

**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)

**SECOND REPORT OF THE MONITOR
DATED FEBRUARY 27, 2025**

TABLE OF CONTENTS

INTRODUCTION.....	1
PURPOSE.....	3
TERMS OF REFERENCE	4
DEBTORS' RECEIPTS AND DISBURSEMENTS SINCE THE FILING DATE.....	5
THE PROPOSED SISP	8
<i>Summary of the SISP.....</i>	<i>8</i>
<i>The Stalking Horse Bid</i>	<i>10</i>
<i>Monitor's views regarding the proposed SISP and the Stalking Horse Bid</i>	<i>12</i>
PROPOSED CLAIMS PROCEDURE.....	16
RECOMMENDATIONS.....	19

APPENDICES

Appendix "A" – Proposed SISP
Appendix "B" – Stalking Horse Bid
Appendix "C" – Break Fee Summary
Appendix "D" – Instruction Letter
Appendix "E" – Notice to Creditors
Appendix "F" – Proof of Claim
Appendix "G" – Notice of Revision or Disallowance
Appendix "H" – Notice of Dispute

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)

SECOND REPORT OF THE MONITOR

DATED FEBRUARY 27, 2025

INTRODUCTION

1. On January 24, 2025 (the “**Filing Date**”), the Vancor Group Inc. (“**Vancor**” or the “**Applicant**”) commenced proceedings (the “**CCAA Proceedings**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for the purpose of obtaining an order (the “**Initial Order**”) in respect of 2744364 Ontario Inc. (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**”).
2. The relief sought by Vancor, which was granted by the Court, included the following:
 - a. declaring that the Debtors were companies to which the CCAA applies and ordering

- a stay of proceedings in favour of the Debtors until February 3, 2025 (the “**Stay Period**”);
- b. appointing Deloitte Restructuring Inc. as monitor of the Debtors (the “**Monitor**”);
 - c. appointing Mr. Shawn Dym as chief restructuring officer of the Debtors (the “**CRO**”);
 - d. approving the Debtors ability to borrow up to a principal amount of \$900,000 under a DIP Term Sheet from Vancor, as lender (in such capacity, the “**DIP Lender**”), to finance, among other things, the Debtors’ working capital requirements and post-filing expenses (the “**DIP Facility**”);
 - e. approving a charge on the Debtors’ assets in the amount of \$900,000 (the “**DIP Charge**”);
 - f. granting a charge on the Debtors’ assets in the amount of \$350,000 (the “**Administration Charge**” and together with the DIP Charge, the “**Charges**”) for the benefit of the Monitor and its counsel, the CRO, counsel to Vancor, and counsel to the Debtors (together the “**Professionals Group**”);
 - g. Authorizing the Debtors to pay certain pre-filing liabilities with the consent of the Monitor;
 - h. authorizing the Debtors to pay pre- and post-filing interest to the Debtors’ eight secured creditors, in accordance with the Cash Flow Forecast; and
 - i. Other ancillary relief related to the CCAA Proceedings.
3. At a further hearing on February 3, 2025 (the “**Comeback Hearing**”), the Court granted the following relief via an amended and restated Initial Order (the “**ARIO**”):

- a. extending the stay provided by the Initial Order to May 2, 2025 (the “**Extended Stay Period**”);
 - b. increasing permitted borrowings under the DIP Facility to \$2.0 million;
 - c. increasing the Administration Charge and the DIP Charge to \$600,000 and \$2.0 million, respectively;
 - d. authorizing the Debtors to file a Plan of Arrangement pursuant to the CCAA and certain ancillary relief related thereto; and
 - e. authorizing the Debtors to undertake certain steps related to a potential restructuring.
4. On February 24, 2025, Vancor filed materials seeking the following relief (the “**Motion**”):
- a. an Order approving a sale and investment solicitation process (the “**SISP**”) to be administered by the Monitor (the “**SISP Order**”). The proposed SISP Order also seeks the approval of a stalking horse subscription agreement between the Debtors and Vancor (in such capacity, the “**Stalking Horse Bidder**”), which establishes a stalking horse bid (the “**Stalking Horse Bid**”) in the SISP; and
 - b. an Order approving a proposed claims procedure, to be administered by the Monitor, for claims that may be outstanding against the Debtors and their directors and officers (the “**Claims Procedure**”).

PURPOSE

5. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide the Court with information related to:

- a. the Debtors' receipts and disbursements from January 24, 2025 through to February 16, 2025 (the "**Reporting Period**");
- b. the details of the proposed SISP being sought by Vancor and the Monitor's views related thereto, which includes the Monitor's views on the Stalking Horse Bid;
- c. the details of the proposed Claims Procedure; and
- d. the Monitor's views on the relief currently being requested by Vancor in respect of the SISP and the Claims Procedure.

TERMS OF REFERENCE

- 6. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited financial information, books, records and financial information prepared by the Debtors, discussions with and information from Vancor's and the Debtors' management ("**Management**") and other third-party sources (collectively, the "**Information**"). Except as described in this Second Report:
 - a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *CPA Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b. some of the Information referred to in this Second Report consists of forecasts and

projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed.

7. Future oriented financial information referred to in this Second Report was prepared based on the Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize and the variations could be significant.
8. The Monitor has prepared this Second Report in connection with the CCAA Proceedings and should not be relied on for any other purpose.
9. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.
10. Background relating to these CCAA Proceedings is provided by the affidavits sworn by Corry Van Iersel on January 23, 2025 (the "**First Van Iersel Affidavit**"), January 30, 2025 (the "**Second Van Iersel Affidavit**") and February 24, 2025 (the "**Third Van Iersel Affidavit**").

