Honourable Justice Penny granted an Amended and Restated Initial Order ("**ARIO**"). The ARIO included the customary provisions of the Commercial List model initial order as well as certain additional carve-outs and protections for the Debtors' Secured Creditors. A copy of the ARIO and Justice Penny's related endorsement are attached hereto as Exhibits "**B**" and "**C**", respectively.
10. Following the date of the ARIO, the Debtors have conducted business in the ordinary course. A detailed update as to the Debtors' activities will be provided in the Monitor's second report to the court ("**Second Report**").

II. RELIEF SOUGHT

11. This affidavit is sworn in support of a motion for two orders:

(a) an order (“**SISP Order**”) in the form attached as Tab “**3**” to the within motion record, among other things:

(I) approving a sale and investment solicitation process (“**SISP**”) substantially in the form attached as Schedule “A” to the SISP Order; and

(II) approving a stalking horse subscription agreement (“**Stalking Horse Agreement**”) between the Debtors and Vancor (in such capacity, “**Stalking Horse Bidder**”), which establishes a “**Stalking Horse Bid**” in the SISP; and

(b) a claims procedure order (“**Claims Procedure Order**”) substantially in the form attached to the motion record at Tab “**4**”, approving a proposed claims procedure (“**Claims Procedure**”) regarding Claims that may be outstanding against the Debtors and Directors and Officers of the Debtors.

III. RELIEF UNDER THE SISP ORDER

12. Vancor initiated these CCAA proceedings to establish conditions for the Debtors to restructure their business and affairs for the benefit of stakeholders. From the outset, the restructuring contemplated the design and implementation of a broad sale process to identify a going-concern transaction for the Debtors’ business, or such other result as the market may dictate. To this end, the SISP has been developed by the Monitor, with the assistance of the Debtors.

13. I understand from my counsel that the SISP and the Stalking Horse Agreement will be presented, explained, and appended to the Second Report.
14. It is contemplated that Vancor will act as Stalking Horse Bidder in the SISP, subject to this Court's approval of the SISP and Stalking Horse Agreement.
15. The Stalking Horse Agreement advances a base-line transaction that will ensure that the Debtors emerge from these CCAA proceedings on a going-concern basis, subject to any higher or better offers that may result from the SISP.

A. Approval of the SISP

16. The fundamental purpose of the SISP is to solicit interest for the sale of the Debtors' business and/or assets, using the Stalking Horse Agreement as a bid floor. I understand from my counsel that the SISP was designed by the Monitor in consultation with the Debtors to provide a broad and flexible process to achieve the greatest value.
17. In addition to soliciting a transaction or investment necessary for the business to continue as a going concern, the SISP should also provide interim stability to the Debtors' business by signalling to customers, employees, and other stakeholders that the business will continue as a going concern after these CCAA proceedings.
18. The SISP includes protections to ensure that Vancor, as the DIP Lender and Stalking Horse Bidder, is not provided with access to bids and other confidential information that might compromise the integrity of the SISP.
19. A summary of the key milestone dates pursuant to the SISP are set out below. The SISP contemplates that these dates may be extended by the Monitor, in consultation with the Debtors, or by order of the Court:

Milestone	Deadline
Commencement date	Immediately following the granting of the SISP Order
Bid Deadline	45 days after the granting of the SISP Order
Auction Date	3 business days after the Bid Deadline
Sale Approval Motion (as defined below) in CCAA Court	Forthwith
Closing of the Transaction	10 days after the granting of the Sale Approval Order

B. Approval of the Stalking Horse Agreement ¹

20. Vancor seeks approval of the Stalking Horse Agreement in order to employ a Stalking Horse Bid mechanism in the SISP.
21. In the event that the Stalking Horse Agreement is ultimately designated as the Successful Bid in the SISP, the transaction contemplated thereunder will require approval of the Court.
22. The principal terms of the Stalking Horse Agreement are summarized below (each term capitalized but not defined below is as defined in the Stalking Horse Agreement):

Term	Details
Target Companies	TNCC, 888, and Bamboo Blaze
Purchaser	Vancor
Transaction Structure	<p>Each member of the TNCC Group shall issue to Vancor, and Vancor shall subscribe for and purchase from member of the TNCC Group, free and clear of all Encumbrances, the Purchased Shares.</p> <p>Pursuant to the Approval and Vesting Order and the Articles of Reorganization, and in accordance with the Implementation Steps, all of the Existing Shares shall be cancelled, without consideration, and the Purchased Shares issued to Vancor shall represent 100% of the issued and outstanding Equity Interests of the TNCC Group following such cancellation and issuance.</p>

¹ Capitalized terms used in this section but not otherwise defined have the meaning ascribed to them in the Stalking Horse Agreement.

	Upon Closing, following the issuance of the Purchased Shares, the cancellation of the Existing Shares, and the completion of the Implementation Steps, each member of the TNCC Group shall be wholly-owned, directly or indirectly, by Vancor.
Purchase Price	<p>The total aggregate consideration payable by Vancor for the Purchased Shares shall be equal to:</p> <ul style="list-style-type: none"> (a) the DIP Indebtedness, including principal and interest accrued through to and including the Closing Date, plus any and all fees and expenses associated therewith; (b) the Secured Indebtedness, including principal and interest accrued through to and including the Closing Date; (c) the Unsecured Indebtedness; and (d) the Closing Payment. <p>The Purchase Price is expected to fall within the range of \$42,000,000 - \$52,000,000; provided that the Purchase Price shall not exceed \$52,000,000 (being the maximum possible Purchase Price).</p>
Excluded Assets	The properties, rights, assets and undertakings of the TNCC Group listed as “Excluded Assets” on Schedule “A”, as may be modified.
Retained Liabilities	<ul style="list-style-type: none"> (a) Liabilities specifically and expressly designated by Vancor as Retained Liabilities in Schedule “F”, as the same may be modified by Vancor prior to the Closing Time; (b) the DIP Indebtedness; (c) the Secured Indebtedness; (d) all Liabilities and Encumbrances which rank in priority to the Secured Indebtedness to the extent that such Liabilities and Encumbrances are not paid and satisfied at or prior to Closing; (e) the Unsecured Indebtedness; and (f) all Liabilities which relate to: (i) the Business under any Retained Contracts; (ii) any Permits and Licences forming part of the Retained Assets; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.
Excluded Liabilities	<p>All debts, obligations, liabilities of or against the Group, the Purchased Shares, or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, <i>inter alia</i>, the non-exhaustive list of Liabilities set forth in Schedule “C”.</p> <p>The Excluded Liabilities shall be excluded and will no longer be binding on the TNCC Group (including their Business, undertakings, and</p>

	property), the Purchased Shares (or the holders thereof), and the Retained Assets, following the Closing Time.
As is, Where is	At the Closing Time, the Purchased Shares shall be sold and delivered to Vancor on an “as is, where is” basis, subject only to the representations and warranties contained in the Stalking Horse Agreement.
Mutual Conditions to Closing	<p>(a) The Stalking Horse Agreement shall have been selected as the Successful Bid in the SISP.</p> <p>(b) The Court shall have issued and entered the Approval and Vesting Order.</p> <p>(c) No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.</p> <p>(d) No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.</p> <p>(e) The Monitor shall have provided an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order confirming that all conditions to Closing have either been satisfied or waived by both Vancor and the TNCC Group.</p>
Break Fee	Subject to Court approval, Vancor shall be entitled to a break fee in the amount \$400,000 (inclusive of HST, if any) (“ Break Fee ”); which shall be payable to Vancor in the event that the Stalking Horse Bid is not the Successful Bid.
Closing Date	Ten (10) days, or such shorter period as Vancor may provide by notice in writing to the TNCC Group, after the date upon which the conditions set forth in Article 8 of the Stalking Horse Agreement have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

23. I am advised by my counsel that the SISP, and Stalking Horse Bid mechanism employed, are designed to maximize value for stakeholders by, among other things:

- (a) Generating interest and attraction among potential purchasers;
- (b) establishing a baseline price and commercial terms for a transaction involving the shares and/or the business and assets of the Debtors; and

- (c) providing a level of certainty and stability during the process, both in terms of establishing a baseline price and documentation for the SISP, and by way of assuring stakeholders that there is an available going concern outcome.

IV. RELIEF UNDER THE CLAIMS PROCEDURE ORDER ²

- 24. The motion also seeks approval of the Claims Procedure Order to allow the Debtors to identify existing claims against them, including claims against their directors and officers.
- 25. The establishment of a Claims Procedure will facilitate the Debtors' restructuring for two reasons. First, a claims procedure is required to implement the Stalking Horse Agreement because the agreement contemplates that Proven Unsecured Claims (i.e. claims proven in accordance with the Claims Procedure) will be assumed by Vancor should it be the Successful Bidder in the SISP. Second, in the event that the Stalking Horse Agreement is not the Successful Bid (as defined in the SISP), the Successful Bid will, by definition, have generated proceeds for distribution to unsecured creditors. In this alternative scenario, resolving claims in parallel with the SISP will facilitate the fastest possible distribution of proceeds to unsecured creditors.
- 26. I understand from my counsel that the Monitor will explain and make recommendations on the Claims Procedure in its Second Report. The following is a high level summary of certain key aspects of the Claims Procedure:
 - (a) *scope*: the claims of the Debtors' Secured Creditors in relation to their security will be Excluded Claims (as such term is defined in the Claims Procedure Order) and,

² Capitalized terms used in this section but not otherwise defined have the meaning ascribed to them in the draft Claims Procedure Order attached to the motion record.

as such, they will not be required to file a proof of claim under the Claims Procedure;

- (b) *hybrid procedure*: claims against the Debtors under \$10,000 are subject to a reverse (or “negative notice”) claims procedure, through which the Monitor will give notice to Creditors understood to hold claims of less than \$10,000 and the amount of the claim in the notice will be deemed to be the Claim of the creditor, unless the Creditor formally disputes it in accordance with the prescribed process and timeline. Claims against the Debtors in excess of \$10,000, including enumerated Litigation Claims (as defined in the Claims Procedure Order), will be subject to a traditional (“positive”) claims procedure and, if not consensually resolved, will be subject to an adjudication process before a Claims Officer;
- (c) *notice timing*: the Monitor shall send a Proof of Claim Document Package to each Known Creditor within five (5) Business Days following the issuance of the Claims Procedure Order;
- (d) *Pre-Filing Claims and D&O Claims Bar Date*: the Claims Bar Date to submit a Proof of Claim with respect to all Pre-Filing Claims and D&O Claims is 5:00 p.m. (prevailing Eastern Time) on April 7, 2025;
- (e) *Restructuring Claims Bar Date*: the Restructuring Claims Bar Date to submit a Proof of Claim with respect to all Restructuring Claims is 5:00 p.m. (prevailing Eastern Time) on the later of: (i) the Claims Bar Date; and (ii) the date that is 15 days after the date on which the Monitor sends a Proof of Claim Document Package to the Creditor with respect to a Restructuring Claim that arose after the Filing Date.

- (f) *review of Proofs of Claim*: the Monitor, in consultation with the Debtors (and their directors and officers, in respect of D&O Claims), shall review all Proofs of Claim and may (i) request additional information from a Creditor; (ii) request that a Creditor file a revised Proof of Claim; (iii) attempt to resolve and settle any issue arising in a Proof of Claim; (iv) accept (in whole or in part) any Claim; and (v) revise or disallow (in whole or in part) any Claim;
- (g) *Notice of Revision or Disallowance*: where a Claim is revised or disallowed, the Monitor shall deliver to the Creditor a Notice of Revision or Disallowance, attaching the form of Notice of Dispute of Revision or Disallowance;
- (h) *Notice of Dispute of Revision or Disallowance*: any Creditor who intends to dispute a Notice of Revision or Disallowance pursuant to the Claims Procedure Order shall deliver a Notice of Dispute of Revision or Disallowance no later than fourteen (14) days after receiving the Notice of Revision or Disallowance;
- (i) *disputed Claims resolution*: if a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a reasonable time or in a manner satisfactory Monitor, the Monitor may refer the dispute to the Claims Officer for determination;
- (j) *Claims Officer*: the Claims Officer shall determine the status and/or amount of each Claim in respect of which a dispute has been referred to the Claims Officer. The Claims Officer shall be chosen by the Monitor in its sole direction, subject to the following qualifications: the Claims Officer shall be (i) a former judge or the Ontario Superior Court of Justice and/or (ii) a member of the Chartered Institute of Arbitrators holding the either the FCI Arb or C.Arb designation;

- (k) *appeal of Claims Officer's determination:* the Monitor or the Creditor may appeal the Claims Officer's determination to the Court by serving and filing a notice of motion on the other party (with a copy to the Monitor) within ten (10) calendar days of notification of the Claims Officer's determination of such Claim; and
- (l) *insider protections:* Vancor and Corry Van Iersel (and "related persons" to them, as that term is defined under the BIA) shall not participate in the Monitor's review and determination of Litigation Claims (because they are parties to such claims), other than responding in writing to specific information requests made by the Monitor, if any.

V. FORM OF ORDERS AND CONCLUSION

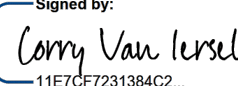
27. I swear this affidavit in support of the SISP Order and Claims Procedure Order substantially in the form contained at Tabs "3" and "4" of the Motion Record, respectively, and for no other purpose.

AFFIRMED before me at the City of Toronto, in the Province of Ontario, with the deponent in the City of Cambridge this 24th day of February, 2025 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely

Signed by:

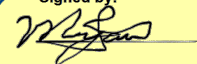
 6EDCCDB31BD748E...

Commissioner for Taking Affidavits
MRYAM SARKIS

Signed by:

 11E7CF7231384C2...

CORRY VAN IERSEL

This is Exhibit “A” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel of the City of Cambridge in the Regional Municipality of Waterloo, before me at the City of Toronto, in the Province of Ontario, on February 24, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Court File No. CV-25-00735482-00CL

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

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**AFFIDAVIT OF CORRY VAN IERSEL
(Sworn January 23, 2025)**

January 23, 2025

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO#: 33541W
Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N
Email: pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant

TABLE OF CONTENTS

I. OVERVIEW.....	3
II. OVERVIEW AND URGENT NEED FOR RELIEF.....	6
III. THE APPLICANT: VANCOR.....	8
IV. OVERVIEW OF THE DEBTORS.....	8
A. TNCC	8
B. Bamboo Blaze	8
C. 888.....	9
D. The Debtors' ownership, directors, and officers	9
E. Cannabis licences	11
F. Leases	12
G. Employees	12
H. Suppliers.....	13
I. Cash Management System	14
V. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST.....	16
A. Assets	16
B. Liabilities.....	17
C. Cash Flow Forecast	18
VI. CREDITORS.....	19
A. Secured Creditors	19
B. Unsecured Creditors	21
C. HST and payroll remittance obligations.....	25
D. Contingent claims.....	25
VII. CHALLENGES FACED BY THE DEBTORS.....	25
A. TNCC and Bamboo Blaze cannot be properly managed	25
B. 888 cannot be properly managed	27
VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT	28
A. Urgent need for relief under the CCAA	28
B. Appointment of Monitor	30
C. Chief Restructuring Officer.....	31
D. Stay of Proceedings	32
E. Administration Charge	32
F. Approval of the DIP Term Sheet and DIP Lender's Charge.....	33
G. Authority to pay pre-filing supplier obligations.....	35
H. Ability to pay pre-and-post-filing principal and interest.....	36
I. Sealing the CRO Engagement.....	36
IX. FORM OF ORDER AND CONCLUSION.....	37

AFFIDAVIT OF CORRY VAN IERSEL
(Sworn January 23, 2025)

I, Corry Van Iersel, of the City of Cambridge in the Regional Municipality of Waterloo, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. OVERVIEW

1. This is a creditor-initiated application for an initial order (“**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (“**CCAA**”).

2. The applicant creditor is The Vancor Group Inc. (“**Vancor**”), of which I am the President and sole shareholder. I am also an officer and director of each of the proposed Debtors (defined below) and hold direct and direct equity interests in each of the Debtors. As such, I have personal knowledge of the matters hereinafter deposed. If I have obtained information from others, I state the source of the information and believe it to be true.

3. This affidavit is sworn in support of Vancor’s application for an Initial Order that, among other things:

- (a) abridges and validates the time for service of the notice of application and the application record and dispenses with further service thereof;
- (b) declares that 2744364 Ontario Limited (o/a True North Cannabis Co.) (“**TNCC**”), 2668905 Ontario Limited (o/a Bamboo Blaze) (“**Bamboo Blaze**”), and 2767888 Ontario Inc. (“**888**”) (together, “**Debtors**”) are debtor companies to which the CCAA applies;
- (c) appoints Deloitte Restructuring Inc. (“**Deloitte**” or the “**Monitor**”) as Monitor of the business and financial affairs of the Debtors;

- (d) appoints Shawn Dym as the Chief Restructuring Officer (“**CRO**”) of the Debtors and approves an engagement letter between the proposed CRO and the Debtors (“**CRO Engagement**”);
- (e) seals an unredacted copy of the CRO Engagement;
- (f) stays, for an initial period of not more than 10 days (“**Initial Stay Period**”), all proceedings and remedies taken or that might be taken in respect of the Debtors and their respective directors, employees, and representatives (“**Stay of Proceedings**”);
- (g) approves an interim financing term sheet dated January 23, 2025 (“**DIP Term Sheet**”) between Vancor, as lender (in that capacity, “**DIP Lender**”), and the Debtors, as borrowers, under which the DIP Lender has agreed to advance to the Debtors the maximum aggregate principal amount of \$2,000,000, plus interest, fees, and costs (“**DIP Facility**”) of which an initial amount of \$900,000, plus interest, fees and costs (“**Initial DIP Advance**”) will be advanced during the Initial Stay Period;
- (h) grants the following priority charges (“**Charges**”) against the Debtors’ assets, undertakings, and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (“**Property**”), which Charges shall have the priority given to them in the Initial Order;
- (i) an “**Administration Charge**” in the maximum amount of \$350,000 as security for the payment of the fees and disbursements of the Monitor and its counsel, the CRO, counsel to the Debtors, and counsel to Vancor; and

- (ii) a “**DIP Lender’s Charge**” in the maximum principal amount of \$900,000
(plus interest, fees, and costs);
 - (i) authorizes the Debtors to pay pre-filing amounts owed to the Ontario Cannabis Store, with the consent of the proposed Monitor and in accordance with the Cash Flow Forecast (defined herein);
 - (a) authorizes the Debtors to pay pre-and-post filing amounts payable to the Debtors’ eight secured creditors (defined below), in accordance with the Cash Flow Forecast;
 - (b) authorizes the Debtors to continue to use their existing Cash Management System (defined below); and
 - (c) orders a comeback hearing on a date to be scheduled (“**Comeback Hearing**”).
4. The proposed Initial Order includes only the relief necessary for Vancor to maintain *status quo* during the Initial Stay Period.
5. If the proposed Initial Order is granted, at the Comeback Hearing, Vancor intends to seek approval of an amended and restated Initial Order (“**ARIO**”), substantially in the form of the Ontario Superior Court of Justice (Commercial List) model CCAA initial order. The ARIO would, among other things:
- (a) extend of the Stay of Proceedings;
 - (b) grant a charge against the Property, as security for the Debtors’ obligations to indemnify their directors and officers from the obligations and liabilities they may incur as directors and officers of the Debtors after the commencement of the within CCAA proceeding, except for gross negligence or wilful misconduct;

- (c) increase the permitted borrowing under the DIP Facility to the maximum principal amount of \$2,000,000 (plus interest, costs, and expenses); and
- (d) increase the quantum of the Administration Charge and the DIP Lender's Charge.