DEBTORS' RECEIPTS AND DISBURSEMENTS SINCE THE FILING DATE

11. The following table summarizes the Debtors' receipts and disbursements for the Reporting Period, along with variances compared to the 15-week forecast (the "**Cash Flow Forecast**") that was included with the pre-filing report of the Monitor dated January 23, 2025 (the "**Pre-Filing Report**"):

True North Cannabis Co. (TNCC), Bamboo Blaze and 2767888 Ontario Inc. Statement of Receipts and Disbursements For the Period January 27, 2025 to February 16, 2025 CAD \$000			
	Actuals	Forecast	Variance
Receipts			
Cash sales	3,288	4,003	(715)
Collection (Services)	173	337	(164)
DIP Financing	850	700	150
Total Receipts	4,311	5,040	(729)
Disbursements			
Inventory and Raw Materials	(2,740)	(2,804)	63
Payroll Costs	(707)	(741)	34
Rent & Facilities	(223)	(242)	19
General Expenses	(112)	(412)	300
HST	(210)	(257)	48
Debt Service	(90)	(318)	229
Total Operating Expenses	(4,082)	(4,775)	693
Professional fees	(216)	(519)	303
Total Disbursements	(4,298)	(5,293)	996
Net Cash Flow	13	(253)	267
Opening Cash	241	381	(140)
Ending Cash (deficit)	255	128	127
Note: The CCAA filing date of January 24, 2025 was a Friday and, as such, there were limited disbursements. The reporting period in the table starts in the first full week of the CCAA Proceedings beginning January 27, 2025.			

12. The following paragraphs detail the Debtors' actual receipts and disbursements, along with the significant variances from the Cash Flow Forecast:

- a. **Cash sales** – Cash sales, which include receipts from customers paying in cash and those by credit/debit card at retail locations, were approximately \$715,000 lower than forecast. Such variance is permanent and is due to lower than forecast retail sales.
- b. **Collection (Services)** – Collections for service revenue was approximately \$164,000 lower than forecast due to the timing of receipts. Such difference is temporary and is expected to reverse in future weeks.

- c. **DIP Financing** – Receipts related to the Debtors’ DIP Facility was \$150,000 greater than forecast given liquidity needs relative to available liquidity. Given that ending cash is greater than forecast, it is expected that this timing difference will reverse in future weeks.
- d. **General Expenses** – Disbursements related to such forecast amounts were lower than forecast, as the Debtors had assumed that certain payments would be required to maintain normal operations. The Debtors were able to maintain operations in the normal course without the need to make these payments, including with respect to HST, debt service costs and professional fees, as outlined below. This variance is largely expected to be permanent.
- e. **HST** – Remittances related to HST were lower than forecast due to lower-than-expected HST payable for the month of December 2024. Such variance is permanent.
- f. **Debt Service** – The Debtors paid approximately \$229,000 less in debt service than forecast, primarily due to not making contemplated interest payments to Vancor as set out in the Cash Flow Forecast contained in the Pre-filing Report. The Debtors do not expect to make such payments on the underlying debt in the future despite such payments on the underlying unsecured debt being forecast in the Cash Flow Forecast and, as such, this variance is permanent.
- g. **Professional Fees** – Professional fee disbursements were lower than forecast due to the timing of receipt of professional fee invoices. This variance is expected to reverse in future weeks.

THE PROPOSED SISP

Summary of the SISP

13. As set out in its Motion, Vancor is currently seeking the Court’s authorization for a SISP to be administered by the Monitor. The details of Vancor’s proposed process are set out in Appendix “A”. A summary of the key milestones in the SISP is set out below:

Item	Details
Commencement date	<ul style="list-style-type: none">• Immediately following the granting of the SISP Order
Bid Deadline	<ul style="list-style-type: none">• 45 days after the granting of the SISP Order• Bid shall be irrevocable
Auction Date	<ul style="list-style-type: none">• 3 business days after the Bid Deadline
Hearing to approve the transaction(s) resulting from the SISP	<ul style="list-style-type: none">• Forthwith
Sale closing	<ul style="list-style-type: none">• 10 days after the granting of the Sale Approval Order

14. Further material elements of the SISP are summarized below. Undefined terms in this section shall have the meaning ascribed to them in Appendix “A”:

- a. the SISP will be administered by the Monitor in consultation with the Debtors and the CRO. The Debtors, the CRO and the Monitor will jointly develop a list of potential bidders, which shall include any party that has expressed an interest in participating in the SISP (each, a “**Known Potential Bidder**”);
- b. the Monitor will advertise the SISP in the Insolvency Insider newsletter and post a notice of the SISP on its website. The Monitor will be at liberty to post additional notices if it deems it advisable to do so;
- c. the Monitor will prepare a description of the opportunity (the “**Teaser**”) and a non-

disclosure agreement (an “**NDA**”) to be sent to Known Potential Bidders. Once the NDA is executed, a Known Potential Bidder shall be a “**Potential Bidder**”;

- d. Potential Bidders will be granted access to an electronic data room that will contain details of the Debtors’ business and affairs. They may also receive presentations from Management, undertake site visits of the Debtors’ locations, and request information regarding the Debtors’ affairs from the Monitor;
- e. Potential Bidders that wish to make a binding sale or investment proposal (each, a “**Bid**”) that complies with the SISP shall submit their Bids by the Bid Deadline. Bids shall specify a number of particulars including the purchase price to be paid by the party submitting the Bid (with each being a “**Bidder**”);
- f. there are protections to ensure that any Participating Insider, including the Stalking Horse Bidder, is, among other things, not provided with information about the other Potential Bidders, the terms of the completing Bids, and does not participate in the Monitor’s review or consideration of the Bids. Participating Insiders will not have input into determining the best Bid in the SISP;
- g. the Monitor shall have the ability to combine two non-overlapping independent Bids into one Bid with the consent of each Bidder;
- h. each Bid, other than the Stalking Horse Bid, shall be accompanied by a deposit equal to 10% of the cash purchase price contemplated by the Bid. Such deposits, which are refundable to unsuccessful Bidders, shall be held in trust by the Monitor pending the outcome of the SISP;
- i. there are particular requirements for each of a Sale Proposal and an Investment

Proposal, as detailed in the SISP. Each Bid must also contain certain prescribed representations as detailed therein. While the Stalking Horse Bid contemplates a “reverse vesting order” structure, the SISP allows for flexibility for Potential Bidders to submit an asset purchase bid;

- j. upon submission of Bids to the Monitor, the Monitor will evaluate each bid with respect to overall recoveries to the Debtors’ estates;
- k. 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 (the “**Auction**”). The SISP contemplates an Auction procedure, which includes minimum Overbid thresholds, bidding disclosure requirements, and contains discretion for the Monitor to ensure flexibility and fairness in the Auction.
- l. once a Successful Bid is identified, the Monitor will seek Court approval of same, with closing to occur no later than 10 calendar days after granting of the Sale Approval Order.

The Stalking Horse Bid

15. As set out in Vancor’s Motion materials, it is currently seeking the Court’s approval for Vancor to act as the Stalking Horse Bidder in the SISP. A copy of the Stalking Horse Bid is attached to this Second Report as Appendix “**B**”. The Stalking Horse Bid contains the following provisions, with undefined capitalized terms having the meanings ascribed to them in the Stalking Horse Bid:

- a. the Stalking Horse Bid is premised on Vancor acquiring a new class of shares of each of the Debtors such that Vancor will become the 100% owner of each entity.

Existing shares will be cancelled in accordance with the “**Implementation Steps**” set out in the Stalking Horse Bid;

- b. the transaction contemplated by the Stalking Horse Bidder will be affected via a “reverse vesting order” to be issued by the Court given the various licenses and permits held by the Debtors;
- c. the Stalking Horse Bidder, should it close the Transaction (as defined in the SISP), will assume all of the Proven Claims of the Debtors as such Proven Claims are determined in the Claims Procedure. This includes claims that are currently subject to litigation with the Debtors. The Stalking Horse Bidder will also assume amounts under the DIP Facility, the Debtors’ Secured Indebtedness, unpaid amounts that are in priority to the Secured Indebtedness and any liability that relates to assumed contracts and/or licenses;
- d. in addition to the amounts set out above, the Purchase Price contemplated in the Stalking Horse Bid includes a Closing Payment, which is made up of, among other things, all amounts owing under the Administration Charge and the Administrative Wind-down Amount;
- e. the Stalking Horse Bidder has the ability to exclude assets or contracts from the transaction;
- f. given the uncertainty regarding the quantum of Proven Claims subject to the administration of the Claims Procedure, the Stalking Horse Bidder estimates the total Purchase Price to be in the range of \$42 million to \$52 million (which Purchase Price will largely be satisfied via the assumption of the Debtors’ Proven Claims as

determined in the Claims Procedure), with the latter amount being the maximum Purchase Price allowed by the Stalking Horse Bid. The amount of \$42 million includes the DIP Indebtedness, the Secured Indebtedness, the Vancor Shareholder Loan, the Unsecured Indebtedness and the Closing Payment;

- g. If a Bidder submits a competitive Bid, the SISP provides that the Monitor will attempt to determine the value of the Bids as received compared to the Stalking Horse Bid, and if unable to do so, may seek advice and directions of the Court;
- h. the costs to wind down the CCAA Proceedings will also be funded by the Stalking Horse Bidder at Closing;
- i. unsecured claims that are assumed by the Stalking Horse Bidder will be paid via a non-interest bearing promissory note issued to each claimant. The term shall be 12 months for each;
- j. there is a break fee of \$400,000 contemplated by the Stalking Horse Bid should the Stalking Horse Bidder not be the Successful Bidder in the SISP (the “**Break Fee**”);
- k. the Debtors are not required to provide extensive representations and warranties as part of the Stalking Horse Bid;
- l. grounds for termination are consistent with agreements in CCAA proceedings; and
- m. the Stalking Horse Bid contains a timeline as set out in the table above.

Monitor’s views regarding the proposed SISP and the Stalking Horse Bid

16. The Monitor is supportive of Vancor’s requested relief in respect regarding the SISP, as detailed in the Motion, for the following reasons:

- a. the Monitor will be responsible for all material elements of the SISP and has the ability to confer with the Debtors and the CRO should such consultations be necessary;
- b. the duration of proposed SISP strikes the appropriate balance between the liquidity profile of the Debtors and the time necessary to undertake the SISP. In particular, the Monitor notes that there are significant debt maturities on May 1, 2025, as detailed in the First Van Iersel Affidavit. Prior to the date of this Second Report, the Monitor received a number of inbound inquiries regarding the SISP and is of the view that many potential purchasers will already be aware of the opportunity. The Stalking Horse Bid will be a public document and will provide Known Bidders with a template agreement upon which to assess their Bids. This baseline allows for a shorter marketing process than would be required otherwise in a SISP;
- c. the ability to advertise the SISP will assist in notifying potential SISP participants of the opportunity to participate in a purchase of the Debtors' Assets and/or Business;
- d. the ability of the Monitor to combine bids allows for flexibility of purchasers acquiring only those Assets that are of interest to them (e.g. retail stores vs. real estate);
- e. the ability for the Monitor to hold an Auction will support maximum stakeholder recovery;
- f. Participating Insiders will not have any input into the selection of the Successful Bidder and the Monitor will maintain overall decision-making power in this regard;

- g. the existence of the Stalking Horse Bid provides the process with certainty of outcome and will enhance the Debtors' restructuring efforts;
- h. approving the Stalking Horse Bid will ensure that the Debtors' employees have continued employment through these CCAA Proceedings and beyond;
- i. in light of the foregoing, the Monitor is of the view that the SISP, including the inclusion of the Break Fee in the Stalking Horse Bid, is fair and reasonable overall.