6. All monetary amounts referred to in this affidavit are in Canadian dollars, unless otherwise noted.

II. OVERVIEW AND URGENT NEED FOR RELIEF

7. Vancor is by far the largest creditor of the proposed Debtors, having provided debt financing in excess of \$23 million in principal over four years on an unsecured basis.

8. Vancor's involvement with the Debtors began in late 2020, when Vancor began advancing funds to support the development and expansion of the Debtors' business. Monies invested by Vancor have been used to, among other things, (a) meet the Debtors' ordinary course operating obligations, such as employee salaries and inventory purchases; and (b) purchase equipment and support all manners of capital expenditures critical to the development of the Debtors' business.

9. As detailed below, a proceeding under the CCAA is necessary and urgently required for three main reasons: (a) the Debtors are facing the maturity of significant secured debt on May 1, 2025, which obligations they cannot currently refinance and are unable to repay; (b) Vancor's debt is currently due and payable with no available means of repayment, despite Vancor's accommodations, including the provision of an opportunity to secure financing through an out-of-court process; and (c) projected cash flows demonstrate that the Debtors cannot meet early ordinary course commitments such as significant payroll obligations.

10. A court-supervised restructuring process, with the oversight and guidance of an independent Monitor and CRO, provides the highest probability of achieving a going-concern and value-maximizing investment or sale transaction for the benefit of all stakeholders, including (a) the repayment or refinancing of monies owed to creditors; and (b) the preservation of jobs for the Debtors' 285 employees, services to the Debtors' customers, and supply relationships with the Debtors' vendors.

11. A proceeding under the CCAA is not only strategically essential, but immediately required. The secured loans imminently coming due are collateralized by mortgages over 27 of the Debtors' 41 real properties, which are integral to the long-term viability of the Debtors' business, meaning their loss would severely disrupt operational continuity and value generation.

12. The proposed DIP Term Sheet, which financing is only available in a CCAA proceeding, will allow the Debtors to address their immediate liquidity needs, including payroll obligations due at the end of January, and otherwise support the restructuring and sustain operations through the projected Cash Flow Period (defined below).

13. The authorities and protections of a CCAA proceeding will afford the Debtors time and opportunity to explore refinancing options and engage with stakeholders in a controlled environment. This addresses the risk of disorderly enforcement actions, preserves value for stakeholders, and positions the Debtors for long-term success.

14. In the early course of these proceedings, Vancor intends to return for a motion seeking court approval of a sale and investment solicitation process ("**SISP**") regarding a financial or strategic investment in, or purchase of, the Debtors' business.

III. THE APPLICANT: VANCOR

15. The Applicant, Vancor, is a corporation incorporated pursuant to the laws of the Province of Ontario. I am the sole director and shareholder of Vancor. Attached as **Exhibit “A”** is a corporate profile report for Vancor dated January 16, 2025.

16. Vancor is in the business of (a) owning real property assets, and (b) lending money and making investments in the real estate industry.

IV. OVERVIEW OF THE DEBTORS

A. TNCC

17. TNCC is a corporation incorporated pursuant to the laws of the province of Ontario, with its registered head office located at 960 King Street East, Unit 7, Cambridge, Ontario.

18. TNCC owns and operates 48 retail cannabis dispensaries in Ontario, as well as an online storefront (“**Online Storefront**”). The Online Storefront supports direct-to-consumer cannabis sales and deliveries in Ontario, whereby customers can order products for pickup at a TNCC dispensary. Attached as **Exhibit “B”** is a corporate profile report for TNCC dated January 16, 2025.

B. Bamboo Blaze

19. Bamboo Blaze is a corporation incorporated pursuant to the laws of Ontario, with its registered head office located at 697 Coronation Boulevard, Unit 5, Cambridge, Ontario.

20. Bamboo Blaze is a supplier of, (a) personal protective equipment (such as masks, medical gowns, and gloves) to cannabis producers, and (b) cannabis accessories (such as cannabis grinders,

rolling papers, and bongs) to cannabis retailers (including TNCC). Attached as **Exhibit “C”** is a corporate profile report for Bamboo Blaze dated January 16, 2025.

C. 888

21. 888 is a corporation incorporated pursuant to the laws of the province of Ontario, with its registered head office located at 697 Coronation Boulevard, Suite 5, Cambridge, Ontario.

22. 888 is a real estate holding company and landlord of TNCC pursuant to commercial lease agreements. 888 owns 41 properties, 40 of which are occupied by TNCC's retail dispensaries.¹ Attached as **Exhibit “D”** is a corporate profile report for 888 dated January 16, 2025.

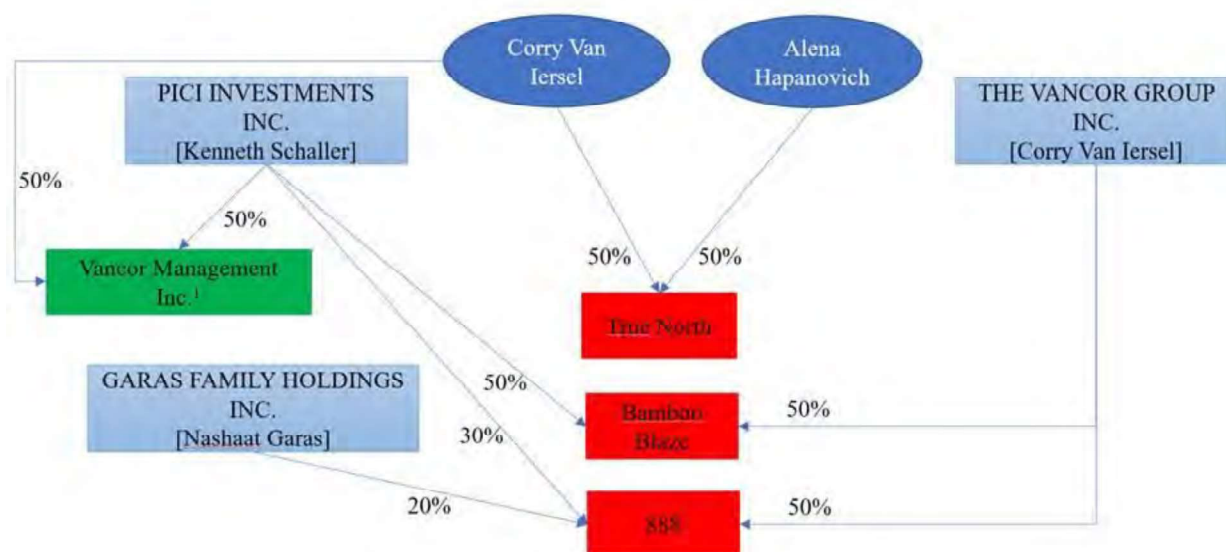
23. A table summarizing 888 real property interests is attached hereto as **Exhibit “E”**. 888 is current on all of its property tax obligations.

D. The Debtors’ ownership, directors, and officers

24. The Debtors are three of six businesses currently owned or controlled by (i) me and/or Vancor, and (ii) PICI Investments Incorporated (“**PICI**”) or Alena Hapanovich (“**Hapanovich**”), the common-law spouse of PICI’s principal, Kenneth Schaller (“**Schaller**”). Copies of unanimous shareholders agreements regarding each of the Debtors are attached hereto as **Exhibits “F”, “G”** and “**H**”.

25. A corporate chart reflecting the ownership interests in the Debtors follows:

¹ A non-Debtor entity, Vancor Management Inc., operates as 888’s property manager.



“True North” means 2744364 Ontario Limited (o/a True North Cannabis Co.)

“Bamboo Blaze” means 2668905 Ontario Inc. (o/a Bamboo Blaze)

“888” means 2767888 Ontario Inc.

¹ Vancor Management Inc. is the property manager for 888 and is not an owner of any of True North, Bamboo Blaze, or 888.

26. The Debtors’ directors and officers are me, and Schaller² or Hapanovich, as set out below:

Debtor	Directors	Officers
TNCC	Van Iersel Hapanovich	Van Iersel – President/Treasurer Hapanovich – Vice President/Secretary
Bamboo Blaze	Schaller Van Iersel	Schaller – President Van Iersel – Secretary/Treasurer
888	Schaller Van Iersel	Schaller – President Van Iersel – Secretary/Treasurer

² As described herein, although nominally having the roles set out below, Schaller and Hapanovich have fully withdrawn from the businesses and are barred by court order from having anything to do with the businesses.

E. Cannabis licences

27. As a cannabis retailer, TNCC is regulated by the *Cannabis Act* (Canada) and applicable provincial and municipal cannabis legislation. In Ontario, cannabis retail activities are governed by specific provincial regulations that require retailers to be licensed before any cannabis is sold. The licensing process is overseen by the Alcohol and Gaming Commission of Ontario (“AGCO”), which assesses the suitability of store locations (e.g., their proximity to schools) and the adequacy of security measures to prevent unauthorized access to cannabis.

28. Operating a cannabis retail store in Ontario requires two forms of corporate-level approval from the AGCO: a “Cannabis Retail Operator License” is necessary to own a cannabis retailer; and every operating brick-and-mortar location must hold a “Cannabis Retail Store Authorization”. The Cannabis Retail Operator License ensures that cannabis retail operations are owned by appropriate parties. The Cannabis Retail Store Authorization ensures that the AGCO’s physical business requirements are met, for example, that cannabis is not visible from outside the store and that cannabis products are securely stored and accessible only by staff.

29. TNCC has one Cannabis Retail Operator License and 48 Cannabis Retail Store Authorizations.

30. Cannabis Retail Store authorizations are given for a two-year term. The renewal fee for each license is \$3500. During the expected pendency of this CCAA proceeding, 15 of TNCC’s Cannabis Retail Store Authorizations will be due for renewal and the Cash Flow Forecast contemplates that they will be paid in the ordinary course (supported by requested interim financing).

31. In addition, individual cannabis retail store managers must hold a Retail Manager License. TNCC's retail store managers have such licenses.

F. Leases

32. TNCC operates out of leased premises. Forty of its 48 stores are located on real property that it leases from 888 ("**888 Leases**"). Each lease is essentially identical, except for the location and start date. TNCC's other eight retail locations are leased from arm's length landlords ("**Arm's Length Leases**"). TNCC does not sublease any of its leased premises. A copy of a table summarizing TNCC's lease obligations is attached hereto as **Exhibit "I"**.

33. TNCC pays all of its lease obligations on a monthly basis, on the first day of each month. Payments under the 888 Leases are made to 888's property manager – Vancor Management Inc. – who then remits payment to 888. Payments under the Arm's Length Leases are made directly by TNCC to the applicable landlord.

34. 888 is not a tenant under any commercial lease.

35. Bamboo Blaze is not a landlord nor a tenant under any commercial lease.

G. Employees

36. As of the date of this affidavit, the Debtors, exclusively through TNCC, employ 285 people ("**Employees**"). Six TNCC Employees also perform tasks for 888 and Bamboo Blaze on an *ad hoc* basis. 106 Employees are employed on a full-time basis and hold managerial and retail staff roles; 179 Employees are employed on a part-time basis and the part-time Employees consist entirely of retail staff.

37. Employees are paid bi-weekly in arrears. TNCC is current on its payroll at this time. If the DIP Facility is approved by the court at the Comeback Hearing, TNCC will use advances thereunder to, among other things, meet payroll in the ordinary course.

38. No Employees are unionized or otherwise party to a collective agreement in connection with their employment with TNCC.

39. TNCC does not sponsor, administer, or otherwise have any registered or unregistered pension plans. TNCC provides a full benefits package to Employees that covers, among other things, medical assistance and extended health services, dental care, accidental death and dismemberment insurance, life insurance, and critical illness insurance. The scope of coverage varies depending on the employee.

H. Suppliers

TNCC retail

40. In Ontario, cannabis retailers must – by law – purchase all of their cannabis inventory from the Ontario Cannabis Store (“OCS”). TNCC purchases nearly \$1,000,000 of inventory from the OCS per week. As such, TNCC’s relationship with the OCS is critical to its business. Any interruption in supply from the OCS would have a material adverse impact on TNCC’s business.

41. TNCC also retails cannabis accessories, which it purchases from Bamboo Blaze and third party suppliers.

TNCC infrastructure

42. In addition to cannabis and cannabis accessories, TNCC relies on several other services, including, without limitation: point-of-sale; inventory protection and security (including alarm

monitoring, close circuit television monitoring, access key card management, lock and store key managers, and online security software and services providers); website hosting and online payment processing; insurance; utilities, and delivery routing.

Bamboo Blaze

43. Bamboo Blaze has limited active supplier relationships at this time. The business is adequately stocked and there is no immediate need for new inventory after sale to TNCC. Bamboo Blaze maintains an ongoing relationship with a supplier of vaporizer cartridges, which it sells to licensed cannabis producers (not TNCC).

888

44. 888 has no third-party supplier relationships. As indicated, 888 relies upon a related party company – Vancor Management Inc. – for property management services.

I. Cash Management System

45. In the ordinary course of business, the Debtors use a centralized banking and cash management system (as described in this section, “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with their operations.

46. The Debtors’ have four bank accounts as described below.

- (a) TNCC: One deposit chequing account with TD Bank and one operating chequing account with TD Bank. All of TNCC’s receipts are paid into the deposit account and all of TNCC’s disbursements are made out of the operating account.

(b) 888: One chequing account with TD Bank that is used for receipts and disbursements.

(c) Bamboo Blaze: One chequing account with TD Bank that is used for receipts and disbursements.

47. TNCC's credit and debt card transactions at retail locations are processed by Merrco, a payment services provider focused on the cannabis industry, while cash handling and transfers are preformed by Employees making branch deposits at TD.

48. TNCC does not accept online payments for its products. The Online Storefront allows customers to place orders for pickup at a TNCC retail location. Payment is made at the pickup location.

49. TNCC uses Dext Automated Accounting to permit Employees to submit expenses for approval. Employees upload their expense receipts to Dext, which are then reviewed by the senior bookkeeper.

50. The Debtors have no corporate credit cards.

51. Historically, the Debtors would make intercompany transfers to address immediate liquidity needs. If the proposed Initial Order is granted, intercompany transfers will only be made with prior approval of the Monitor, with the exception of TNCC's rent payments under the 888 Leases – as described above.

52. The Debtors' accounting department reviews and reconciles the bank accounts on a monthly basis. The Debtors accounting department also reviews cash receipts and disbursements on a weekly basis, including forecasting weekly cash flow and comparing the forecast to actuals.

53. The Debtors propose to continue to use the Cash Management System in the normal course throughout the CCAA proceeding.

V. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST

54. The Debtors have historically maintained limited financial statements. They have balance sheets that are updated on a quarterly basis. Copies of the most recent balance sheets, as at December 31, 2024 (“**Balance Sheets**”) are attached hereto as **Exhibit “J”**, “**K**”, and “**L**”, respectively. The Balance Sheets were prepared by the Debtors’ VP of Finance, Heithem Dahrouj.

A. Assets

TNCC

55. As at November 30, 2024, TNCC had total assets of approximately \$15,817,988 consisting of approximately \$7,451,493 of current assets and approximately \$8,616,495 of non-current assets.

56. Current assets were comprised primarily of cash; inventory; accounts receivable; and prepaid expenses.

57. Non-current assets were comprised primarily of property, plant and equipment.

Bamboo Blaze

58. As at January 19, 2025, Bamboo Blaze had total assets of approximately \$2,727,373 consisting entirely of current assets, comprised entirely of accounts receivable and inventory.

888

59. As at December 31, 2024, 888 had total assets of approximately \$19,208,824, consisting of approximately \$121,787.97 of current assets and approximately \$19,087,036 of non-current assets.

60. Current assets were comprised entirely of accounts receivable.

61. Non-current assets were comprised entirely of property, plant and equipment.

B. Liabilities

TNCC

62. As at November 30, 2024, TNCC had liabilities totalling approximately \$25,301,507, consisting of approximately \$4,713,742 of current liabilities and \$20,587,765 of non-current liabilities.

63. Current liabilities were comprised primarily of accounts payable, accrued liabilities, and intercompany loans.

64. Non-current liabilities were comprised primarily of Shareholder Loans (as defined herein).

Bamboo Blaze

65. As at January 19, 2025, Bamboo Blaze had liabilities totalling approximately \$3,610,055, consisting of current liabilities of approximately \$342,662 and non-current liabilities of approximately \$3,267,432.

66. Current liabilities were comprised entirely of accounts payable.

67. Non-current liabilities were comprised primarily of Shareholder Loans.

888

68. As at December 31, 2024, 888 had liabilities totalling approximately \$20,853,679, consisting current liabilities of approximately \$1,303,049 and non-current liabilities of approximately \$19,550,629.

69. Current liabilities were comprised entirely of accounts payable.

70. Non-current liabilities were comprised primarily of the Firm Capital Loan and Shareholder Loans.

C. Cash Flow Forecast

71. The Debtors' finance team, with the assistance of the Monitor, has prepared a projected 15-week cash flow forecast ("**Cash Flow Forecast**") for the week ending May 4, 2025 ("**Cash Flow Period**"). The Cash Flow Forecast is premised on the Initial Order being granted and the DIP Term Sheet being approved thereunder.

72. The Cash Flow Forecast is a reasonable projection of the Debtors' cash flow. I understand that a copy of the Cash Flow Forecast will be attached to Deloitte's pre-filing report to the court ("**Pre-Filing Report**"), and will be accompanied by the mandatory representations in accordance with the CCAA.

73. The Cash Flow Forecast estimates that the Debtors will require up to \$1,500,000 in interim financing over the upcoming 15 weeks. Up to approximately \$1,000,000 of interim financing is forecasted to be required over the Initial Stay Period.

VI. CREDITORS

A. Secured Creditors

74. The Debtors' secured creditors ("**Secured Creditors**") consist of a range of institutional and private lenders. Relevant particulars of the secured debt are summarized in the table attached hereto as **Exhibit "M"**.