17. With respect to the Stalking Horse Bid, the Monitor makes the following observations:

- a. the Transaction structure is an efficient and commercially reasonable way to transact for the Debtors' business, as it maintains the required licenses and permits necessary to retail cannabis products. Specifically, maintaining current licenses and permits allows for a higher price to be achieved in the SISP by maintaining current authorizations in favour of the Debtors when compared to the price that may be achieved for buyers that need to apply for and obtain such licenses themselves, as such process could be lengthy and uncertain. The Monitor is also of the view that the reverse vesting order structure is likely to produce an economic result that is at least as favourable as any other viable alternative;
- b. the quantum of the Break Fee, while payable to a related party, is on the lower end of the range of break fees that the Monitor has reviewed, a summary of which is attached as Appendix "C". It is also consistent with the break fee in favour of a related party stalking horse bidder which was approved by the Court in another recent CCAA proceeding in the cannabis sector;
- c. the Monitor is of the view that the Stalking Horse Bid is reasonable in the

circumstances, as it results in the assumption of substantially all of the Proven Claims against the Debtors. Vancor, in the unique circumstances of this case where it is the largest unsecured creditor as well as the DIP Lender, is sufficiently incentivized to complete the Stalking Horse Bid;

- d. the transaction contemplated by the Stalking Horse Bid will result in existing shareholders having their equity cancelled, and a new class of shares being issued to the Stalking Horse Bidder. This will result in the Stalking Horse Bidder owning each of the Debtors on a wholly-owned basis; and
- e. in the Monitor's experience, the Outside Date allows for enough time to close the Transaction.

18. The Monitor notes that the largest component of the Purchase Price contemplated by the Stalking Horse Bid is the assumption of the unsecured shareholder loan provided by Vancor to the Debtors. As set out in First and Second Van Iersel Affidavits, the principal quantum of such financing is approximately \$23 million (the "**Vancor Shareholder Loan**"). Interest of approximately \$4 million has also accrued.

19. The Monitor and its counsel have reviewed the nature of the amounts provided by Vancor, and have reviewed this with the Debtors and their counsel, and are of the view that such financing is properly characterized as debt from both a legal and accounting perspective. This is consistent with the purported treatment of the Vancor Shareholder Loan in the records of both Vancor and the Debtors. As such, the Monitor is comfortable with the Vancor Shareholder Loan forming a significant proportion of the Purchase Price contemplated by the Stalking Horse Bid.

20. While the shareholder debt being assumed is unsecured debt, it is being assumed in a transaction which also assumes all of the secured debt and all of the other unsecured debts which are Proven Claims in this proceeding.

21. For the reasons detailed above, the Monitor recommends that the Court approve the SISP.

PROPOSED CLAIMS PROCEDURE

22. As set out in the Motion, Vancor is currently seeking the Court's approval of the Claims Procedure to quantify claims that may exist against the Debtors and their directors and officers. The Claims Procedure is necessary as it will either provide the Stalking Horse Bidder with a determined list of Proven Claims and amounts which it is assuming, or it will provide the basis upon which funds paid by a Bidder can be distributed to the creditors of the Debtors.

23. The following is a summary of the Claims Procedure as contemplated in the Motion:

- a. the Claims Procedure seeks to quantify claims that may exist in respect of the Debtors. These include Pre-Filing Claims, Secured Claims, D&O Claims and Restructuring Claims;
- b. as part of the Claims Procedure, the Monitor will send an instruction letter (the **"Instruction Letter"**) and a notice to creditors (the **"Notice to Creditors"**) that set out the requirements of the Claims Procedure to each creditor appearing in the Debtors' books and records (each a **"Known Creditor"**). The Monitor will also send such documents to other parties requesting same. Copies of the Instruction Letter and the Notice to Creditors are set out in Appendices **"D"** and **"E"**, respectively. The Instruction Letter and Notice to Creditors will also be posted on the Monitor's Website;

- c. Known Creditors, whose balances the Debtors estimate to be \$10,000 or less (the “**Creditors Under \$10k**”), will be posted on the Monitor’s Website. If such Creditors Under \$10k do not dispute their balance on the list posted on the Monitor’s Website, their claim will be accepted at such amount. If Creditors Under \$10k wish to dispute such amount, they must provide the Monitor with an updated balance by filing a proof of claim (the “**Proof of Claim**”). A copy of the proposed Proof of Claim is attached hereto as Appendix “**F**”. The Monitor will then evaluate each Proof of Claim according to the process below;
- d. if a Known Creditor has a balance greater than \$10,000 according to the Debtors’ books and records, they will be sent a blank Proof of Claim in addition to the Instruction Letter and Notice to Creditors. Such Proof of Claim must be returned to the Monitor by the Claims Bar Date (as defined below);
- e. Proofs of Claim must be returned to the Monitor by 5:00 EDT on April 7, 2025 (the “**Claims Bar Date**”). Claims that are not submitted by the Claims Bar Date shall be forever discharged and extinguished;
- f. the Monitor shall examine each Proof of Claim received and either accept such claim or revise/disallow it in part or in whole, as the case may be. All such revisions or disallowances shall be made after consulting with the Debtors and the CRO. Should the Monitor wish to disallow or revise a creditor claim, it shall send each creditor a notice of revision or disallowance (a “**Notice of Revision or Disallowance**”) setting out the particulars of such revision or disallowance. A proposed Notice of Revision or Disallowance is attached hereto as Appendix “**G**”;
- g. each creditor receiving a Notice of Dispute of Revision or Disallowance shall have

14 days to dispute the Notice of Disallowance by detailing the nature of such disallowance in a dispute notice (each a “**Notice of Dispute**”) to be sent to the Monitor. A proposed Notice of Dispute is attached hereto as Appendix “**H**”;

- h. Upon receiving a Notice of Dispute from a potential creditor, the Monitor shall, within 10 days of receiving same, either accept the creditor’s claim as detailed in the Notice of Dispute or some other negotiated amount or refer any remaining dispute to a claims officer who will finally adjudicate such claim (each, a “**Claims Officer**”). Each claims officer shall be either a certified arbitrator (holding the designation of FCI Arb or C. Arb) or a retired judge that was formerly appointed to the Court;
- i. the Claims Officer shall schedule a hearing to adjudicate the applicable claims. The determination of the Claims Officer shall be binding unless appealed to the Court by Notice of Motion within 10 calendar days of the Claims Officer’s determination.

24. The Monitor makes the following observations regarding the proposed Claims Procedure:

- a. the proposed Claims Procedure provides a forum for the Debtors’ creditors to file their claims. This includes the various classes of claims against the Debtors and their directors and officers;
- b. the “negative notice” process seeks to minimize costs while allowing Known Creditors a forum to prove their Claims. Creditors will have ample opportunity to prove their Claims against the Debtors under the proposed Claims Procedure;
- c. the Stalking Horse Bid contemplates the assumption of claims against the Debtors. As such, it is necessary to quantify such claims so that the full quantum of the

Stalking Horse Bid may be assessed; and

- d. the duration of the proposed Claims Procedure is appropriate given the liquidity profile of the Debtors.

25. The Monitor notes that the proposed Claims Procedure will address all claims against the Debtors. This includes litigation claims that may exist as part of ongoing litigation against the Debtors, Vancor and others (the “**Litigation Claims**”), which Litigation Claims are being assumed by the Stalking Horse Bidder, but only to the extent they are Proven Claims. Such litigation is more fully described in the First Van Iersel Affidavit.

26. The Claims Procedure provides that Vancor and Corry Van Iersel (as well as “related persons”) shall not participate in the Monitor’s review and determination of the Litigation Claims, other than responding in writing to specific information requests made by the Monitor. Requiring the determination of the Litigation Claims in the Claims Procedure will allow for a fair but expedited process to address such claims on an “as soon as practicable” basis compared to a more traditional litigation timeline. This will allow for the claims to be paid along with other existing creditors either through the assumption of their claim by the Stalking Horse Bidder, or from the proceeds of sale payable to ResidualCo if such proceeds are paid by a successful Bidder other than the Stalking Horse Bidder, without delaying the sale process.

27. For the reasons set out above, the Monitor recommends that the Court approve the Claims Procedure as detailed in the Motion.

RECOMMENDATIONS

28. The Debtors continue to act in good faith and with due diligence.

29. The Monitor is supportive of Vancor’s request for both the SISP and the Claims Procedure, as

each furthers the goal of restructuring the Debtors as going concerns and recommends that the Court grant Vancor's requested relief for the reasons set out in this Second Report.

All of which is respectfully submitted this 27th day of February, 2025.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as Monitor of
the Debtors, and not in its personal or corporate capacity

Per:



Todd Ambachtsheer, CPA, CA, CIRP, LIT
Senior Vice-President

**Appendix “A”
Proposed SISP**

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

Appendix “B”
Stalking Horse Bid

STALKING HORSE SUBSCRIPTION AGREEMENT

THIS STALKING HORSE SUBSCRIPTION AGREEMENT is made as of the ____ day of February, 2025 (the “Effective Date”)

AMONG:

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as “TNCC”)

- and -

2767888 ONTARIO INC., a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as “888”)

- and -

2668905 ONTARIO INC. o/a BAMBOO BLAZE, a corporation formed pursuant to the laws of the Province of Ontario (hereinafter referred to as “Bamboo Blaze” and together with TNCC and 888, collectively, the “TNCC Group”)

- and -

THE VANCOR GROUP INC., a corporation formed pursuant to the laws of the Province of Ontario, or its nominee (hereinafter referred to as the “Purchaser”)

RECITALS:

A. Pursuant to the Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued January 24, 2025 (as amended and restated on February 3, 2025, and as may be further amended or amended and restated, the “**Initial Order**”) the Purchaser commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in respect of the TNCC Group, and Deloitte Restructuring Inc. was appointed as Monitor of the TNCC Group (in such capacity, the “**Monitor**”).

B. In connection with the CCAA Proceedings, the TNCC Group intends to return to Court on March 3, 2025 to seek an order of the Court (as may be amended or amended and restated from time to time, the “**SISP Order**”), among other things: (i) approving, and authorizing the Monitor to conduct, a Court-supervised sale and investment solicitation process (as further described in Schedule “E”, attached hereto, the “**SISP**”); and (ii) approving this Agreement as a Stalking Horse Bid (as defined herein) for the Purchased Shares (as defined herein).