75. Copies of the Ontario Personal Property Registration System search results for each of the Debtors, as at January 20, 2025 are attached hereto as **Exhibits "N", "O" and "P"**.

76. Copies of current parcel registers for each of the properties owned by 888 have been obtained and reviewed by Vancor's counsel and are available to the court and creditors upon request.

Firm Capital

77. 888 has 26 outstanding mortgages ("**Firm Capital Mortgages**") with Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), securing a March 2022 credit facility in the aggregate amount of \$10 million ("**Firm Capital Loan**"). Approximately \$7.5 million is currently owing by 888 under the Firm Capital Loan. No further advances are permitted and the debtor has no ability to seek further draws (based on debt service requirements). The Firm Capital Loan is due May 1, 2025.

78. In addition to the Firm Capital Mortgages, the Firm Capital Loan is secured through a general assignment of rents given by 888 and is cross-collateralized through, (i) a general security agreement given by TNCC; and (ii) personal guarantees from Vancor and myself, and PICI and Schaller.

Bank of Montreal

79. 888 has one outstanding mortgage (“**BMO Mortgage**”) with the Bank of Montreal securing a \$1,347,500 principal loan (“**BMO Loan**”), which is payable upon demand. Approximately \$1,186,288 is currently outstanding under the BMO Loan. In addition to the BMO Mortgage, the BMO Loan is further secured by a general security agreement and assignment of rents given by 888.

Garas Holdings and related persons

80. 888 has three outstanding mortgages (“**Garas Mortgages**”) with all of Nashaat Garas, Garas Family Holdings Inc. (“**Garas Holdings**”), and Manal Garas Pharmacy Professional Corporation— securing a \$2,500,000 loan (“**Garas Loan**”). The Garas Loan matured on November 5, 2022 and has not been repaid (due to circumstances described below). Approximately \$2,500,000 remains outstanding under the Garas Loan.

M. Higgins & Associates Limited

81. 888 has an outstanding mortgage (“**Higgins Mortgage**”) to M. Higgins & Associates Limited, securing a \$360,000 loan (“**Higgins Loan**”) to 888. The Higgins Loan matures on April 1, 2026. Approximately \$360,000 remains outstanding under the Higgins Loan.

Metal Tree Inc.

82. 888 has an outstanding mortgage (“**Metal Tree Mortgage**”) to Metal Tree Inc., securing a \$723,750 loan (“**Metal Tree Loan**”) to 888. The Metal Tree Loan matures on August 1, 2025. Approximately \$723,750 remains outstanding under the Metal Tree Loan. The Metal Tree Loan is personally guaranteed by Schaller and me.

Seavale Incorporated

83. 888 has an outstanding mortgage (“**Seavale Mortgage**”) to Seavale Incorporated (“**Seavale**”) – securing a \$452,989 loan (“**Seavale Loan**”) to 888. The Seavale Loan matures on February 1, 2026. Approximately \$452,989 is currently outstanding under the Seavale Loan. The Seavale Loan is secured by the Seavale Mortgage.

Venizelos Anastasiadis

84. 888 has an outstanding mortgage (“**VA Mortgage**”), in the amount of \$450,000, to Venizelos Anastasiadis, securing a vendor-take back loan (“**VA Loan**”) made in connection with the acquisition of TNCC by myself and Hapanovich. The VA Loan matured on February 1, 2023.

818876 Ontario Ltd.

85. 888 has an outstanding mortgage (“**818 Mortgage**”) to 818876 Ontario Ltd., securing a \$374,500 loan (“**818876 Loan**”) to 888. The 818 Loan matures on March 31, 2026. Approximately \$374,500 remains outstanding under the 818 Loan.

B. Unsecured Creditors

86. The majority of the Debtors’ unsecured liabilities are Shareholder Loans owing to Vancor, as further described below.

87. In addition, as indicated in the 888 Balance Sheet, approximately \$1.5 million is owed by 888 to PICI pursuant to a shareholder loan.

88. The Debtors do not have material trade payables outside of TNCC’s obligations to the OCS, which obligations are significant but also current.

Vancor and its Shareholder Loans

89. Vancor is my personal holding company.

90. Since 2020, Vancor has financed the Debtors' operational and capital expenses through shareholder loans ("**Shareholder Loans**"), totalling approximately \$23 million (in principal) as of November 2024. These loans were funded through two primary sources: intercompany loans from Van Iersel Properties, a real estate holding company owned by me, which Van Iersel Properties financed via, among other sources, (i) a secured line of credit and/or real estate asset sales; and (ii) loans from Rebecca MacDonald, my common-law spouse.

91. As at January 16, 2025, the Shareholder Loans were outstanding in the following approximate principal amounts:

- (a) TNCC: \$18,187,770.02;
- (b) 888: \$4,991,143; and
- (c) Bamboo Blaze: \$2,855,299.

92. At the time the majority of the Shareholder Loans were advanced, the personal relationships between the Debtors' shareholders/management were strong. Given the closely held nature of the businesses, and the owners' trust in one another, promissory notes were not initially prepared and monies were advanced on an informal basis, without written loan documentation.

93. The Shareholder Loans were recorded as liabilities on the books and records of the Debtors and concomitantly treated as loans made by Vancor in its financial statements and tax filings.

94. At the time the Shareholder Loans were advanced, it was mutually understood and agreed that Vancor would be repaid as soon as commercially reasonable, or following demand by Vancor. This agreement was also based on the parties' longstanding trust in one another, as well confidence (at the time) in a shared vision for the companies' growth and success.

95. Schaller, Hapanovich, and I discussed and agreed that the loans would bear interest at 10% per annum. This is the rate that has been paid. At times, in an effort to accommodate the Debtors' urgent liquidity needs, Vancor has allowed interest to accrue. This was the case between August 2020 and December 2023 at which point accrued interest obligations totalled \$5,396,965. More recently, beginning in early 2024, the loans have been consistently serviced with monthly interest paid and accrued interest obligations reduced to \$4,036,151.

96. Vancor has lost confidence in the viability of the Debtors' business.

97. Ongoing shareholder disputes have reached a critical point, eroding trust completely between the Debtors' shareholders and their principals. This environment of mistrust is underscored by a barrage of accusations and counter-accusations surfacing in Litigation (defined and described below), which has in turn exacerbated tensions. Strategic business decisions, notably regarding the impending maturity of the Firm Capital Mortgages, can no longer be made.

98. Further, I need to monetize and realize upon – or at the very least protect – my debt investment in the Debtors in order to obtain the liquidity necessary to fund multi-million dollar personal obligations coming due in 2025.

99. Vancor, therefore, gave notice to the Debtors in November 2024 that it required repayment of the Shareholder Loans.

100. On December 18, 2024, Vancor and the Debtors, with the assistance of independent legal counsel, negotiated and executed a forbearance agreement (“**Forbearance Agreement**”) under which Vancor agreed to forbear from demanding the repayment of its Shareholder Loans while the Debtors continued to pursue investment and financing solutions sufficient to effect repayment of their respective Shareholder Loans (“**Repayment Transaction**”). Among other things, the Forbearance Agreement memorialized the principal amounts then outstanding under the Shareholder Loans, as well as interest. A copy of the Forbearance Agreement is attached hereto as **Exhibit “Q”**.

101. Due to my role as principal of Vancor and my management and ownership interests in the Debtors, I recused myself from making any decision on behalf of the Debtors in respect of the Forbearance Agreement and the matters addressed therein.

102. Following the execution of the Forbearance Agreement, the Debtors, through their VP of Finance (Heithem Dahrouj), independent of me, explored potential Repayment Transactions. I am advised by Heithem Dahrouj that he contacted at least six potential lenders and investors (both Schedule “A” banks and alternative lenders), as well as smaller private sources of capital. All parties contacted declined interest and willingness to pursue a Repayment Transaction, or other investment given the particular challenges facing the Debtors (as described herein) and the industry more generally.

103. The forbearance period expired on January 15, 2025, with no reasonable prospect of a Repayment Transaction having been identified.

C. HST and payroll remittance obligations

104. The Debtors accrue HST and payroll deduction liabilities in the normal course of operations. Payroll deductions are made bi-weekly, at the same time as Employees are paid. The Debtors' remit HST and payroll deductions on a monthly basis and are current on such obligations.

D. Contingent claims

105. The Debtors are subject to three active litigation claims. Two are disputes as amongst the Debtors' shareholders. The third is a wrongful dismissal claim brought – in Small Claims Court – by a former TNCC employee seeking \$67,500 in damages. A table summarizing the results of Ontario-wide litigation searches against the Debtors, and the status of each of the various proceedings, is attached hereto as **Exhibit "R"**.

VII. CHALLENGES FACED BY THE DEBTORS

A. TNCC and Bamboo Blaze cannot be properly managed

106. The ultimate beneficial owners and directors and executive management of TNCC and Bamboo Blaze are me and/or Schaller or Hapanovich.

107. Schaller and I were business partners for over 10 years. In addition to our interests in the Debtors, we also co-own a number of other businesses together. For the better part of those 10 years we had a close and collaborative business relationship founded on mutual trust and respect.

108. On or about March 2024, the relationship between me and Schaller began to fracture when I declined to loan him \$100,000 to prevent a property owned by Schaller from being lost to a power of sale proceeding.

109. Since the spring of 2024, the breakdown of our relationship has caused significant turmoil for our jointly owned businesses. On March 26, 2024, Schaller sent me a voice message, later deleted by Schaller after I had listened to it, stating, “I don’t care if we are broke, I don’t care if we don’t make payroll, I’m going to sabotage everything” – threatening to render Vancor’s investments in the Debtors (and our other jointly-held businesses) worthless. Around this time, Schaller and Hapanovich demanded that Hapanovich’s salary from TNCC be doubled, warning that failure to comply would result in Hapanovich shutting down TNCC’s bank accounts, preventing payroll processing.

110. In April 2024, Vancor and others issued a statement of claim (“**Oppression Litigation**”) against the Debtors, and other related persons and entities including Schaller and Hapanovich.

111. The Debtors are but three of ten defendants (“**Defendants**”) in the Oppression Litigation.

112. Importantly, the Oppression Litigation resulted in an April 26, 2024 order (“**Control Order**”) of Justice Gibson, made with the consent of the Defendants. The Control Order prohibits Schaller and Hapanovich from having any involvement in the Defendants’ operations or related businesses. It also grants me exclusive authority over the Defendants’ finances and banking – with the requirement to act reasonably and in the best interests of the companies – except for Garas Holdings, whose rights under the 888 unanimous shareholders agreement (“**888 USA**”) were preserved. A copy of the Control Order is attached hereto as **Exhibit “S”**. Copies of the pleadings in the Oppression Litigation are attached hereto as **Exhibits “T”, “U” and “V”**.

113. More recently, the Oppression Litigation, and the resultant Control Order, has been overtaken by the developing insolvency of certain of the Defendants, including the Debtors.

114. In August 2024, two of the Oppression Litigation defendants (non-Debtors) became subject to an initial order under the CCAA on the application of Vancor. (These entities emerged from CCAA protection in November 2024.)

115. In September 2024, Schaller and Hapanovich left Canada and moved to Thailand. They no longer have any involvement with the Debtors or the other businesses which they own with me.

116. Apart from the Control Order, the Oppression Litigation did not progress beyond a pleadings stage. The proceedings are essentially dormant. No hearing dates are scheduled. With the Control Order having been obtained and Schaller having moved to Thailand and otherwise withdrawn from having any active role in the companies, the Oppression Litigation has not been a priority for the parties.

B. 888 cannot be properly managed

117. As described above, Schaller, Garas Holdings, and I are the ultimate beneficial owners of 888. Schaller and I are the directors and executive management of 888.

118. Garas Holdings acquired its interest in 888 in November 2021, at which point it purchased 20% of PICI's then 50% interest in 888 for \$3,393,000.

119. In or about October 2023, Nashaat Garas ("**Nash**"), principal of Garas Holdings, approached Schaller and I regarding the shareholder loans we had made to 888. Nash alleged that he had not known about the 888 shareholder loans and, as such, overpaid for his shares.

120. Nash subsequently declined to accept interest or principal payments on account of the Garas Loan. He did so notwithstanding that 888 was in a position to make payment and attempted to honour all of its mortgage obligations.

121. Furthermore, since November 2023, Garas Holdings has refused (purportedly pursuant to Garas Holdings' rights under the 888 USA) to permit 888 to sell and monetize properties owned by 888 in order to rationalize its real estate portfolio and generate much-needed liquidity for the business. Garas Holdings' actions in this regard are detrimental to the operation of 888's business and are preventing 888 from generating the funds necessary to service and repay debt, including the Garas Loan, which matured in 2022, and the Firm Capital Loan – which is maturing imminently.

122. By August 2024, with the dispute between Nash, Schaller, and I still unresolved, Garas Holdings commenced a court application (“**888 Litigation**” and, together with the Oppression Litigation, “**Litigation**”) against Vancor, Schaller, PICI, 888, and me.

123. The 888 Litigation is focused on the circumstances under which Garas Holdings obtained its 20% equity interest in 888. In the 888 Litigation, Garas Holdings seeks, among other things, the repurchase by PICI of its investment in 888 or damages from all of the respondents. A copy of Garas Holdings' notice of application is attached hereto as **Exhibit “W”**. The 888 Litigation respondents have not yet served their responding materials.

124. The 888 Litigation is in the process of being briefed and is scheduled to proceed to a hearing on March 19, 2025. A copy of the most recent timetable order in the case is attached hereto as **Exhibit “X”**.

VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Urgent need for relief under the CCAA

125. The Debtors are balance sheet insolvent and face an imminent liquidity crisis.

126. Given the upcoming Firm Capital maturity wall, the Debtors urgently need to take rational and expeditious steps to repay, refinance, or extend the Firm Capital Loan. However, for the reasons described herein, absent the proposed CCAA proceeding, the Firm Capital Loan cannot be dealt with in a timely manner.

127. As a result of the Firm Capital maturity wall and the demand under the VA Loan, 27 of TNCC's 48 retail storefront leases are at risk. Preserving the vertical integration structure of TNCC's lease holdings, through 888, will be essential to the turnaround of TNCC's business. In the highly regulated and hypercompetitive Canadian cannabis industry, fair and predictable real estate costs provide important cost advantages to cannabis retailers.

128. The Debtors also lack sufficient resources to repay, refinance or otherwise address the VA Loan, the Garas Loan, and the Shareholder Loans.

129. In the circumstances outlined herein, Vancor cannot reasonably be expected to further accommodate the Debtors and see its position eroded. Vancor is not prepared to continue to financially support the Debtors and requires the repayment of its loans.

130. With no feasible refinancing options available, the Debtors' operational and financial stability is dependant on access to the protections and restructuring provisions of the CCAA.

131. Delay in initiating a CCAA proceeding will jeopardize the Debtors' relationships with employees, customers, and suppliers and further erode the value of the Debtors' business for stakeholders.

132. A proceeding with the protections of the CCAA, including an independent Monitor and CRO, will provide the fastest and most efficient means of stabilizing the Debtors' businesses, including addressing the Litigation (if necessary), and obtaining repayment financing, which in

turn will maintain their going concern value and preserve jobs for 285 employees and customer and supplier relationships.

133. The Litigation affords no prospect of effectively addressing the now existential threats posed by the urgent requirement to make strategic business decisions, including preventing imminent secured creditor enforcement action, and managing the repayment of Firm Capital Loan, the Garas Loan, the VA Loan, and the Shareholder Loans.

134. Given the Debtors' insolvent and increasingly precarious financial position, Vancor, in consultation with its advisors and the Monitor, believes that the best path forward to an optimal outcome is the solicitation of a sale of or investment in the Debtors' business in the context of a court-approved and professionally run SISP.

B. Appointment of Monitor

135. The Monitor is a "trustee" within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has consented, subject to Court approval, to act as the Debtors' CCAA monitor.

136. The Monitor is not subject to any of the restrictions on who may be appointed as a monitor under the CCAA, as set out in section 11.7(2) of the CCAA.

137. The Monitor has reviewed, and assisted in the preparation of, the Debtors' cash flow forecast and has provided guidance and assistance in the commencement of these CCAA proceedings.

138. I understand that a copy of Deloitte's consent to act as Monitor will be attached to the Pre-Filing Report.

C. Chief Restructuring Officer

139. Vancor seeks the appointment of Shawn Dym as the CRO of the Debtors pursuant to the terms and conditions set out in the CRO Engagement.

140. Mr. Dym holds a Masters of Business Administration from Harvard Business School and has over ten years of experience in the cannabis sector. Mr. Dym is security cleared by Health Canada. Mr. Dym is currently an active owner and director of Decibel Cannabis Co, Inc., and is an advisor to Green Acre Capital, a private equity firm focused exclusively on the cannabis industry.

141. I believe Mr. Dym has the requisite knowledge and expertise on the regulatory landscape of the cannabis industry and is well suited to assist the Company, in consultation with the Monitor, throughout the proposed CCAA restructuring.

142. I understand that a redacted copy of the CRO Engagement will be attached to the Pre-Filing Report; and an unredacted copy will be filed with the court in a confidential appendix to the Pre-Filing Report. Redactions are only made regarding the compensation payable to Mr. Dym – which is comprised entirely of a monthly fee.

143. The CRO Engagement provides that for the Initial Stay Period, the CRO's role is proposed to be limited to review and reporting functions. Following the issuance of an ARIO, the CRO Engagement contemplates an expansion of the CRO's role to management-related functions, including the authority to negotiate with Firm Capital (and other secured creditors) on behalf of the Debtors.

144. The CRO will provide the Debtors with the stable and independent management necessary to preserve the Debtors' going concern value.

145. Due to the current management disputes within the Debtors, described above, I believe that the appointment of a CRO is reasonable and necessary.

146. The proposed CRO has consented to act in these proceedings.

147. I understand that the Monitor also believes that the appointment of a CRO is reasonable and necessary and supports the engagement of Mr. Dym as CRO, pursuant to the terms of the CRO Engagement.

D. Stay of Proceedings

148. The Debtors require the Stay of Proceedings to maintain the *status quo* and to provide the Debtors the breathing space they require to undertake the SISF under the direction and supervision of the Monitor. A proceeding with the protections of the CCAA will provide the fastest, most efficient, and least-stigmatic means of stabilizing the business, which in turn will maintain its going concern value and preserve jobs for the Debtors' 285 employees

149. The proposed Initial Order contemplates an Initial Stay Period of 10 days, up to and including February 3, 2025, in accordance with the CCAA.

150. The Cash Flow Forecast illustrates that the Debtors will have sufficient cash to operate through the proposed Initial Stay Period.