C. In the event that this Agreement is selected as the Successful Bid (as defined herein) in the SISP, the TNCC Group has agreed to issue, sell and transfer to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the TNCC Group, the Purchased Shares, subject to and in accordance with the terms and conditions set forth in this Agreement.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“818876 Debt” means the aggregate outstanding indebtedness owing by 888 to 818876 Ontario Ltd. under the mortgage registered as Instrument No. OC2342254 on PIN 04036-0124.

“Administration Charge” has the meaning set out in the Initial Order.

“Administration Charge Amount” means cash in an amount sufficient to satisfy the amounts owing in respect of the obligations secured by the Administration Charge at the Closing Time.

“Administrative Wind-down Amount” means cash in an amount to be determined by the Purchaser and the Monitor, to be used to satisfy costs incurred by the Monitor and its professional advisors after Closing to: (a) administer the completion of the Claims Procedure; (b) administer ResidualCo and the Excluded Assets and Excluded Liabilities; and (c) wind-down and/or dissolve ResidualCo.

“Affiliate” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“Agreement” means this stalking horse subscription agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and **“Article”** and **“Section”** mean and refer to the specified article, section and subsection of this Agreement.

“Anastadiadis Debt” means the aggregate outstanding indebtedness owing by 888 to Venizelos Anastadiadis under the mortgage registered as Instrument No. PC211268 on PIN 53099-0015.

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

“Approval and Vesting Order” means an order by the Court, in form and substance satisfactory to the Purchaser and the TNCC Group, acting reasonably, among other things, approving and authorizing the Transaction.

“Articles of Reorganization” means articles of reorganization in respect of each member of the TNCC Group’s authorized and issued share capital immediately prior to the Closing of the Transaction, authorizing the issuance of the Purchased Shares and the cancellation of the Existing Shares for no consideration on Closing; such articles of reorganization to be in a form and substance satisfactory to the Purchaser, acting reasonably.

“**Auction**” has the meaning set out in the SISP.

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

“**Back-up Bidder**” has the meaning set out in the SISP.

“**Bid Deadline**” has the meaning set out in the SISP.

“**BMO Debt**” means the aggregate outstanding indebtedness owing by 888 to Bank of Montreal under the mortgage registered as Instrument No. WR1304183 on PIN 03816-0033.

“**Books and Records**” means: (a) all of the TNCC Group’s files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records; and (b) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by or in the possession of, the TNCC Group or any member thereof or any member’s respective Affiliates, including information, documents and records relating to the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“**Break Fee**” has the meaning set out in Section 4.1(b).

“**Business**” means the business conducted by the TNCC Group, being a cannabis retailer operating from owned and leased real property across Ontario, and a supplier of personal protective equipment and cannabis accessories, with its head office located in Cambridge, Ontario.

“**Business Day**” means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

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

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

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

“**Claims Procedure**” means the procedure established by the Claims Procedure Order for determining the validity and quantum of Claims against the TNCC Group.

“Claims Procedure Order” means an order of the Court, to be sought by the TNCC Group, establishing the procedure for determining the validity and quantum of Claims against the TNCC Group, as may be amended or amended and restated from time to time.

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

“Closing Date” means the date that is ten (10) days, or such shorter period as the Purchaser may determine by notice in writing to the TNCC Group, after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

“Closing Time” means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

“Closing Payment” has the meaning set out in Section 3.3(a).

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

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

“CRO” means Shawn Dym, in his capacity as Chief Restructuring Officer of the TNCC Group.

“DIP Indebtedness” means all amounts outstanding and obligations payable by the TNCC Group under or in connection with the DIP Term Sheet, including principal, interest, fees and expenses.

“DIP Term Sheet” means the debtor-in-possession term sheet dated as of January 23, 2025, among the Purchaser, as lender, and the TNCC Group, as borrowers, as the same may be amended, restated, supplemented and/or modified from time to time.

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

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

“Employee” means any individual who is employed by any member of the TNCC Group as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty, excludes Terminated Employees.

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

“**Equity Interests**” has the meaning set out in section 2(1) of the CCAA.

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

“**Excluded Assets**” means the properties, rights, assets and undertakings of the TNCC Group listed as “Excluded Assets” on Schedule “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“**Excluded Contracts**” means those Contracts and other agreements of the TNCC Group that are not Retained Contracts and for greater certainty, includes those Contracts and agreements which are listed on Schedule “B”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“**Excluded Liabilities**” has the meaning set out in Section 2.3.

“**Existing Shares**” means: (a) all of the common shares of each member of the TNCC Group that are issued and outstanding immediately prior to the Closing Time; and (b) any other Equity Interests of any nature or kind of each member of the TNCC Group, whether voting or non-voting, whether preferred, common or otherwise, whether convertible or otherwise, including any Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with any such equity interests; provided, however, that Existing Shares shall not include the Purchased Shares.

“**Firm Capital Debt**” means the aggregate outstanding indebtedness owing by 888, as borrower, and TNCC, as guarantor, to Firm Capital Mortgage Fund Inc., as assignee of Firm Capital Corporation, as lender, under the mortgage commitment agreement dated March 16, 2022, as amended.

“**Garas Debt**” means the aggregate outstanding indebtedness owing by 888 to Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation, and Nashaat Garas under the mortgage commitment agreement dated November 5, 2020, as amended.

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

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

“**Higgins Debt**” means the aggregate outstanding indebtedness owing by 888 to M. Higgins & Associates Inc. under the mortgage registered as Instrument No. ND212965 on PIN 51194-0843.

“**Implementation Steps**” means the transactions, acts and events described in Exhibit “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof and the Approval and Vesting Order.

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

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

“Interim Period” means the period beginning on the Effective Date and ending at the Closing Time.