151. The Monitor supports Vancor's request for an Initial Stay Period.

E. Administration Charge

152. The Applicant seeks a super-priority charge ("**Administration Charge**") on the Debtors' Property (as defined in the draft Initial Order), up to a maximum amount of \$350,000, to secure

the fees and disbursements of the Monitor and its counsel, the proposed CRO, the Debtors' counsel, and Vancor's counsel, incurred both before and after the commencement of the CCAA proceedings.

153. Vancor's counsel and Deloitte and its counsel have been extensively involved in planning and preparing this initial application under the CCAA. It is contemplated that each of the aforementioned parties, as well as the CRO, (i) will have extensive involvement during the proposed CCAA proceedings; (ii) will continue to contribute to the restructuring of the Debtors; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

154. I understand that the Monitor has reviewed the proposed quantum of the Administration Charge and is of the view that it is reasonable and appropriate in the circumstances given the pre-filing services preformed by Vancor's counsel and the Monitor and its counsel, and the work required to be completed by these professionals and the CRO during the Initial Stay Period.

155. The Administration Charge is proposed to rank (i) subordinate to the security interests held by Firm Capital and (ii) in priority to all other security interests given by the Debtors and the DIP Lender's Charge.

156. At the Comeback Hearing, Vancor intends to increase the Administration Charge.

F. Approval of the DIP Term Sheet and DIP Lender's Charge

157. To fund the operations and restructuring costs of the Debtors during the CCAA proceeding, the Debtors have obtained an interim financing commitment from the DIP Lender subject to the terms and conditions set out in the DIP Term Sheet. An executed copy of the DIP Term Sheet is attached as **Exhibit "Y"**.

158. I am advised by Heithem Dahrouj, the Debtors' VP Finance, that prior to executing the DIP Term Sheet, the Debtors discussed financing terms with three potential alternative interim lenders, however in the circumstances described herein, none of the potential financiers were ultimately willing to lend into the situation.

159. The reasonableness of the business and economic terms of the proposed interim financing is the subject of analysis and commentary in the Pre-Filing Report of the Proposed Monitor.

160. The key terms and conditions of the DIP Term Sheet are as follows:

- (a) a maximum principal loan amount of \$2,000,000 (plus interest, fees, and costs), including an initial advance in the principal amount of 900,000;
- (b) interest accruing at a rate of 12% per annum, compounded and calculated on the daily outstanding principal balance;
- (c) a commitment fee of \$40,000, equal to 2% of the aggregate availability;
- (d) the reimbursement of the DIP Lender's reasonably incurred costs, including all legal expenses incurred by the DIP Lender in connection with the DIP Term Sheet, subject to the terms and conditions of the DIP Term Sheet;
- (e) payment of all accrued interest and fees up to the maturity date upon pre-payment of the loan;
- (f) a maturity date of the earlier of (i) May 30, 2025 or such later date as the DIP Lender agrees to in writing, (ii) implementation of a plan of compromise or arrangement, (iii) the closing of a sale transaction, (iv) the termination of the CCAA

proceedings, (v) the conversion of the CCAA proceeding into a proceeding under the *Bankruptcy and Insolvency Act*; and

- (g) advances under the DIP Facility are conditional upon Court approval of the DIP Term Sheet and the granting of a Court-ordered DIP Lender's Charge.

161. The DIP Facility is expected to provide sufficient liquidity to allow the Debtors to satisfy cashflow requirements and meet their obligations during the pendency of the CCAA proceeding. The DIP Lender requires all obligations under the DIP Term Sheet to be secured by a court-ordered priority charge.

162. The Initial Order contemplates a DIP Lender's Charge of \$900,000 (plus interest, fees, and costs) be granted and be subordinate to: Firm Capital's security, the Administration Charge and the security interests held by the Secured Creditors. The amount of the DIP Lender's Charge requested is limited to amounts reasonably necessary to be advanced to support the continued operations of the Debtors' businesses in the ordinary course during the Initial Stay Period.

163. At the Comeback Hearing, the Debtors intend to seek an increase to the DIP Lender's Charge up to a maximum principal amount of \$2,000,000 (plus interest, fees, and costs). The Cash Flow Projection estimated the need for approximately \$1,500,000 in interim financing during the Cash Flow Period, assuming no material negative variance.

G. Authority to pay pre-filing supplier obligations

164. The proposed Initial Order authorizes the Debtors to pay during the Initial Stay Period, and with the consent of the Monitor, pre-filing amounts owed to the Ontario Cannabis Store ("OSC"), in accordance with the terms of the DIP Term Sheet and the Cash Flow Forecast.

165. OCS is TNCC's sole supplier of cannabis inventory. Any interruption in supply would have a material adverse impact on TNCC's business.

166. Payment of OCS pre-filing obligations will support smooth and uninterrupted operations and preserve future value for the purpose of completing a proposed sale or investment transaction.

H. Ability to pay pre-and-post-filing principal and interest

167. The proposed Initial Order authorizes the Debtors to pay during the Initial Stay Period, and with the consent of the Monitor, pre-and-post-filing principal and/or interest to the Secured Creditors, in accordance with the terms of the DIP Term Sheet and the Cash Flow Forecast. This will mitigate adverse impacts of the filing and ensure that the Debtors continue to enjoy the confidence of secured stakeholders – whose support is essential to achieving restructuring objectives.

168. At the Comeback Hearing, Vancor intends to request authorization for the Debtors to continue to pay, with the consent of the Monitor and consistent with the terms of the DIP Term Sheet and the Cash Flow Forecast, post-filing principal and/or interest to secured creditors.

I. Sealing the CRO Engagement

169. The proposed Initial Order provides that the Confidential Appendix to the Monitor's Pre-Filing Report, consisting of an unredacted copy of the CRO Engagement, be sealed and not form part of the public record until further Order of the Court.

170. The unredacted CRO Engagement includes personal contact information for Mr. Dym and breakdown of the CRO's fees, which the Applicant seeks to keep confidential and not part of the public record.

171. The CRO in this case is an individual having the reasonable expectation that personal and financial particulars will be kept confidential and not form part of the full public record.

IX. FORM OF ORDER AND CONCLUSION

172. The Applicant, with the assistance of its legal and financial advisors, has determined that the proposed CCAA proceedings represent the best available strategy to maximize value for the Debtors' stakeholders in the circumstances.

173. I swear this affidavit in support of an Initial Order in the form contained at Tab 3 of the Application Record, and for no other or improper purpose.

AFFIRMED before me at the City of Toronto, in the Province of Ontario, with the deponent in the City of Orlando in the State of Florida this 23rd day of January, 2025 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits

MRYAM SARKIS

Signed by:

11E7CF7231384C2...

CORRY VAN IERSEL

Court File No. CV-25-00735482-00CL

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL*
Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF CORRY VAN IERSEL
(Affirmed January 23, 2025)**

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO#: 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

This is Exhibit “B” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel of the City of Cambridge in the Regional Municipality of Waterloo, before me at the City of Toronto, in the Province of Ontario, on February 24, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCD831BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Court File No.: CV-25-00735482-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
JUSTICE PENNY)
)
)

MONDAY, THE 3RD
DAY OF FEBRUARY, 2025

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

and

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO, 2668905
ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO INC.

Respondents (Debtors)

AMENDED AND RESTATED INITIAL ORDER
(Amending the Initial Order dated January 24, 2025)

THIS APPLICATION, made by The Vancor Group Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of Cory Van Iersel sworn January 23, 2025 (the "**First Van Iersel Affidavit**"), the affidavit of Corry Van Iersel sworn January 30, 2025 (the "**Second Van Iersel Affidavit**") and the Exhibits thereto, the pre-filing report to the court (the "**Pre-Filing Report**") of Deloitte in its capacity as proposed CCAA monitor (the "**Monitor**") of 2744364 Ontario Limited, 2668905 Ontario Inc., and 2767888 Ontario Inc. (together, the "**Debtors**"), the first report to the court of the Monitor, and on hearing the submissions of counsel for the Applicant, counsel for the Debtors, counsel for the Monitor, and such other parties listed on the Counsel Slip,

with no one else appearing although duly served as appears from the affidavit of service of Kim Sellers affirmed January 30, 2025, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Debtors shall remain in possession and control of their current and future assets, licenses, authorizations, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Debtors shall be entitled to continue to utilize the central cash management system currently in place as described in the First Van Iersel Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be

under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Debtors, in accordance with the cash flow forecast appended to the Pre-Filing Report (the “**Cash Flow Forecast**”) shall be entitled but not required to pay, subject to the Definitive Documents (as hereinafter defined), the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, and vacation pay payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges;
- (c) principal and/or interest payable to Secured Creditors (as defined in the First Van Iersel Affidavit) in accordance with the Cash Flow Forecast; and
- (d) with the consent of the Monitor, amounts owing for goods actually supplied to the Debtors prior to the date of this Order by the Ontario Cannabis Store but not yet paid for.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the Definitive Documents, the Debtors shall be entitled but not required to pay all reasonable expenses incurred by the Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Debtors following the date of this Order.

8. **THIS COURT ORDERS** that the Debtors shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtors.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtors and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the 1st day

of each month. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

11. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations outside of the ordinary course of business, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Debtors to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Debtors shall provide each of the relevant landlords with notice of the Debtors’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes

the Debtors' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtors, or by further Order of this Court upon application by the Debtors on at least two (2) days notice to such landlord and any such secured creditors. If the Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Debtors' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtors and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtors in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including May 2, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or the Monitor or their respective directors, officers, employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Debtors and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor, or leave of this Court, *however*, notwithstanding any other provisions of this Order, the rights and remedies of Firm Capital Mortgage Fund Inc. (“**Firm Capital**”) shall be entirely unaffected by this Order. Furthermore, nothing in this Order shall (i) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending, or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance

with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Debtors with the powers and obligations set out in the CCAA or set forth herein and that the Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Debtors' receipts and disbursements, including without limitation payments to Secured Creditors as contemplated under this Order;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Debtors, to the extent required by the Debtors, in their dissemination to the DIP Lender, and its counsel, of financial and other information as agreed to by the Debtors and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Debtors in their preparation of the Debtors' cash flow statements;
- (e) advise the Debtors in their development of the Plan and any amendments to the Plan;
- (f) assist the Debtors, to the extent required by the Debtors, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property, nor be deemed to take possession of the Property, pursuant to any provision of any federal, provincial

or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, as amended, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, as amended, the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Alberta Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, the *Alberta Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, as amended, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Saskatchewan Cannabis Control (Saskatchewan) Regulations*, R.R.S. c. C-2.111 Reg. 1, the *Manitoba The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, the *Manitoba Cannabis Regulation*, M.R. 120/2018, as amended, the *Newfoundland and Labrador Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the *Newfoundland and Labrador Cannabis Control Regulations*, NLR. Reg. 93/18, as amended, the *Newfoundland and Labrador Cannabis Licensing and Operations Regulations*, NLR. Reg. 94/18, as amended, the *Nova Scotia Cannabis Control Act*, S.N.S. 2018, c. 3, as amended, the *Nova Scotia Cannabis Retail Regulations*, NS. Reg. 203/2019, the *Prince Edward Island Cannabis Control Act*, R.S.P.E.I. 1998, c. C-1.2, as amended, the *Prince Edward Island Cannabis Control Regulations*, PEI. Reg. EC575/18, as amended, the *New Brunswick Cannabis Control Act*, S.N.B. 2018, c. 2, the *Yukon Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the *Yukon Cannabis Control and Regulation*, YOIC. 2018/139, the *Yukon Cannabis Control and Regulation General Regulation*, YOIC. 2018/184, the *Yukon Cannabis Licensing Regulation*, YOIC. 2019/43, the *Yukon Cannabis Remote Sales Regulation*, YOIC. 2022/29, the *Northwest Territories Cannabis Legalization and Regulation Implementation Act*, S.N.W.T. 2018, c. 6, as amended, or other such applicable federal, provincial or other legislation or regulations (collectively, the “**Cannabis Legislation**”), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor

employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, and all regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtors and the DIP Lender with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined), counsel to the Debtors, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the Debtors as part of the costs of these proceedings, whether incurred prior to, on, or subsequent to the date of this Order. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, counsel for the CRO, counsel for the Debtors, and counsel for the Applicant on a weekly basis and, in addition, the Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO, and counsel to the Applicant, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

27. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, counsel to the Debtors, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$600,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

DIP FINANCING

29. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to obtain and borrow, on a joint and several basis, under the debtor-in-possession term sheet dated as of January 23, 2025 among the Debtors, as the borrowers, and the DIP Lender, as lender (as may be amended, restated, supplemented and/or modified from time to time, the "**DIP Term Sheet**"), in order to finance the Debtors' working capital requirements, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Term Sheet, provided that borrowings under the DIP Term Sheet shall not exceed \$2,000,000 plus interest, fees and expenses, unless permitted by further Order of this Court (the "**DIP Facility**").

30. **THIS COURT ORDERS** that the Debtors, through the CRO, are hereby authorized and empowered to execute and deliver the DIP Term Sheet, together with such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (as may be amended, restated, supplemented and/or modified from time to time, and collectively with the DIP Term Sheet, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, expenses, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the other Definitive Documents (collectively, the “**DIP Obligations**”) as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

31. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property as security for any and all DIP Obligations. The DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 35 and 37 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender’s Charge, the DIP Lender may cease making advances to the Debtors and may make demand, accelerate payment and give other notices, and, upon five (5) business days notice to the Debtors and the Monitor, may exercise any and all of its other rights and remedies against the Debtors or the Property under or pursuant to the Definitive Documents and the DIP Lender’s Charge, including without limitation, to set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors to the DIP Lender under the Definitive Documents or the DIP Lender’s Charge, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtors,

- or any one of them, and for the appointment of a trustee in bankruptcy of the Debtors, or any one of them; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtors, or any one of them, or the Property.

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

35. **THIS COURT ORDERS** that, subject in all respects to the security in favour of Firm Capital and Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation, and Nashaat Garas (collectively, the “**Garas Lenders**”), which shall continue to have priority over and be unaffected by all charges granted pursuant to this Order, the priority of the Administration Charge and the DIP Lender’s Charge (together, the “**Charges**”), as among them, shall be as follows:

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

Second – DIP Lender's Charge (to the maximum amount of \$2,000,000 plus interest, fees, and expenses).

36. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

37. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, *except* that, and notwithstanding anything else contained herein: (A) all Charges shall rank subordinate to (i) any and all indebtedness owing to Firm Capital, and (ii) all indebtedness owing to the Garas Lenders to the extent secured by mortgages, and shall be subordinate to (a) all security in favour of Firm Capital, and (b) mortgages in favour of the Garas Lenders, respectively, to secure such indebtedness; and (B) the DIP Lender's Charge shall rank subordinate to any and all amounts due and payable to other Secured Creditors.

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

39. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create, or be deemed to constitute, a breach by any of the Debtors of any Agreement to which the applicable Debtor is a party;
- (b) None of the Debtors shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Debtors entered into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) The payments made by the Debtors pursuant to this Order or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Debtor’s interest in such real property leases.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

41. **THIS COURT ORDERS** that Shawn Dym is hereby appointed as the Chief Restructuring Officer (“**CRO**”) over and in respect of the Debtors and shall have the powers and obligations set out in the engagement agreement between the Debtors and the CRO dated January 23, 2025 (the “**CRO Engagement**”) and enclosed with confidential appendix “D” to the Pre-Filing Report.

42. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor’s consent. Heithem Dahrouj (Vice President, Finance of the Debtors) is hereby authorized and empowered to execute the CRO Engagement in the form enclosed with confidential appendix “D” to the Pre-Filing Report

and the Debtors are hereby authorized and directed to perform all of their obligations pursuant to the CRO Engagement.

43. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtors and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

44. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtors. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, for the purposes of the Cannabis Legislation and the Environmental Legislation, or otherwise, and shall be extended the same protections afforded to the Monitor under paragraphs 22 and 23 above.

45. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct. The Debtors shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO's gross negligence or wilful misconduct.

46. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (a) written consent of the CRO and the Monitor; or (b) leave of this Court.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses last shown in the Debtors' records, a notice to every known creditor who has a claim against any of the Debtors of more than \$1000, and (C) prepare a list

showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

48. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.insolvencies.deloitte.ca/tnc> (the “**Monitor’s Website**”).

49. **THIS COURT ORDERS** that the Monitor shall create, maintain, and update (as necessary) a list of all Persons appearing on their own behalf or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service list, as may be updated from time to time, on the Monitor’s Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making such changes to the Service List.

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

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtors and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

SEALING

52. **THIS COURT ORDERS** that confidential appendix "D" to the Pre-Filing Report, which contains an unredacted copy of the CRO Engagement, shall be sealed and kept confidential pending the earlier of (i) the termination of these CCAA proceedings or (ii) further Order of this Court, and shall not form part of the public record.

GENERAL

53. **THIS COURT ORDERS** that the Debtors, the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors, and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the Debtors and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative

body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. **THIS COURT ORDERS** that any interested party (including the Debtors, the Applicant, the CRO, and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, without the need entry and filing.

A handwritten signature in blue ink is positioned above a horizontal line. The signature is stylized and appears to consist of a large 'P' followed by some less distinct characters, possibly 'Ray' or 'Raj', and a final '3' or similar character.

THE VANCOR GROUP INC.

and

2744364 ONTARIO LIMITED o/a TRUE
NORTH CANNABIS CO *et al.*

Court File No. CV-25-00735482-00CL

Applicant

Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at
Toronto

**AMENDED AND RESTATED INITIAL ORDER
(AMENDING THE INITIAL ORDER DATED JANUARY 24, 2025)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

lellis@millerthomson.com
Tel: 416.595.8639

David Ward LSO# 33541W

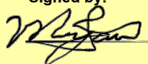
dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

This is Exhibit “C” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel of the City of Cambridge in the Regional Municipality of Waterloo, before me at the City of Toronto, in the Province of Ontario, on February 24, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00735482-00CL

DATE: FEBUARY 03 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: THE VANCOR GROUP INC. v. 2744364 ONTARIO LIMITED et al
BEFORE: JUSTICE PENNY

PARTICIPANT INFORMATION**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
David Ward	The Vancor Group Inc	dward@millerthomson.com
Patrick Corney	The Vancor Group Inc	pcorney@millerthomson.com
Myriam Sarkis	The Vancor Group Inc	msarkis@millerthomson.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
D.J Miller	Firm Capital	djmiller@tgf.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Joel Turgeon	Creditor-Garas Family Holdings Inc	jturgeon@perlaw.ca
David Ullman	Monitor	dullmann@blaney.com
Anisha Samat	Monitor-Deloitte Inc	asamat@blaney.com
Nick Hollard	Debtors	nhollard@blg.com
Todd Ambachtsheer	Monitor	tambachtsheer@deloitte.ca

ENDORSEMENT OF JUSTICE PENNY:

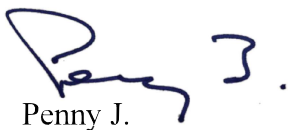
- [1] The applicant moves for approval of an amended and restated initial order, first made on January 24, 2025.
- [2] The basic relief sought is: a) extending the Stay Period up to and including May 2, 2025; b) approving an increase to the Administration Charge, to the maximum amount of \$600,000 (from \$350,000); c) approving the Debtors' borrowing under the DIP Term Sheet up to a maximum principal amount \$2,000,000 (from \$900,000); and d) approving a corresponding increase to the DIP Lender's Charge to the maximum principal amount of \$2,000,000 (plus interest, fees, and expenses).
- [3] This relief is not opposed and is all supported by the Monitor.
- [4] There is one additional proposal for which the approval of the court was sought which I was not prepared to grant. This is the proposal to service the interest on the Vancor unsecured shareholder loan during the currency of the CCAA proceedings. This issue is being adjourned for further briefing and may be addressed at a future date, to be scheduled. I will address this issue further below.
- [5] I am satisfied that the stay extension to May 2, 2025 should be granted for the following reasons:
- (a) the evidence supports the conclusion that, since the granting of the Initial Order, the Debtors have acted and continue to act in good faith and with due diligence to advance a restructuring;
 - (b) the Cash Flow Forecast shows sufficient liquidity during the proposed extended stay period to fund obligations and the costs of the CCAA proceedings;
 - (c) an extension of the Stay Period through May 2, 2025 will accommodate the anticipated timeline of a prospective SISF and otherwise allow the parties an opportunity to pursue a successful process;
 - (d) the Monitor supports the requested extension of the stay of proceedings; and
 - (e) it appears that no creditor will suffer material prejudice as a result of the extension of the stay.
- [6] I am also satisfied that the increased borrowing under the DIP Term Sheet, and a related increase to the DIP Lender's Charge should be granted under s. 11.2(1) and 11.2(4) of the CCAA. Among other things, the Secured Creditors were given notice of Vancor's application for the Initial Order and motion for the proposed ARIO. The DIP Lender's Charge does not prime any Secured Creditor. The Cash Flow Forecast indicates that the Debtors require the DIP Facility to continue to operate as a going concern. The ability to borrow funds under the DIP Facility is critical to the Debtors' restructuring. The proposed borrowings provide required liquidity and permit operating receipts to be used to fund post-filing debt service to the Debtors' major secured creditors. The Pre-Filing Report shows that the terms of the DIP Term Sheet are within the bounds of reasonable interim financing terms. The Debtors will be managed throughout the CCAA process by the CRO, with the oversight of the Monitor – each of whom will review and supervise spending under the DIP Facility. As noted, the Monitor is supportive of the increased borrowing under the DIP Term Sheet and the corresponding charge.
- [7] Finally, I am satisfied that it is appropriate to increase the Administration Charge. The businesses of the Debtors are distinct, but factually intertwined. This is a highly regulated industry, subject to many

statutory and regulatory restrictions and requirements. The interpersonal dynamics of the Debtors' shareholder group is fractious. In all these circumstances, a successful restructuring will require the strong support of experienced professionals. Each of the proposed beneficiaries of the Administration Charge is performing unique functions without apparent duplication of roles. The quantum of the proposed increase to the Administration Charge was determined in consultation with the Monitor and is based on the estimated fees of the professionals from the date of the Comeback Hearing through to the end of the proposed extended Stay Period. All secured creditors have been given notice of this CCAA proceeding and the Administration Charge. The Monitor and the DIP Lender are supportive of the increase in the Administration Charge.

- [8] The proposed payment of interest on Vancor's unsecured shareholder loans was justified on the basis of various factors outlined in the Monitor's report and the applicant's affidavit. These factors did not, however, address the "interest stops" rule, which is based on the principle of *pari passu*. *Pari passu* is the principle that "the assets of the insolvent debtor are to be distributed amongst classes of creditors rateably and equally, as those assets are found at the date of insolvency". This is said to be one of the "governing principles of insolvency law": *Nortel Networks Corporation (Re)*, 2015 ONCA 681, para. 23.
- [9] It is well settled that the "interest stops" rule applies in CCAA proceedings: *Nortel*, paras. 30 to 51. The Court of Appeal in *Nortel* concluded:

After the imposition of a stay in CCAA proceedings, allowing one group of unsecured creditors to accumulate post-filing interest, even for a relatively short period of time, would constitute unfair treatment *vis-à-vis* other unsecured creditors whose right to convert their claim into an interest-bearing judgment is stayed.

- [10] The proposal to pay interest on Vancor's unsecured shareholder loan appears, on its face to violate the "interest stops" principle. This is because it does not treat Vancor's unsecured loan rateably with debts owed to other unsecured creditors. I advised parties that I was not prepared to grant the requested order approving payment of post-filing interest on an unsecured debt claim in the face of the law laid down in *Nortel* which appears to prohibit a preferential treatment of this kind. I do not find the argument, that the DIP Loan will only be used to fund the administration costs, whereas the Debtors' operations will be funded from ordinary course revenues from business operations, persuasive. First, it does not address the "interest stops" principle at all. Second, it remains the case that the revenues from operations will be over \$200,000/month less if interest on the shareholder's unsecured loan is paid post-filing. Put another way, with an additional \$200,000 plus revenue per month available in the forecast, it seems the DIP Loan required to fund costs and operations could be correspondingly reduced.
- [11] The applicant requested, and I granted, an opportunity to further consider the matter and perhaps to return to court with the issue further briefed to address my concerns.
- [12] Apart from this issue, the relief sought is granted. A revised order will be submitted for signature and release. Counsel may, after they regroup on the "interest stops" issue, provide me with possible dates to return to court, if so desired, to address this issue.
- [13] Order to issue in the form signed by me this day.



Penny J.

THE VANCOR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, et al.
Respondents (Debtors)

Court File No. CV-25-00735482-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

THIRD AFFIDAVIT OF CORRY VAN IERSEL

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W
Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) MONDAY, THE 3RD
)
JUSTICE PENNY) DAY OF MARCH, 2025
)

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO
INC.

Respondents (Debtors)

SISP ORDER

THIS MOTION, made by the applicant, The Vancor Group Inc. ("**Vancor**"), seeking, among other relief, an Order (i) approving the sale and investment solicitation process ("**SISP**") attached hereto as Schedule "A"; and (ii) authorizing and directing the Monitor to conduct the SISP, was heard this day at 330 University Ave., Toronto.

ON READING the affidavit of Corry Van Iersel sworn February 24, 2025 and the exhibits thereto ("**Van Iersel Affidavit**"), the second report to the Court of Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as monitor of the Debtors ("**Monitor**"), dated February 1, 2025, and on hearing the submissions of counsel for Vancor, counsel for the

Monitor, and counsel for such other parties listed on the participant information sheet, with no one else appearing for any other party although duly served as appears from the affidavit of service of Mryam Sarkis affirmed February 24, 2025, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein have the meaning ascribed to them under the SISP.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the notice of motion and motion record is abridged and validated such that this motion is properly returnable today, and further service of the notice of motion and the motion record is hereby dispensed with.

APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS

3. **THIS COURT ORDERS** that the SISP (subject to such amendments as may be agreed to by the Monitor, the Debtors and Vancor, in its capacity as interim lender, in accordance with the terms of the SISP) appended hereto as Schedule “A” is hereby approved.

4. **THIS COURT ORDERS** that the Monitor is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the SISP.

5. **THIS COURT ORDERS** that the Monitor and its respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the

gross negligence or willful misconduct of the Monitor in performing its obligations under the SISP as determined by this Court.

6. **THIS COURT ORDERS** that the Monitor and the Debtors and their respective counsel be and are hereby authorized but not obligated, to serve or distribute this SISP Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the SISP to any Person (as defined in the Initial Order dated January 24, 2025, as amended and restated) that the Monitor or the Debtors considers appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor and the Debtors are hereby authorized and permitted to disclose and transfer to each Potential Bidder and to their advisors, if requested by such Potential Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Debtors' records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property ("**Sale**") or investment in the Business ("**Investment**") or a combination thereof. Each Potential Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale or Investment, and if it does not complete a Sale or Investment, shall return all such information to the Monitor and the Debtors, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the

privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Property of Business acquired pursuant to the Sale or invested in pursuant to the Investment in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Monitor and the Debtors, and otherwise ensure that all other personal information in their possession is destroyed.

GENERAL

8. **THIS COURT ORDERS** that the Debtors or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

9. **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 Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that each of the Debtors and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative

in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

SCHEDULE “A”
SALE AND INVESTMENT SOLICITATION PROCESS

Sale and Investment Solicitation Process

2744364 Ontario Limited (o/a True North Cannabis Co., “TNCC”), 2668905 Ontario Inc. (o/a Bamboo Blaze, “Bamboo Blaze”) and 2767888 Ontario Inc. (“888”, and together with TNCC, and Bamboo Blaze, the “Debtors”)

Introduction

1. On January 24, 2025, the Debtors were granted an initial order (as amended or amended and restated from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA**” and the “**CCAA Proceedings**”) by the Ontario Superior Court of Justice (the “**CCAA Court**”). The Initial Order, among other things:
 - a. stayed all proceedings against the Debtors, their assets and their respective directors and officers; and
 - b. appointed Deloitte Restructuring Inc. as the monitor of the Debtors (in such capacity, the “**Monitor**”);
2. Further to the Debtors’ restructuring efforts, the Monitor will conduct the sale and investment solicitation process (the “**SISP**”) described herein, with the assistance of the Debtors and their chief restructuring officer, Mr. Shawn Dym (the “**CRO**”), and pursuant to the Order of the CCAA Court dated March 3, 2025 (the “**SISP Order**”). The SISP is intended to solicit interest in an acquisition or refinancing of the business or a sale of the assets and/or the business of the Debtors by way of merger, reorganization, recapitalization, primary equity issuance or other similar transactions. The Monitor intends to provide all Potential Bidders (as defined herein) an opportunity to participate in the SISP.
3. The SISP Order also approves the stalking horse agreement between the Debtors and The Vancor Group Inc. or its nominee (in such capacity, the “**Stalking Horse Bidder**”) dated on or about March 3, 2025 (as may be amended from time to time, the “**Stalking Horse Purchase Agreement**”), under which the Stalking Horse Bidder agreed to purchase substantially all of the Debtors’ assets and business operations, and act as the stalking horse bid in the SISP (the “**Stalking Horse Bid**”). The Stalking Horse Bid shall automatically be considered a Qualified Bid (as defined herein) for the purposes of the Auction (as defined herein).

Opportunity

4. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtors’ assets and business operations (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtors as a going concern or a sale of all, substantially all or one or more components of the Debtors’ assets (the “**Property**”) and business operations (the “**Business**”) as a going concern or otherwise, or some combination thereof (each, a “**Transaction**”).
5. This document describes the SISP, including the manner in which individuals, corporations,

limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a “**Person**”) may gain access to, or continue to have access to due diligence materials concerning the Debtors, the Property and the Business, how bids involving the Debtors, the Property or the Business will be submitted to, and dealt with by the Monitor, and how Court approval will be obtained in respect of a Transaction.

6. The SISP contemplates a one-stage process that involves the submission by interested parties of Bids by the Bid Deadline (as defined below).
7. Any sale (or sales) of the Property or the Business or portions thereof will be on an “**as is, where is**” basis except for, as the case may be, (i) the representations and warranties in the Stalking Horse Purchase Agreement; or (ii) representations and warranties that are customarily provided in purchase agreements for a company subject to CCAA proceedings.
8. In the event of a sale, to the extent permitted by law, all of the rights, title and interests of the Debtors in and to the Property or the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the “**Claims and Interests**”), except for retained Claims and Interests, pursuant to section 36(6) of the CCAA, such Claims and Interests will attach to the net proceeds of the sale of such Property or Business and/or excluded assets, as applicable (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant Transaction documents with a Successful Bidder (as defined below) or the Sale Approval Order.
9. In the SISP, (i) “**Business Day**” means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline date referred to in the SISP falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

Timeline

10. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement date	Immediately following the granting of the SISP Order
Bid Deadline	45 days after the granting of the SISP Order
Auction Date	3 business days after the Bid Deadline
Sale Approval Motion (as defined below) in CCAA Court	Forthwith
Closing of the Transaction	10 days after the granting of the Sale Approval Order

11. Subject to any order of the Court, the dates set out in the SISP may be extended by the Monitor with the consent and approval of the Debtors and the CRO.

Solicitation of Interest: Notice of the SISP

12. As soon as is reasonably practicable:

- a. the Monitor, in consultation with the Debtors and the CRO, will prepare a list of potential bidders, including (i) parties that have approached the CRO, the Debtors or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Debtors and CRO, in consultation with the Monitor, believe may be interested in a Transaction pursuant to the SISP, in each case whether or not such party has submitted a letter of intent or similar document (collectively, “**Known Potential Bidders**”);
 - b. the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Debtors and CRO, considers appropriate) (the “**Notice**”) to be published in Insolvency Insider, the Monitor’s website, and any other newspaper, journal, website or media outlet as the Debtors and CRO, in consultation with the Monitor, consider appropriate, if any; and
 - c. the Monitor, in consultation with the Debtors and CRO, will prepare: (i) a letter (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) enclosing a non-disclosure agreement in form and substance satisfactory to the Debtors and the Monitor, and their respective counsel (an “**NDA**”).
13. The Monitor will send the Teaser Letter and NDA to each Known Potential Bidder and to any other Person who requests a copy of the Teaser Letter and NDA or who is identified to the Debtors, CRO or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Potential Bidders and Due Diligence Materials

14. Any party who wishes to participate in the SISP (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide to the Monitor an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
15. The Monitor, in consultation with the Debtors and the CRO, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Monitor and provided information as to their financial wherewithal to close a Transaction such access to due diligence material and information relating to the Property and Business as the Debtors or the Monitor deem appropriate. Due diligence shall include access to the virtual data room (“**VDR**”) containing documentary materials reasonably likely to be relevant to Potential Bidders in their assessment of the Opportunity, and may also include other information which a Potential Bidder may reasonably request and as to which the Debtors and CRO, in their reasonable

business judgment and after consulting with the Monitor, may agree. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the Debtors nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Potential Bidders. Neither the Debtors nor the Monitor is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property and the Business.

16. The Monitor may, in consultation with the CRO, limit the access of any Potential Bidder to any confidential information in the VDR where the Monitor, in consultation with the CRO, reasonably determines that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business, the Property or their value.
17. The Debtors, the CRO, the Monitor and their respective advisors make no representation or warranty as to the information contained in the VDR, Teaser Letter, or otherwise made available pursuant to the SISP. Potential Bidders must rely solely on their own independent review, due diligence, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any Transaction and/or investment they enter into with one or more of the entities comprising the Debtors.
18. At any time during the SISP, the Monitor may, in its reasonable judgment, and in consultation with the CRO, eliminate a Participating Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a “Potential Bidder” for the purposes of the SISP.

Protective Steps for Insider Involvement

19. No later than 10 days after the date on which the SISP Order is granted, if any officer, director, employee, or equity holder of the Debtors (each, an “**Insider**”) intends to become, support, partner with, or acquire a direct or indirect equity interest in a Potential Bidder, or has or wishes to have any direct or indirect involvement or participation in any Qualified Bid (“**Insider Involvement**”), such Insider shall disclose in writing to the Monitor its Insider Involvement.
20. Any Insider that has Insider Involvement (a “**Participating Insider**”) shall undertake and certify in writing to the Monitor (in the form required by the Monitor) that the Participating Insider will not take any steps to affect or impair the integrity of the SISP, including by providing inaccurate or incomplete information to Potential Bidders or by discouraging Potential Bidders from participating fully in the SISP.
21. The Vancor Group Inc., in its capacity as Stalking Horse Bidder, is a Participating Insider for the purpose of the SISP, without further act or formality.
22. To the extent that any Participating Insider is required to communicate with, provide information to, or answer questions from other Potential Bidders, the Monitor may implement other protective steps to ensure that other Potential Bidders can effectively participate in the SISP.

23. Until a Successful Bid and Back-up Bid (as defined below), if any, are selected, Participating Insiders shall not be provided with information about:
- a. the identities of other Potential Bidders;
 - b. the identities of parties that submit a Bid; and
 - c. the terms of any Bid or Qualified Bid.
24. Further, any Participating Insider that submits a Bid shall not participate in the Monitor's review or consideration of any Qualified Bid, the selection of a Successful Bid or Back-Up Bid, or the negotiation of final Transaction document(s).
25. Despite the restrictions on Participating Insiders contained above, the Monitor may communicate with, disclose necessary information to, or seek information from Participating Insiders for the purposes of overseeing the SISP, evaluating Qualified Bids and bids by Auction Bidders (as defined below), selecting a Successful Bid and Back-Up Bid, and finalizing the final Transaction document(s).
26. If a Participating Insider, other than the Stalking Horse Bidder, wishes to irrevocably cease Insider Involvement and entirely withdraw from the SISP, it may deliver written notice of such intention to the Monitor, at which time the Insider shall cease to be a Participating Insider and shall (subject to the Monitor's consent and the other terms of this SISP) be permitted to receive the information described in Paragraph 23.