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

“Metal Tree Debt” means the aggregate outstanding indebtedness owing by 888 to Metal Tree Inc. under the mortgage registered as Instrument No. GB155923 on PIN 52109-0169.

“Monitor” has the meaning set out in the recitals hereto.

“Monitor’s Certificate” has the meaning set out in Section 8.1(e).

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

“Outside Date” means 11:59 pm (Toronto time) on May 30th, 2025 or such later date and time as the Parties may agree to in writing.

“Parties” means TNCC, 888, Bamboo Blaze and the Purchaser, and **“Party”** means any one of them.

“Permits and Licenses” means the orders, permits, licenses, Authorizations, approvals, registrations, consents, waivers or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, any member of the TNCC Group, by any Governmental Authority, including those related to the Business, the Retained Assets and the Retained Contracts, and including Authorizations to sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

“Permitted Encumbrances” means those Encumbrances related to the Retained Assets set forth on Schedule **“D”**, as the same may be modified by the Purchaser prior to the granting of the Approval and Vesting Order in accordance with the terms hereof.

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

“Priority Payments” means those priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA.

“Proven Unsecured Claim” means a Claim that has been finally determined and accepted by the Monitor in the Claims Procedure in accordance with the Claims Procedure Order.

“Proven Unsecured Claim Acceptance Date” has the meaning set out in Section 3.4.

“Proven Unsecured Claim Promissory Note” has the meaning set out in Section 3.4.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Shares” has the meaning set out in Section 2.1(a).

“Purchaser” has the meaning set out in the preamble hereto.

“Qualified Bidders” has the meaning set out in the SISP.

“ResidualCo” means a corporation to be incorporated, if required, to which the Excluded Assets and Excluded Liabilities, if any, will be transferred as part of the Implementation Steps, which will have no issued and outstanding shares.

“Retained Assets” has the meaning set out in Section 2.2.

“Retained Contracts” means the Contracts listed in Schedule “G”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof (and including as such Retained Contracts may be amended, restated, supplemented or otherwise modified from time to time).

“Retained Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as retained Liabilities in Schedule “F”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; (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.

“Seavale Debt” means the aggregate outstanding indebtedness owing by 888 to Seavale Incorporated under the mortgage registered as Instrument No. BS195468 on PIN 49157-0021.

“Secured Indebtedness” means, collectively, the Firm Capital Debt, the Garas Debt, the Anastadiadis Debt, the BMO Debt, the Seavale Debt, the Higgins Debt, the 818876 Debt, and the Metal Tree Debt.

“SISP” has the meaning set out in the recitals hereto.

“SISP Order” has the meaning set out in the recitals hereto.

“Stalking Horse Bid” has the meaning set out in Section 4.1(a).

“Successful Bid” and **“Successful Bidder”** have the meanings set out in the SISP.

“Taxes” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in

this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employees**” means those Employees whose employment will be terminated at or prior to Closing, pursuant to Section 8.2(d), as determined by the Purchaser by written notice to the TNCC Group at least three (3) days prior to the Closing Date.

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

“**Transaction**” means, collectively, all of the transactions contemplated by this Agreement which will take place at Closing in accordance with the Implementation Steps, including the subscription for, and issuance of, the Purchased Shares.

“**Unsecured Indebtedness**” means the aggregate amount of all Proven Unsecured Claims.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

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

1.4 Extended Meanings

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

1.5 Currency

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

1.6 Statutes

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

1.7 Schedules & Amendments to Schedules

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

EXHIBITS

Exhibit A - Implementation Steps

SCHEDULES

Schedule A	-	Excluded Assets
Schedule B	-	Excluded Contracts
Schedule C	-	Excluded Liabilities
Schedule D	-	Permitted Encumbrances
Schedule E	-	SISP
Schedule F	-	Retained Liabilities
Schedule G	-	Retained Contracts

The Parties acknowledge that as of the Effective Date, with the exception of Schedule E, the Schedules are not complete. The incomplete Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser, in its sole and absolute discretion, on or before the dates set out in such Schedules and on notice to the TNCC Group with a copy to the Monitor. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2

SUBSCRIPTION FOR SHARES

2.1 Agreement to Subscribe for and Issue Purchased Shares

- (a) Subject to the terms and conditions of this Agreement, in accordance with the Implementation Steps and effective as of the Closing Time, the Purchaser shall subscribe for and purchase from each member of the TNCC Group, and each member of the TNCC Group shall issue to the Purchaser, free and clear of all Encumbrances (other than any Permitted Encumbrances), 100 newly-issued common shares of such member of the TNCC Group (the “**Purchased Shares**”).
- (b) Pursuant to the Approval and Vesting Order and the Articles of Reorganization, and in accordance with the Implementation Steps, all of the Existing Shares will be cancelled, without consideration, and the Purchased Shares issued to the Purchaser shall represent 100% of the issued and outstanding Equity Interests of the TNCC Group following such cancellation and issuance.
- (c) For the avoidance of doubt, upon the 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 the Purchaser.

2.2 Retained Assets; Transfer of Excluded Assets to ResidualCo

At Closing, each member of the TNCC Group shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including, without limitation, the shares of all subsidiaries, equipment and other personal property, Retained Contracts, Books and Records, business and undertakings, trade names and intellectual property, Permits and Licences, Tax losses, receivables and any cash on hand (collectively, the “**Retained Assets**”). The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts; which shall be transferred to

ResidualCo, in accordance with the Implementation Steps, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order. The Purchaser shall retain the right to designate assets as Retained Assets or Excluded Assets up to one (1) Business Day prior to Closing.