Formal Bids

27. Potential Bidders that wish to make a formal offer to purchase or make an investment in the Debtors or their Property or Business (a "**Bidder**") shall submit a Bid (a "**Bid**") that complies with all of the following requirements to the Monitor (and its counsel) and Debtors' counsel at the addresses specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than **5:00 PM (EST)** on April 17, 2025 or as may be modified in the Bid process letter that may be circulated by the Monitor to Potential Bidders, with the approval of the Debtors and the CRO (the "**Bid Deadline**"):
- a. the Bid must be either a Bid to:
 - i. acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); and/or
 - ii. make an investment in, restructure, reorganize or refinance the Business or the Debtors (an "**Investment Proposal**"); or
 - iii. carry out any combination of a Sale Proposal and an Investment Proposal by one or more parties acting together or separately;
 - b. the Bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Debtors or their

Property or Business and is consistent with any necessary terms and conditions established by the Debtors and the Monitor and communicated to Bidders;

- c. the Bid includes a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the Transaction with the Successful Bidder;
- d. the Bid includes duly authorized and executed Transaction agreements, including the purchase price, investment amount (the "**Purchase Price**"), together with all exhibits and schedules thereto;
- e. the Bid is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to ten percent (10%) of the Purchase Price, investment amount or other consideration to be paid in respect of the Bid, to be held and dealt with in accordance with this SISP;
- f. the Bid includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, that will allow the Debtors (after consulting with the CRO) and the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed Transaction;
- g. the Bid is not conditioned on (i) the outcome of unperformed due diligence by the Bidder, or (ii) obtaining financing;
- h. the Bid fully discloses the identity of each entity that will be entering into the Transaction or the financing, or that is otherwise participating or benefiting, directly or indirectly, from such Bid;
- i. for a Sale Proposal, the Bid includes:
 - i. the purchase price in Canadian dollars and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - ii. a description of the Property that is expected to be subject to the Transaction and any of the Property expected to be excluded;
 - iii. a specific indication of the financial capability of the Bidder and the expected structure and financing of the Transaction;
 - iv. a description of the conditions and approvals required to complete the closing of the Transaction;
 - v. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and

- vi. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the Transaction.
- j. for an Investment Proposal, the Bid includes:
 - i. a description of how the Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization, and a description of any non-cash consideration;
 - ii. the aggregate amount of the equity and/or debt investment to be made in the Business or the Debtors in Canadian dollars.
 - iii. the underlying assumptions regarding the *pro forma* capital structure;
 - iv. a specific indication of the sources of capital for the Bidder and the structure and financing of the Transaction;
 - v. a description of the conditions and approvals required for the Bidder to complete the closing of the Transaction;
 - vi. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume; and
 - vii. any other terms or conditions of the Investment Proposal.
- k. the Bid includes acknowledgements and representations of the Bidder that the Bidder:
 - i. is completing the Transaction on an “as is, where is” basis;
 - ii. has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtors prior to making its Bid;
 - iii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and
 - iv. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Debtors and CRO or the completeness of any information provided in connection therewith, except as expressly stated in the definitive Transaction agreement(s) signed by the Debtors;
- l. the Bid is received by the Bid Deadline; and
- m. the Bid contemplates closing the Transaction set out therein 10 days following the granting of the Sale Approval Order.

28. Following the Bid Deadline, the Monitor will assess the Bids received. The Monitor, in consultation with the Debtors and the CRO, will designate the most competitive bids that comply with the foregoing requirements to be “**Qualified Bids**”. No Bids received shall be deemed to be Qualified Bids without the approval of the Monitor. Only Bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
29. The Stalking Horse Bid is deemed to be a Qualified Bid.
30. The Monitor may only designate a Bid as a Qualified Bid where the proposed purchase price is equal to or greater than that contained in the Stalking Horse Bid, and includes a cash purchase price in an amount equal to or greater than the Stalking Horse Bid, plus CAD\$400,000.
31. The Monitor, in consultation with the Debtors and the CRO, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Bids to be a Qualified Bid. The Monitor, nor the Debtors, nor CRO will be under any obligation to negotiate identical terms with, or extend identical terms to, each Bidder.
32. The Monitor shall notify each Bidder in writing as to whether its Bid constitutes a Qualified Bid within two (2) business days of the Bid Deadline, or at such later time as the Monitor deems appropriate.
33. The Monitor may, in consultation with the Debtors, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Qualified Bids

34. A Qualified Bid will be evaluated by the Monitor, in consultation with the Debtors and the CRO, based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such Bid, (ii) the identity, circumstances and ability of the Bidder to successfully complete such Transactions, (iii) the proposed Transaction documents, (iv) factors affecting the speed, certainty and value of the Transaction, (v) the assets included or excluded from the Bid, (vi) any related restructuring costs, (vii) the likelihood and timing of consummating such Transaction, and (viii) any other factor deemed relevant by the Monitor in consultation with the Debtors and CRO.
35. If no Qualified Bids are received by the Monitor, the Stalking Horse Bid shall be the Successful Bid (as defined below).

Auction

36. If the Monitor receives at least one additional Qualified Bid in addition to the Stalking Horse Bid, the Monitor will conduct and administer an Auction in accordance with the terms of this SISP (the “**Auction**”). Instructions to participate in the Auction, which will take place via video conference, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
37. Only parties that provided a Qualified Bid by the Bid Deadline, as confirmed by the Monitor, including the Stalking Horse Bid (collectively, the “**Qualified Parties**”), shall be eligible to

participate in the Auction. No later than **5:00 p.m. (EST)** on the day prior to the Auction, each Qualified Party must inform the Monitor whether it intends to participate in the Auction. The Monitor will promptly thereafter inform, in writing, each Qualified Party who has expressed its intent to participate in the Auction, of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid (as defined below).

Auction Procedure

38. The Auction shall be governed by the following procedures:

- a. **Participation at the Auction.** Only the Debtors, the Qualified Parties, including the Stalking Horse Bidder, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction. The Monitor shall provide all Qualified Parties with the details of the lead Bid by 5:00 PM (EST), one (1) Business Day after the Bid Deadline. Each Qualified Party must inform the Monitor whether it intends to participate in the Auction no later than 5:00 PM (EST) on the Business Day prior to the Auction;
- b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bid process; and (ii) its Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Successful Bid;
- c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor, in consultation with the Debtors and the CRO (the “**Initial Bid**”), and any Bid made at the Auction by a Qualified Party subsequent to the Monitor’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of CAD\$400,000 for the first Bid and then in cash increments of CAD\$50,000 for each subsequent Bid.
- d. **Bidding Order.** Prior to the first Overbid, the Monitor in its sole discretion will announce the order in which each remaining Qualified Party shall present its Overbid. A Qualified Party may not abstain from participating in an Auction bidding round. Failure to submit an Overbid at the designated time will result in an automatic disqualification from the Auction and immediate removal from the videoconference. The Monitor shall use its discretion in providing Bidders with an interval between Auction bidding rounds;
- e. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent Bid will be fully disclosed to all other

Qualified Parties throughout the entire Auction by video conference room, or such other method of communication the Monitor advises; provided, however, that the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Monitor and individual Qualified Parties with the understanding that all formal Bids will be delivered in one group video conference, on an open basis;

- f. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional Overbids with full knowledge and written confirmation of the then-existing highest Overbid(s);
- g. **Successful Bid.** Each Qualified Party will be given reasonable opportunity to submit an Overbid at the Auction to any then-existing Overbids. The Auction will continue until the bidding has concluded and there is one remaining Qualified Party. The Monitor shall determine, with reference to the factors set out in paragraph 34 herein, and another factors the Monitor may reasonably deem relevant, which Qualified Party has submitted (i) the highest and best Bid of the Auction (the “**Successful Bid**”, and the Qualified Party making such Successful Bid, the “**Successful Bidder**”), and (ii) the next highest and otherwise second-best Overbid of the Auction (the “**Back-Up Bid**”, and the Bidder making such Back-Up Bid, the “**Back-Up Bidder**”);
- h. **Non-Cash Consideration.** Non-cash consideration may be offered by an Auction bidder, however, the Monitor is under no obligation to accept such non-cash consideration and has absolute discretion to determine the value of same;
- i. **No Post-Auction Bids.** No Bids will be considered for any purpose after the Auction has concluded.

39. **Auction Procedures.** The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

Credit Bidding

40. The Stalking Horse Bidder will be entitled pursuant to the Stalking Horse Agreement, including for greater certainty as part of the Auction, as the case may be, to credit bid or retain as retained liabilities all or part of the existing obligations owing to it pursuant to the DIP Facility, including all interest, costs and fees to which the Stalking Horse Bidder is entitled to under the DIP Term Sheet.

Transaction Documents

41. Completion and execution of definitive documentation in respect of such Successful Bid and Back-Up Bid, as applicable, must be finalized and executed as soon as possible after the close of the Auction, and in any event within five (5) calendar days after the close of the Auction, which definitive documentation will provide that the Successful Bidder will use all reasonable efforts to close the proposed Transaction by no later than ten (10) calendar days after granting of the Sale Approval Order, or such other period as may be agreed to by the

Monitor, in consultation with the CRO, the DIP Lender, and the Successful Bidder, subject to the terms hereof. In any event, such Successful Bid must be closed by no later than May 30, 2025 (the “**Outside Date**”). If a Back-Up Bid is identified in accordance with the SISP, then such Back-Up Bid shall remain open until the date (the “**Back-Up Bid Outside Date**”) on which the Transaction contemplated by the applicable Successful Bid is consummated or such earlier date as the Monitor, in consultation with the CRO, determines. If the Transactions contemplated by the applicable Successful Bid have not closed by the Outside Date, or the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Monitor, in consultation with the CRO and the DIP Lender, may elect to seek to complete the Transactions contemplated by the applicable Back-Up Bid, and will promptly seek to close the Transaction contemplated by such Back-Up Bid, which will be deemed to be a Successful Bid. The Debtors will be deemed to have accepted such Back-Up Bid only when the CRO has made such election, with the Monitor’s consent.

Sale Approval Motion Hearing

42. At the hearing of the motion to approve any Transaction with a Successful Party (the “**Sale Approval Motion**”), the Monitor or the Debtors shall seek, among other things, approval from the Court to consummate any Successful Bid, through a vesting order and/or reverse vesting order (the “**Sale Approval Order**”). All the Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Monitor and the Debtors on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

43. All discussions regarding a Sale Proposal, Investment Proposal, or Bid should be directed through the Monitor. Under no circumstances should the management of the Debtors be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
44. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any Bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Monitor and such other Bidders or Potential Bidders in connection with the SISP, except to the extent the Debtors, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Qualified Parties. The Monitor shall obtain the consent of the Qualified Parties prior to aggregating their Bids into a Qualified Bid.

Supervision of the SISP

45. The Monitor shall oversee and conduct the SISP, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP Procedure, the SISP Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP.
46. This SISP does not, and will not be interpreted to create any contractual or other legal

relationship between the Debtors and/or the Monitor and any Potential Bidder, any Qualified Party, or any other Person, other than as specifically set forth in the NDA, or any other definitive agreement that may be entered into with the Debtors.

47. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Back-Up Bidder, the Debtors, the DIP Lender, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a Bid, each Bidder, including the Successful Bidder and Back-Up Bidder, shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
48. The Monitor, in consultation with the Debtors and the CRO, shall have the right to modify the SISP (including, without limitation, pursuant to the Bid process letter) if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in these CCAA proceedings shall be advised of any material modification to the procedures set forth herein.

Deposits

49. The Deposit(s):
- a. will, upon receipt from the Qualified Party, be retained by the Monitor and deposited in a non-interest-bearing trust account, and subsequently dealt with in accordance with subsections (b) and (c), below;
 - b. received from the Successful Bidder(s) and the Back-Up Bidder(s), if any, will: (i) be applied to the purchase price to be paid by the applicable Successful Bidder or Back-Up Bidder whose Successful Bid or Back-Up Bid, as applicable, is the subject of the Sale Approval Order(s), upon closing of the approved Transaction; and (ii) otherwise be held and refunded in accordance with the terms of the definitive documentation in respect of the applicable Successful Bid or Back-Up Bid, provided that (i) all such documentation will provide that the Deposit will be fully refunded to the Back-Up Bidder on the Back-Up Bid Outside Date; and (ii) all such documentation will provide that the Deposit will be retained by the Galaxie Group and forfeited by the Successful Bidder, if its Successful Bid fails to close by the Outside Date and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of its Successful Bid; and
 - c. received from the Qualified Party that is not the Successful Bidder or the Back-Up Bidder will be fully refunded to the Qualified Party that paid the Deposit as soon as practicable following the selection of the Successful Bidder and the Back-Up Bidder.
50. Notwithstanding anything to the contrary herein, the Stalking Horse Bidder will not be required to provide a Deposit.

Additional Terms

51. In addition to any other requirement of the SISP, any consent, approval or confirmation to be provided by the Stalking Horse Bidder, the DIP Lender, the CRO and/or the Monitor is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email will be deemed to have been provided in writing for the purposes of this paragraph,

Further Orders

52. At any time during the SISP, the Debtors, the CRO or the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP including, but not limited to, the continuation of the SISP or with respect to the discharge of the Monitor's powers and duties hereunder.

Costs and Expenses

53. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the evaluation of the Opportunity, submission of any Bid, due diligence activities, and any other negotiations or other actions related to the SISP whether or not they lead to the consummation of a Transaction.

**Schedule “1”
Address of the Monitor**

To the Monitor:

Deloitte Restructuring Inc.

8 Adelaide Street West, Suite 200
Toronto, ON
M5H 0A9

Attention: Todd Ambachtsheer and Mohamed Mohamoud

Email: tambachtsheer@deloitte.ca and mmohamoud@deloitte.ca

With a copy to:

Blaney McMurtry LLP

2 Queen Street East, Suite 1500
Toronto, ON
M5C 3G7

Attention: David Ullmann and Alex Teodorescu
dullmann@blaney.com and ateodorescu@blaney.com

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL*
Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**SISP Order
(March 3, 2025)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	MONDAY, THE 3 RD
)	
JUSTICE PENNY)	DAY OF MARCH, 2025

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO
INC.

Respondents (Debtors)

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the applicant, The Vancor Group Inc. (“**Vancor**”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order establishing a claims procedure to identify and quantify Claims (defined below), was heard this day via Zoom videoconference.

ON READING the affidavit of Cory Van Iersel sworn February 24, 2025 and the Exhibits thereto and the third report to the court of Deloitte Restructuring Inc., in its capacity as CCAA monitor of the Debtors (the “**Monitor**”) dated February 14, 2025, and on hearing the submissions of counsel for Vancor, counsel for the Debtors, counsel for the Monitor, and such other parties listed on the participant information form, with no one else appearing for any other party although duly served as appears from the affidavit of service of Mryam Sarkis affirmed on February 24, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

3. **THIS COURT ORDERS** that for the purposes of this Order the following terms shall have the following meanings:

- (a) **“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
- (b) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario.
- (c) **“Books and Records”** means the books and records of the Debtors related to the operations of the business of the Debtors, including employee records, account ledgers, transaction records, payment records, and other similar information, either in physical or electronic form.
- (d) **“CCAA”** has the meaning ascribed to it in the preamble to this Claims Procedure Order.
- (e) **“Charges”** shall have the meaning ascribed to it in the Initial Order.
- (f) **“Claim”** means each of:
 - (i) any right or claim of any Person against the Debtors (or any one of them), in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured,

present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including, by reason of any breach of contract (whether oral or written), any breach of duty (including, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, contracts or assets or right to a trust or deemed trust (whether statutory, express, implied, resulting, constructive or otherwise), the right or ability of any Person to advance a claim for contribution or indemnity (including any claim by a Director or Officer against the Debtors for contribution and/or indemnity arising from any D&O Claim (as defined below)) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) would have been a claim provable in bankruptcy had the Debtors become bankrupt on the Filing Date (each, a “**Pre-Filing Claim**”, and collectively, the “**Pre-Filing Claims**”);

- (ii) any indebtedness, liability or obligation of any kind with respect to the Debtors arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date, and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Claims Procedure Order (each, a “**Restructuring Claim**”, and collectively, the “**Restructuring Claims**”); or
- (iii) any right or claim of any Person against any of the Directors or Officers of any of the Debtors, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory in nature

including any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors or Officers of the Debtors with respect to any matter, action, cause or chose in action, however arising, for which any Director or Officer of the Debtors is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer of the Debtors or which is secured by way of the Directors' Charge (as defined in the Initial Order) (each, a **"D&O Claim"**, and collectively, the **"D&O Claims"**); or

(iv) a D&O Indemnity Claim (as defined below),

provided however, that **"Claim"** shall not include an Excluded Claim.

- (g) **"Claims Bar Date"** means 5:00 p.m. (prevailing Eastern Time) on April 7, 2025 for Pre-Filing Claims and D&O Claims.
- (h) **"Claims Procedure"** means the Claims Procedure set out in the Claims Procedure Order.
- (i) **"Claims Procedure Order"** means this Claims Procedure Order.
- (j) **"Court"** means the Ontario Superior Court of Justice (Commercial List).
- (k) **"Creditor"** means any Person with a Claim against the Debtors or any one of them and includes Litigation Claimants.
- (l) **"Creditor over \$10k"** means any Person with a Claim against the Debtors or any one of them in an amount greater than \$10,000.
- (m) **"Creditor under \$10k"** means any Known Creditor of any of the Debtors who is owed an amount equal to or less than \$10,000 according to the Books and Records of the Debtors.
- (n) **"Creditors under \$10k List"** has the meaning ascribed to that term in paragraph 14 of this Claims Procedure Order.

- (o) “**CRO**” means Mr. Shawn Dym, in his capacity as Court-appointed Chief Restructuring Officer of the Debtors.
- (p) “**Directors and Officers**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or officer or *de facto* director or officer of any of the Debtors.
- (q) “**D&O Claim**” has the meaning ascribed to that term in paragraph 3(f)(iii) of this Claims Procedure Order.
- (r) “**D&O Indemnity Claim**” means any existing or future right of any Director or Officer against one or more of the Debtors which arose or arises as a result of any Person filing a Proof of Claim (as defined below) in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by one or more of the Debtors.
- (s) “**Excluded Claim**” means the following Claims against the Debtors (or any one of them) or any Directors and Officers, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, including any interest accrued thereon or costs incurred in respect thereof:
 - (i) any Claim of any Secured Creditor in respect of its Secured Debt; or
 - (ii) any Claim entitled to the benefit of an existing or future Court-ordered priority charge ordered by the Court, including the Charges.
- (t) “**Filing Date**” means January 24, 2025.
- (u) “**Initial Order**” means the Amended and Restated Initial Order dated February 3, 2025, (as may be further supplemented, amended or varied from time to time).
- (v) “**Instruction Letter**” means the guide to this Claims Procedure, in substantially the form attached as **Schedule “B”** hereto.

(w) **“Known Creditors”** means:

- (i) any Person, which, to the knowledge of the Debtors and the Monitor, was owed monies by the Debtors as of the Filing Date and which monies remain unpaid in whole or in part; and
- (ii) any Person who, to the knowledge of the Debtors and the Monitor, commenced a legal or any other proceeding against the Debtors, which legal proceeding was commenced and served upon the Debtors prior to the Filing Date.

(x) **“Litigation”** means:

Garas Family Holdings Inc. (Applicant) and *Corry Van Iersel, Kenneth Schaller, PICI Investments Incorporated, The Vancor Group Inc., and 2767888 Ontario Inc.* (Respondents) (Court File No. CV-24-00001414-0000); and

Vancor Group Inc., Vangar Properties Inc., Cornelius Van Iersel, Corry Van Iersel, and Rebecca MacDonald (Plaintiffs) and *2744364 Ontario Limited (o/a. as True North Cannabis Co., 2767888 Ontario Inc., 2767889 Ontario Inc., 1000370759 Ontario Inc., 2668905 Ontario Inc (o/a Bamboo Blaze), Kenneth Schaller (also known as Ken Schaller), Dustin Lindhorst, Alena Hapanovich, Galaxie Brands Corporation, Vancor Management Inc., Jax Jungle Play Inc., and Garas Family Holdings Inc.* (Defendants and Plaintiffs by Counterclaim) (Court File No. CV-24-00000669-0000).

(y) **“Litigation Claims”** means the Litigation and all Pre-Filing Claims which are raised in, or could have been raised in the Litigation (in fresh proceedings before any court of competent jurisdiction) as of the Filing Date.

(z) **“Litigation Claimant”** means any Person asserting claim in the Litigation, whether by direct claim, counterclaim, or cross-claim. For certainty, a Litigation Claimant is a Creditor for the purposes of this Claims Procedure Order.

(aa) **“Notice to Creditors”** means the Notice to Creditors for publication in substantially

the form attached as **Schedule “A”** hereto.

- (bb) **“Notice of Dispute of Revision or Disallowance”** means the notice, substantially in the form attached as Schedule “E” hereto, which may be delivered to the Monitor by a Creditor disputing a Notice of Revision or Disallowance received by such Creditor.
- (cc) **“Notice of Revision or Disallowance”** means the notice, substantially in the form attached as Schedule “D” hereto, which may be prepared by the Debtors, in consultation with the Monitor, and delivered by the Monitor to a Creditor revising or disallowing, in part or in whole, a Claim submitted by such Creditor in a Proof of Claim.
- (dd) **“Person”** is to be interpreted broadly and includes any individual, firm, general or limited partnership, joint venture, trust, corporation, limited or unlimited liability company, unincorporated organization, association, trust, collective bargaining agent, joint venture, federal or provincial government body, agency or ministry, regulatory body, officer or instrumentality thereof, or any juridical entity, wherever situate or domiciled, and whether or not having legal status, howsoever designated or constituted, and whether acting on their own or in a representative capacity.
- (ee) **“Pre-Filing Claim”** has the meaning ascribed to that term in paragraph 3(f)(i) of this Claims Procedure Order.
- (ff) **“Proof of Claim”** means the proof of claim to be completed and filed with the Monitor by a Person setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached hereto as **Schedule “C”**.
- (gg) **“Proof of Claim Document Package”** means a document package that includes a copy of the Notice to Creditors, Instruction Letter and Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable.
- (hh) **“Restructuring Claim”** has the meaning ascribed to that term in paragraph 3(f)(ii) of

this Claims Procedure Order.

- (ii) **“Restructuring Claims Bar Date”** means, in respect of each Restructuring Claim and each Person having a Restructuring Claim, 5:00 p.m. (prevailing Eastern Time) on the *later of*: (i) the Claims Bar Date; and (ii) the date that is 15 days after the date on which the Monitor sends a Proof of Claim Document Package to the Creditor with respect to a Restructuring Claim that arose after the Filing Date.
- (jj) **“Secured Creditor”** means each of: (i) Bank of Montreal (**“BMO”**); (ii) Firm Capital Mortgage Fund Inc. (**“Firm Capital”**); (iii) M. Higgins & Associates Inc. (**“Higgins”**); (iv) Metal Tree Inc. (**“Metal Tree”**); (v) Garas Family Holdings Inc., Manal Garas Pharmacy Corporation, and Nashaat Garas (collectively, **“Garas”**); (vi) Seavale Incorporated (**“Seavale”**); (vii) Venizelos Anastasiadis (**“Anastasiadis”**); and (viii) 818876 Ontario Inc. (**“8188”**).
- (kk) **“Secured Debt”** means:

in respect of Anastasiadis: the aggregate outstanding indebtedness owing by 888 to Anastasiadis under the mortgage registered as Instrument No. PC211268 on PIN 53099-0015;

in respect of BMO: the aggregate outstanding indebtedness owing by 888 to BMO under the mortgage registered as Instrument No. WR1304183 on PIN 03816-0033;

in respect of Firm Capital: the aggregate outstanding indebtedness owing by 888, as borrower, and TNCC, as guarantor, to Firm Capital, as assignee of Firm Capital Corporation, as lender, under the mortgage commitment agreement dated March 16, 2022, as amended;

in respect of Garas: aggregate outstanding indebtedness owing by 888 to Garas under the mortgage commitment agreement dated November 5, 2020, as amended;

in respect of Higgins: the aggregate outstanding indebtedness owing by 888 to Higgins under the mortgage registered as Instrument No. ND212965 on PIN 51194-0843;

in respect of Metal Tree: the aggregate outstanding indebtedness owing by 888 to Metal Tree Inc. under the mortgage registered as Instrument No. GB155923 on PIN 52109-0169;

in respect of Seavale: the aggregate outstanding indebtedness owing by 888 to Seavale Incorporated under the mortgage registered as Instrument No. BS195468 on PIN 49157-0021; and

in respect of 8188: the aggregate outstanding indebtedness owing by 888 to 8188 under the mortgage registered as Instrument No. OC2342254 on PIN 04036-0124.

(ll) “**Status**” means, with respect to a Claim, whether such claim is an unsecured Claim, Secured Claim, or Equity Claim.

(mm) “**Website**” means the Monitor’s website at
<https://www.insolvencies.deloitte.ca/tbcc>.

4. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.

5. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

6. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes all genders.

MONITOR’S ROLE

7. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, is hereby directed and empowered to take all such other actions and fulfill such other roles as are authorized by this Claims Procedure Order or are incidental thereto, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order

and this Claims Procedure Order, including the protections provided in paragraph 45 of this Claims Procedure Order.

NOTICE TO CREDITORS

8. **THIS COURT ORDERS** that the Debtors shall provide to the Monitor a complete list of Known Creditors as at the date of this Claims Procedure Order, showing for each Known Creditor, their name, address and amount owed pursuant to the Debtors' books and records. For those Known Creditors whose Claims are not liquidated, the Debtors shall provide a value of \$1.

9. **THIS COURT ORDERS** that the Monitor shall send the Proof of Claim Document Package by ordinary mail or email to the last known mailing address or email address of each Known Creditor within five (5) Business Days following the issuance of the Claims Procedure Order.

10. **THIS COURT ORDERS** that with respect to Restructuring Claims arising after the date of this Claims Procedure Order, the Monitor shall, no later than five (5) Business Days following the effective date of the termination, repudiation or disclaimer of a lease, contract or other agreement or obligation, send to the counterparty(ies) of such agreement or obligation a Proof of Claim Document Package by email or regular mail if the email address is not known.

11. **THIS COURT ORDERS** that as soon as practicable, the Monitor shall cause the Notice to Creditors to be published, for at least one (1) Business Day, in the Globe and Mail (National Edition).

12. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors, the Proof of Claim Document Package and the Claims Procedure Order to be posted to the Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Debtors.

13. **THIS COURT ORDERS** that to the extent that any Person requests documents relating to the Claims Procedure prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith cause a Proof of Claim Document

Package to be sent to such Person by email or direct the Person to the documents posted on the Website, and otherwise respond to any request relating to the Claims Procedure as may be appropriate in the circumstances.

CLAIMS PROCEDURE FOR CREDITORS UNDER \$10K

14. **THIS COURT ORDERS** that by no later than five (5) Business Days following the issuance of the Claims Procedure Order, the Monitor shall post a listing of the Known Creditors under \$10k and their Claims on the Website, which listing will identify the name of such Creditors and the amounts owing to such Creditors according to the Books and Records of the Applicant (the “**Creditors under \$10k List**”). The Creditors under \$10k List will be compiled by the Monitor in consultation with the Debtors.

15. **THIS COURT ORDERS** that by no later than five (5) Business Days following the issuance of the Claims Procedure Order, where the Debtors have an email address in their Books and Records for any Creditor under \$10k, the Monitor shall send an email to each such Creditor, at the email address as recorded in the Debtors’ Books and Records, directing such Creditors under \$10k to the Website and enclosing the Instruction Letter. Where the Books and Records do not disclose an email address but do disclose an address for a Creditor under \$10k, the Monitor shall mail the Instruction Letter by regular mail to that address.

16. **THIS COURT ORDERS** that the posting and publishing of the Notice to Creditors as set out in paragraph 11 of this Claims Procedure Order, the posting of the Creditors under \$10k List as set out in paragraph 14 of this Claim Process Order, and sending the emails or regular mail letters as described in paragraph 15 of this Claims Procedure Order will be sufficient notice to the Creditors under \$10k of this Claims Procedure Order and of their Creditor under \$10k Claims or Claims, as applicable.

17. **THIS COURT ORDERS** that any Creditor under \$10k that agrees with the amount of their Claim as set out on the Creditors under \$10k List shall not be required to take any further steps in respect of their Claim, including filing a Proof of Claim, and shall be deemed to have accepted their Claim as set out in the Creditors under \$10k List, and each such Claim will be deemed to be a Proven Claim.

18. **THIS COURT ORDERS** that any Creditor under \$10k that disputes the amount of their Claim as set out in the Creditors under \$10k List and/or wishes to assert (i) a D&O Claim or (ii) a Restructuring Claim, must submit a Proof of Claim with the Monitor in the manner set out in paragraph 21 hereof so that the Proof of Claim is received by the Monitor no later than the Claims Bar Date. Failure to file a Proof of Claim with the Monitor by the Claims Bar Date and/or the Restructuring Claims Bar Date, as applicable, will result in such Creditor under \$10k Claim being allowed for the amount set forth in the Creditors under \$10k List or, if they are not listed in the Creditors under \$10k List, being forever barred and extinguished, in which case such Creditor under \$10k will be forever prohibited from making or enforcing a Claim, D&O Claim, and/or Restructuring Claim.

CLAIMS BAR DATES

19. **THIS COURT ORDERS** that all Proofs of Claim with respect to: (a) Pre-Filing Claims, shall be filed with the Monitor on or before the Claims Bar Date; (b) Restructuring Claims, shall be filed with the Monitor on or before the Restructuring Claims Bar Date; and, (c) D&O Claims, shall be filed with the Monitor on or before the Claims Bar Date, except to the extent that the D&O Claim relates to a Restructuring Claim, in which case such D&O Claim shall be filed with the Monitor on or before the applicable Restructuring Claims Bar Date.

20. **THIS COURT ORDERS** that, subject to any Claims deemed to be Proven Claims pursuant to paragraph 31 of this Claims Procedure Order, any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the applicable Claims Bar Date or Restructuring Claims Bar Date: (a) shall be, and is hereby forever barred from making or enforcing such Claim against the Debtors or the Directors or Officers, or any of them; and (b) shall not be entitled to any further notice thereof, and shall not be entitled to participate as a Creditor in these proceedings.

PROOFS OF CLAIM

21. **THIS COURT ORDERS** that each Creditor over \$10k shall file a Proof of Claim against the Debtors and shall include any and all Claims it asserts against any of the Debtors in a single Proof of Claim. A Creditor under \$10k shall only be required to file a Proof of Claim in

accordance with paragraph 18 of this Claims Procedure Order if it disputes the amount of its Claim set out in the Creditors under \$10k List.

22. **THIS COURT ORDERS** that if a Creditor over \$10k is asserting a Claim against any of the Debtors and against the Directors or Officers of any of the Debtors, all such Claims shall be included in the same Proof of Claim.

23. **THIS COURT ORDERS** that where a Claim against the Debtors is based on the Debtors' guarantee of the repayment of a debt of any other Person, the Proof of Claim in respect of such Claim shall clearly state that it is based on such a guarantee.

24. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian dollars, then the Creditor making the Claim shall complete its Proof of Claim indicating the amount of the Claim in such currency. The Monitor shall subsequently convert any Claim filed in a foreign currency to Canadian dollars at the Bank of Canada exchange rate on the Filing Date.

25. **THIS COURT ORDERS** that the Monitor shall supervise the receipt and collection of the Proofs of Claim and, in conjunction with the Debtors (and any Director and/or Officer against whom a D&O Claim is asserted), shall, subject to further order of the Court, review each Proof of Claim submitted by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable. The Monitor shall, upon request, provide the Debtors' counsel with copies of all Proofs of Claim and any other documents delivered to the Monitor pursuant to the Claims Procedure.

NOTICE SUFFICIENT

26. **THIS COURT ORDERS** that each of the:

- (a) Notice to Creditors attached as Schedule "A";
- (b) Instruction Letter attached as Schedule "B";
- (c) Proof of Claim form attached as Schedule "C";

(d) Notice of Revision or Disallowance attached as Schedule “D”; and

(e) Notice of Dispute of Revision or Disallowance attached as Schedule “E,”

are hereby approved in substantially the forms attached. Despite the foregoing, the Monitor may, from time to time, and with the consent of the Debtors, make minor changes to such forms as the Monitor considers necessary or desirable.

27. **THIS COURT ORDERS** that publication of the Notice to Creditors on the Website and in the Globe and Mail (National Edition), posting of the Proof of Claim Document Package on the Website, the sending of the Proof of Claim Document Package to the Creditors over \$10k in accordance with this Claims Procedure Order, and completion of the other requirements of this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of a Creditor’s Claim, this Claims Procedure Order, the Claims Procedure, the Claims Bar Date, and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Procedure Order or the Claims Procedure.

28. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtors and the applicable Director or Officer in respect of any D&O Claim, is hereby authorized to use its reasonable discretion as to the adequacy of compliance with respect to the manner and timing in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms. Notwithstanding any other provision of this Claims Procedure Order, any Claim filed with the Monitor after the applicable Claims Bar Date or Restructuring Claims Bar Date may, in the reasonable discretion of the Monitor or subject to further Order of the Court, be deemed to have been filed on or before the applicable Claims Bar Date or Restructuring Claims Bar Date, and, subject to further Order of this Court, may be reviewed by the Monitor.

D&O INDEMNITY CLAIM

29. **THIS COURT ORDERS** that to the extent any D&O Claim is filed in accordance with this Claims Procedure Order, a corresponding D&O Indemnity Claim shall be automatically and immediately deemed to have been filed in respect of such D&O Claim.

ADJUDICATION AND RESOLUTION PROCESS FOR CLAIMS

30. **THIS COURT ORDERS** that the Monitor, in consultation with the Debtors (and in the case of a D&O Claim, in consultation with the applicable Director and/or Officer) shall review all Proofs of Claim filed in accordance with this Claims Procedure Order and at any time may (a) request additional information from a Creditor; (b) request that a Creditor file a revised Proof of Claim; (c) attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim; (d) accept (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing; and (e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Creditor in writing.

31. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor in accordance with this Claims Procedure Order, such Claim shall constitute such Creditor's "**Proven Claim**". The acceptance of any Claim or other determination of same in accordance with this Claims Procedure Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or Status of any claim by any Person, save and except in the context of this CCAA proceedings and, in respect of Litigation Claims, the Litigation.

32. **THIS COURT ORDERS** that where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Creditor a Notice of Revision or Disallowance, attaching the form of Notice of Dispute to such Revision or Disallowance.

33. **THIS COURT ORDERS** that any Person who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 32 hereof shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor, by 5:00 p.m. (Eastern Time) on the day that is not later than fourteen (14) days after the Business Day on which the Notice of Revision or Disallowance was sent, or such longer period as may be agreed to by the Monitor in writing.

The receipt of a Notice of Dispute of Revision or Disallowance by the Monitor within the fourteen (14) day period specific in this paragraph shall constitute an application to have the amount and/or Status of such claim determined pursuant to the Claims Procedure as provided in this Claims Procedure Order.

34. **THIS COURT ORDERS** that if any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute of Revision or Disallowance in accordance with paragraph 33 of this Claims Procedure Order, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Creditor will be barred from disputing or appealing same, and the balance of such Creditor's Claim, if any, shall be forever barred and extinguished.

35. **THIS COURT ORDERS** that as soon as practicable after a Notice of Dispute of Revision or Disallowance is received by the Monitor in accordance with this Claims Procedure Order, the Monitor, in consultation with the Debtors, may attempt to resolve and settle the Claim with the Creditor.

36. **THIS COURT ORDERS** that in the event that a dispute raised in a Notice of Dispute of Revision or Disallowance is not settled within a reasonable time period or in a manner satisfactory to the Monitor, the Monitor may refer the dispute to a claims officer ("**Claims Officer**") for determination. The Claims Officer shall be chosen by the Monitor in its sole direction, subject to the following qualifications: the Claims Officer shall be (i) a former judge of the Court (ii) a member of the Chartered Institute of Arbitrators holding either the FCI Arb or C.Arb designation.

37. **THIS COURT ORDERS** that the Debtors shall pay the reasonable professional fees and disbursements of the Claims Officer on presentation and acceptance of invoices from time to time. The Claims Officer shall be entitled to a reasonable retainer against his fees and disbursements, which shall be paid upon request by the Debtors with the consent of the Monitor.

38. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to

determine (a) all timetable and other procedural matters which may arise in respect of the determination of any Claim; (b) the process by which evidence will be brought before them; (c) interlocutory motions, if any; and (d) costs, if any, between the parties of any hearing before the Claims Officer.

39. **THIS COURT ORDERS** that if a Litigation Claim is referred to the Claims Officer, the relevant parties are directed to consult with the Claims Officer, forthwith after the Litigation Claim is referred to the Claims Officer, for the purposes of establishing a litigation timetable.

40. **THIS COURT ORDERS** that the Monitor or the Creditor may appeal the Claims Officer's determination to this Court by serving upon the other and filing with this Court, within ten (10) calendar days of notification of the Claims Officer's determination of such Creditor's Claim, a notice of motion returnable on a date to be fixed by this Court. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall be such Creditor's Proven Claim.

41. **THIS COURT ORDERS** that Vancor and Corry Van Iersel (and "related persons" to them, as that term is defined under the BIA) shall not participate in the Monitor's review and determination of Litigation Claims in accordance with paragraph 39 above, other than responding in writing to specific information requests made by the Monitor, if any.

NOTICE OF TRANSFEREES

42. **THIS COURT ORDERS** that neither the Debtors nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, and (b) the Monitor shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall, for the purposes hereof, constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to the written acknowledgement by the Monitor of such transfer or assignment.

43. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 42 of this Claims Procedure Order and the Monitor has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim, by or with respect to such Person in accordance with this Claims Procedure Order.

44. **THIS COURT ORDERS** that the transferee or assignee of any Claim (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of the Debtors against any such transferor or assignor, including any rights of set-off which the Debtors had against such transferor or assignor, and (b) cannot use any transferred or assigned Claim to reduce any amount owing by the transferee or assignee to the Debtors, whether by way of set off, application, merger, consolidation or otherwise.

PROTECTIONS FOR MONITOR

45. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Claims Procedure Order, the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour, (b) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Procedure Order, (c) the Monitor shall be entitled to rely on the Books and Records of the Debtors and any information provided by the Debtors, all without independent investigation,

and (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

DIRECTIONS

46. **THIS COURT ORDERS** that the Debtors or the Monitor may, at any time, and with such notice as this Court may require, seek directions from the Court with respect to this Claims Procedure Order and the Claims Procedure set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor or the Debtors, as the case may be, are at liberty to deliver the Proof of Claim Document Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the third Business Day after mailing.

48. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim) to be given under this Claims Procedure Order by a Creditor to the Monitor shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if given by electronic or digital transmission, prepaid ordinary mail, courier, or personal delivery addressed to:

DELOITTE RESTRUCTURING INC.
Attention: In its capacity as Court Appointed
Monitor of 2744364 Ontario Limited, et al.
8 Adelaide Street West, Suite 200
Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
E-mail: truenorthcc@deloitte.ca

49. **THIS COURT ORDERS** that any such notice or other communication by a Creditor to

the Monitor shall be deemed received only upon actual receipt thereof, provided that any notice or communication by a Creditor to the Monitor that is received by the Monitor on a non-Business Day or after 5:00 p.m. (prevailing Eastern Time) shall be deemed to have been received on the next Business Day.

MISCELLANEOUS

50. **THIS COURT ORDERS** that notwithstanding any other provision of this Claims Procedure Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the CCAA proceedings.

51. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Procedure Order, and without limitation to paragraph 45 of this Claims Procedure Order, the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Procedure Order, or for such further order or orders as any of them may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Procedure Order.

52. **THIS COURT ORDERS** that nothing in this Order shall prejudice the rights and remedies of any Director or Officer under any existing Director and Officer insurance policy or prevent or bar any Person from seeking recourse against or payment from any Director's and/or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors and/or Officers, whether such recourse or payment is sought directly by the Person asserting a Claim from the insurer or derivatively through the Director or Officer or one or more of the Debtors; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

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

54. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including

the assistance of any court in Canada pursuant to section 17 of the CCAA) and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Procedure Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Claims Procedure Order or to assist the Debtors and the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order.

55. **THIS COURT ORDERS** that this Claims Procedure Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Claims Procedure Order, and is enforceable without any need for entry and filing.

SCHEDULE “A” – NOTICE TO CREDITORS

Court File No. CV-25-00735482-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**NOTICE OF THE CLAIMS PROCEDURE FOR THE DEBTORS IN THE CCAA
PROCEEDINGS**

NOTICE OF CLAIMS BAR DATE FOR CLAIMS

NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Court made on March 3, 2025, (the “**Claims Procedure Order**”) a Claims Procedure has been commenced for the purpose of identifying and determining certain claims against the Debtors. Capitalized terms under this Notice that are not otherwise defined herein have the meaning ascribed to them in the Claims Procedure Order (a copy of which is available on the “Monitor's Website” at www.insolvencies.deloitte.ca/tncc).

PLEASE TAKE NOTICE that the Claims Procedure applies to Claims, as described in the Claims Procedure Order. The Claims Procedure has called for Claims which includes *Pre-Filing Claims*, *D&O Claims*, and *Restructuring Claims*. Any creditor who has not received a Proof of Claim Document Package and who believes that he or she has a Claim against the Debtors under the Claims Procedure Order in excess of \$10,000, or has a Claim under \$10,000, which was not listed in the Creditor under \$10k List (which list is displayed on the Monitor’s Website), must contact the Monitor in order to obtain a Proof of Claim form or visit the Monitor’s Website in order to download same.

THE CLAIMS BAR DATE IS 5:00 P.M. (TORONTO TIME) ON APRIL 7, 2025. This bar date applies to all Pre-Filing Claims and D&O Claims. Proofs of Claim must be completed

and filed with the Monitor using the procedures required in the Claims Procedure Order so that they are received by the Monitor on or before the Pre-Filing Claims Bar Date.

IF YOU HAVE A CLAIM UNDER \$10,000 against the Debtors which is described in the correct amount or an amount you deem acceptable on the Creditors under \$10k List you do not need to file a Proof of Claim. Your Claim will be deemed filed and accepted in the amount set out on the Creditors under \$10k List without any further action by you. Nothing further needs to be filed by you. If you disagree with your Claim value as detailed on the Monitor's Website, you must submit a Proof of Claim to the Monitor by the Claims Bar Date.

THE RESTRUCTURING CLAIMS BAR DATE IS 5:00 P.M. (TORONTO TIME) ON THE DATE THAT IS THE LATER OF: (I) APRIL 7, 2025, AND (II) THE DATE THAT IS 15 DAYS AFTER THE DATE ON WHICH THE MONITOR SENDS A PROOF OF CLAIM DOCUMENT PACKAGE TO THE CREDITOR WITH RESPECT TO SUCH RESTRUCTURING CLAIM. Proofs of Claim in respect of Restructuring Claims must be completed and filed with the Monitor using the procedures required in the Claims Procedure Order so that they are received by the Monitor on or before the Restructuring Claims Bar Date.

HOLDERS OF CLAIMS (OTHER THAN CREDITORS UNDER \$10K WHOSE CLAIM IS CORRECTLY SET OUT IN THE CREDITORS UNDER \$10K LIST) WHO DO NOT FILE A PROOF OF CLAIM BY THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, SHALL BE FOREVER EXTINGUISHED AND BARRED FROM ASSERTING THEIR CLAIMS AGAINST THE DEBTORS OR THE DIRECTORS AND OFFICERS OF THE DEBTORS.

CREDITORS REQUIRING INFORMATION or claims documentation may contact the Monitor. The Monitor's contact details for additional information relating to the Initial Order, the CCAA Proceedings, or the Claims Procedure is:

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of
2744364 Ontario Limited, et al.
8 Adelaide Street West, Suite 200
Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
Email: truenorthcc@deloitte.ca

SCHEDULE “B” - INSTRUCTION LETTER FOR CLAIMS PROCEDURE

Court File No. CV-25-00735482-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**INSTRUCTION LETTER FOR CLAIMS
PROCEDURE**

CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) dated March 3, 2025 (the “**Claims Procedure Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C- 36, as amended (the “**CCAA**”), the Applicant and Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the Applicant (in such capacity, the “**Monitor**”), have been authorized to conduct a Claims Procedure (the “**Claims Procedure**”). A copy of the Claims Procedure Order and other public information concerning these proceedings can be obtained from the Monitor’s website at: www.insolvencies.deloitte.ca/tncc (the “**Monitor’s Website**”).

This letter provides general instructions for completing a Proof of Claim form. Defined terms not defined within this instruction letter shall have the meaning ascribed thereto in the Claims Procedure Order.

The Claims Procedure is intended to identify and determine the amount of certain Claims against the Debtors, and claims against the Directors or Officers of the Debtors.

Please review the Claims Procedure Order for the full terms of the Claims Procedure. Both documents are available on the Monitor’s Website.

FOR CREDITORS UNDER \$10K

IF YOU AGREE WITH THE DEBTORS' ASSESSMENT OF YOUR CLAIM IN THE AMOUNT POSTED ON THE MONITOR'S WEBSITE, YOU NEED NOT TAKE FURTHER ACTION.

IF YOU WISH TO DISPUTE THE ASSESSMENT OF YOUR CLAIM, ASSERT A D&O CLAIM OR A RESTRUCTURING CLAIM, YOU MUST COMPLETE A PROOF OF CLAIM AND DELIVER IT TO THE MONITOR BEFORE THE CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, AT:

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of
2744364 Ontario Limited, et al.
8 Adelaide Street West
Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
E-mail: truenorthcc@deloitte.ca

**FOR CREDITORS OVER \$10K AND FOR CREDITORS UNDER \$10K THAT
DISAGREE WITH AMOUNT OF THEIR CLAIM ON
THE CREDITORS UNDER \$10K LIST**

FOR CREDITORS SUBMITTING A PROOF OF CLAIM

All Creditors with Claims, other than Creditors under \$10k who agree with their Claim as described in the Creditors under \$10k List, must file a Proof of Claim. All Proofs of Claim, notices and inquiries with respect to the Claims Procedure should be directed to the Monitor by electronic or digital transmission, prepaid registered mail, courier, or personal delivery, at the address below:

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of
2744364 Ontario Limited, et al.
8 Adelaide Street West
Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
E-mail: truenorthcc@deloitte.ca

All Proofs of Claim other than Restructuring Claims, must be received by the Monitor before 5:00 p.m. (Toronto Time) on April 7, 2025 (the “**Claims Bar Date**”), subject to the provisions of the Claims Procedure Order.

All Proofs of Claim for Restructuring Claims must be received by the Monitor on the date that is the later of: (i) April 7, 2025, and (ii) fifteen (15) calendar days following the date on which the

Monitor sends a Proof of Claim Document Package with respect to such Restructuring Claim (the “**Restructuring Claims Bar Date**”), subject to the provisions of the Claims Procedure Order. If you do not file a Proof of Claim in respect of any such Restructuring Claim by the Restructuring Claims Bar Date, any Restructuring Claim that you may have shall be forever extinguished and barred.

All Claims are presumed to be in Canadian Dollars. Denominations in any other currency shall be converted to Canadian Dollars at the relevant exchange rate on the Filing Date.

ADDITIONAL FORMS

Additional Proof of Claim forms can be obtained from the Monitor’s Website at www.involvements.deloitte.ca/tccc or by contacting the Monitor at 1-855-643-3382 or truenorthcc@deloitte.ca.

DATED this ● day of ●, 2025

SCHEDULE “C” - PROOF OF CLAIM FORM

Court File No. CV-25-00735482-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and –

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE DEBTORS
OR CLAIMS AGAINST THE DIRECTORS AND OFFICERS**

1. PARTICULARS OF CREDITOR

Full Legal Name of Creditor:	
Full Mailing Address of Creditor:	
Telephone Number of Creditor:	
E-mail Address of Creditor:	
Attention (Contact Person):	

2. PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:

(a) Have you acquired this Claim by assignment?

Yes ☐ No ☐

(if yes, attach documents evidencing assignment)

a. Full Legal Name of original creditor(s):

3. PROOF OF CLAIM

THE UNDERSIGNED CERTIFIES AS FOLLOWS:

That I am a Creditor [or hold the position of _____, the Creditor]
and have knowledge of all the circumstances connected with the Claim described herein;

That I have knowledge of all the circumstances connected with the Claim described and set out below;

The Debtor was and is still indebted to the Creditor as follows:

All Claims are presumed to be in Canadian Dollars. Denominations in any other currency shall be converted to Canadian Dollars at the relevant exchange rate on the Filing Date.

	Class of Claim Against the Debtor OR Directors and/or Officers (Pre-Filing Claim, Restructuring Claim, D&O Claim)	Amount of Claim Against the Debtor (include the foreign currency if not Canadian Dollars)
1.		\$
2.		\$
3.		\$
TOTAL AMOUNT OF CLAIMS		\$

4. NATURE OF CLAIM

(CHECK AND COMPLETE APPROPRIATE CATEGORY)

☐ Total Unsecured Claim of \$ _____

☐ Total Secured Claim of \$ _____

In respect of this debt, I hold security over the assets of _____
valued at \$ _____, the particulars of which security and value are attached to
this Proof of Claim form.

(If the Claim is secured, provide full particulars of the security, including the date on which the security was given the value for which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security).

5. PARTICULARS OF CLAIM:

The particulars of the undersigned's total Claims (including Pre-Filing Claims, Restructuring Claims or any D&O Claims) are attached.

Provide full particulars of the Claim(s) and supporting documentation you are asserting a Claim against, the amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. In the event that any part of your claim also includes a claim amount against the Directors and Officers, please particularize the exact amount claimed against the Directors and Officers and the accompanying legal analysis. If you fail to sufficiently explain the legal analysis in respect of any claim against the Directors and Officers, that portion of the claim will be revised or disallowed.

FILING OF CLAIM

For Pre-Filing Claims and D&O Claims, this Proof of Claim must be returned to and received by the Monitor by 5:00 p.m. (Toronto Time) on the Claims Bar Date (April 7, 2025).

For Restructuring Claims, this Proof of Claim must be returned to and received by the Monitor by 5:00 p.m. (Toronto Time) on the date that is the later of: (i) April 7, 2025, and (ii) fifteen (15) calendar days following the date on which the Monitor sends a Proof of Claim Documents Package with respect to such Restructuring Claim.

In each case, completed forms must be delivered by email, prepaid registered mail, courier, or personal delivery to the Monitor at the following address:

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of
2744364 Ontario Limited, et al.
8 Adelaide Street West

Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
E-mail: truenorthcc@deloitte.ca

Dated at _____ this _____ day of _____, 2025.

Witness Name: _____

Signature of Creditor: _____

Name of Creditor: _____

If Creditor is an entity, print name and title of authorized signatory:

Title: _____

Signature of authorized signatory: _____

Name of authorized signatory: _____

SCHEDULE “D” - NOTICE OF REVISION OR DISALLOWANCE

For persons who have asserted Claims against the Debtors and/or D&O Claims against the Directors and/or Officers of the Debtors

TO: [INSERT NAME AND ADDRESS OF CLAIMANT] (the “Claimant”)

RE: Claim Reference Number: _____

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtors dated **March 3, 2025** (the “**Claims Procedure Order**”). You can obtain a copy of the Claims Procedure Order on the Monitor’s Website at: www.insolvencies.deloitte.ca/tccc

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that the Monitor, in consultation with the Debtors, have reviewed your Proof of Claim or D&O Proof of Claim and have revised or disallowed all or part of your purported Claim set out therein for voting and/or distribution purposes. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

Prefiling Claims

	Amount as Submitted		Amount allowed by the Monitor for voting purposes:	Amount allowed by the Monitor for distribution purposes:
	Currency			
A. Unsecured		\$	\$	\$
B. Priority		\$	\$	\$
C. D&O Claim		\$	\$	\$
D. Total Claim		\$	\$	\$

Restructuring Claims

	Amount as Submitted		Amount allowed by the Debtors’ for voting purposes:	Amount allowed by the Debtors for distribution purposes:
	Currency			
A. Unsecured		\$	\$	\$
B. Priority		\$	\$	\$
C. D&O Claim		\$	\$	\$
D. Total Claim		\$	\$	\$

Reasons for Revision or Disallowance:

SERVICE OF DISPUTE NOTICES

If you intend to dispute your Claim specified in this Notice of Revision or Disallowance for voting and/or distribution purposes, you must, by no later than 5:00 p.m. (Toronto time) on the day that is **fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with paragraph 33 of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor (by prepaid ordinary mail, registered mail, courier, personal delivery or email) at the address listed below.

If you do not dispute this Notice of Revision or Disallowance in the prescribed manner and within the aforesaid time period, your Claim shall be deemed to be as set out herein.

If you agree with this Notice of Revision or Disallowance, there is no need to file anything further with the Monitor.

The address of the Monitor is set out below:

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of
2744364 Ontario Limited, et al.
8 Adelaide Street West
Toronto, ON, M5H 0A9
Telephone: 1-855-643-3382
E-mail: truenorthcc@deloitte.ca

In accordance with the Claims Procedure Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at www.insolvencies.deloitte.ca/tbcc.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISIONS OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this ● day of ●, 2025

DELOITTE RESTRUCTURING INC., solely in its
capacity as Court Appointed Monitor of 2744364 Ontario
Limited, et al. and not in its personal or corporate capacity

Per: _____

SCHEDULE “E” - NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

With respect to Claims against the Debtors and/or D&O Claims against the Directors and/or Officers of the Debtors

Capitalized terms used but not defined in the Notice of Revision or Disallowance shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Debtors dated **March 3, 2025** (the “Claims Procedure Order”). You can obtain a copy of the Claims Procedure Order on the Monitor’s website at: www.insolvencies.deloitte.ca/tccc

1. Particulars of the Holder of the Claim:

Claims Reference Number: _____

Full Legal Name of Claimant (include trade name, if different)

(the “**Claimant**”)

Full Mailing Address of the Claimant:

Other Contact Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. Particulars of original Claimant from whom you acquired the Claim or D&O Claim (if applicable):

Have you acquired this Claim by assignment?¹

Yes: [] No: []

If yes, and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3. Dispute of Revision or Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance dated _____, and asserts a Claim as follows:

Prefiling Claims

	Currency	Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:	Amount claimed by Claimant for voting/distribution purposes:
A. Unsecured			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
B. Priority			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
C. D&O Claim			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
D. Total Claim			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$

¹ Only select 'Yes' if you have been transferred the Claim being referenced herein from another Person.

Restructuring Claims

	Currency	Amount allowed by the Monitor in the Notice of Revision or Disallowance for voting/distribution purposes:	Amount claimed by Claimant for voting/distribution purposes:
A. Unsecured			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
B. Priority			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
C. D&O Claim			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$
D. Total Claim			
<i>Voting</i>		\$	\$
<i>Distribution</i>		\$	\$

(Insert particulars of your Claim per the Notice of Revision or Disallowance, and the value of your Claim as asserted by you).

4. Reasons for Dispute:

Provide full particulars of why you dispute the revision or disallowance of your Claim as set out in the Notice of Revision or Disallowance, and provide all supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, and amount of Claim allocated thereto, date and number of all invoices, particular of all credits, discounts, etc. claimed, as well as a description of the security, if any, granted to the Claimant and the estimated value of such security. The particulars provided must support the value of the Claim as stated by you in item 3, above.

5. Certification

I hereby certify that:

I am the Claimant or an authorized representative of the Claimant.

I have knowledge of all the circumstances connected with this Claim.

The Claimant submits this Notice of Dispute of Revision or Disallowance in respect of the Claim referenced above.

All available documentation in support of the Claimant's dispute is attached.

All information submitted in this Notice of Dispute of Revision or Disallowance must be true, accurate, and complete. Filing false information relating to your Claim may result in your Claim being disallowed in whole or in part and may result in further penalties.

Witness:

Signature: _____

(signature)

Name: _____

(print)

Title: _____

Dated at _____ this _____ day of _____, 2025.

This Notice of Dispute of Revision or Disallowance **MUST** be returned to and received by the Monitor at the below address **by no later than 5:00 p.m. (Toronto time) on the day that is fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you** (in accordance with the Claims Procedure Order, a copy of which can be found on the Monitor's website at www.insolvencies.deloitte.ca/tbcc).

Delivery to the Monitor may be made by ordinary prepaid mail, registered mail, courier, personal delivery or email to the address below.

DELOITTE RESTRUCTURING INC.

Attention: In its capacity as Court Appointed Monitor of North American Fur Auction Inc.

8 Adelaide Street West

Toronto, ON, M5H 0A9

Telephone: 1- 855-643-3382

E-mail: truenorthcc@deloitte.ca

In accordance with the Claims Procedure Order, notices shall be deemed received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at www.insolvencies.deloitte.ca/tnc.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, YOUR CLAIM AS SET OUT IN THE NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL*
Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

CLAIMS PROCEDURE ORDER

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL* Court File No. CV-25-00735482-00CL
Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD OF THE APPLICANT
(Returnable March 3, 2025)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.