2.3 Excluded Liabilities; Transfer of Excluded Liabilities to ResidualCo

Pursuant to the Approval and Vesting Order, save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the TNCC Group or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule “C”, (collectively, the “**Excluded Liabilities**”) shall be transferred to, vested in and assumed in full by ResidualCo in accordance with the Implementation Steps and the Approval and Vesting Order, and the TNCC Group, the Purchased Shares, the Retained Assets and the TNCC Group’s undertakings, Business, property and Books and Records shall be Discharged of such Excluded Liabilities at the Closing Time. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo only and the Excluded Assets, if any, shall be available to satisfy such Claims. Notwithstanding any other provision of this Agreement, the Purchaser and the TNCC Group shall not assume and shall have no liability for any of the Excluded Liabilities and all Excluded Liabilities shall be fully and finally discharged from the TNCC Group, the Purchased Shares and the Retained Assets at the Closing Time.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The total aggregate consideration payable by the Purchaser for the Purchased Shares (the “**Purchase Price**”) shall be equal to:

- (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.

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, which amount, for certainty, shall constitute the maximum Purchase Price payable under this Agreement. The Monitor will provide an estimate of the Purchase Price to Qualified Bidders prior to the Bid Deadline.

3.2 Payment of Purchase Price

The Purchase Price shall be paid and satisfied on the Closing Date in accordance with the following:

- (a) the DIP Indebtedness and the Secured Indebtedness shall constitute Retained Liabilities and shall continue as valid outstanding obligations of the applicable member of the TNCC Group from and after, and notwithstanding, Closing, to be paid and satisfied in accordance with the terms of the loan and security documents establishing the Secured Indebtedness;
- (b) the Proven Unsecured Claims comprising the Unsecured Indebtedness shall constitute Retained Liabilities and shall continue as valid outstanding obligations of the applicable member of the TNCC Group from and after, and notwithstanding, Closing, and each Proven Unsecured Claim shall be paid and satisfied within twelve (12) months of the date that it is finally determined in the Claims Procedure in accordance with Section 3.4;
- (c) the Closing Payment shall be paid by the Purchaser to the Monitor, on behalf of the TNCC Group, on the Closing Date, by wire transfer of immediately available funds, to be utilized and distributed in accordance with Section 3.3.

3.3 Closing Payment

- (a) On the Closing Date, the Purchaser shall pay to the Monitor, on behalf of the TNCC Group, an amount equal to the sum of: (i) the Priority Payments; (ii) the Administration Charge Amount; and (iii) the Administrative Wind-down Amount (collectively, the “**Closing Payment**”). The Monitor shall hold the Closing Payment in trust for the benefit of Persons entitled to be paid from the Closing Payment.
- (b) Following the Closing, the Monitor may utilize the Closing Payment to pay and satisfy the Priority Payments, all amounts owing under the Administration Charge, and the costs incurred in connection with the administration and wind-down of ResidualCo, in its sole discretion and without further authorization from the TNCC Group or the Purchaser. Any unused portion of the Closing Payment shall be returned by the Monitor to the Purchaser.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the TNCC Group and the Purchaser acknowledges and agrees that: (i) the Monitor’s obligations hereunder are and shall remain limited to those specifically set out in this Section 3.3; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the TNCC Group and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor’s gross negligence or intentional fault. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.3 notwithstanding that the Monitor is not a party to this Agreement.

3.4 Retention of Proven Unsecured Claims

The Purchaser hereby covenants and agrees to accept any and all Proven Unsecured Claims as Retained Liabilities from and after the day that such Claims are accepted by the Monitor as Proven Unsecured Claims in accordance with the Claims Procedure (for each such Claim, the “**Proven Unsecured Claim Acceptance Date**”); notwithstanding that the Proven Unsecured Claim Acceptance Date for some or all of the Proven Unsecured Claims may occur after the Closing Date. The Purchaser shall cause the applicable member of the TNCC Group to issue a non-interest bearing unsecured term promissory note (each, a “**Proven**

Unsecured Claim Promissory Note”), in form and substance satisfactory to the Purchaser and the Monitor, to each creditor holding a Proven Unsecured Claim:

- (a) at Closing, for all Claims that have been accepted as Proven Unsecured Claims prior to the Closing Date; and
- (b) within five (5) days of the Proven Unsecured Claim Acceptance Date, for Claims that are accepted as Proven Unsecured Claims after the Closing Date.

The Proven Unsecured Claim Promissory Notes shall be payable by the applicable member of the TNCC Group within twelve (12) months of the Proven Unsecured Claim Acceptance Date for such Proven Unsecured Claim.

3.5 Tax Matters

To the extent permitted by the CCAA and Applicable Law, pursuant to the Implementation Steps and the Approval and Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by any member of the TNCC Group shall be transferred to, vested in and assumed by ResidualCo, including any Taxes related to debt forgiveness arising from or in connection with the consummation of the Transaction and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo. Any and all obligations and Liabilities arising from any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless of when such audit was commenced or completed, shall be transferred to and vest in ResidualCo.

ARTICLE 4 SISP, BIDDING PROCEDURES

4.1 SISP

- (a) The SISP shall be conducted in accordance with the terms of the SISP Order. The Purchaser shall bring a motion for the SISP Order to be heard on or before March 3, 2025. The SISP Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or “stalking horse bid” in respect of the Purchased Shares (the “**Stalking Horse Bid**”); and (ii) as a deemed “Qualified Bid”, with an attendant right on the part of the Purchaser to participate as a bidder in any Auction (as defined below). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Shares and the Retained Assets, and that the within Stalking Horse Bid may or may not be the Successful Bid for the Purchased Shares and the Retained Assets.
- (b) In consideration for the Purchaser’s expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee in the amount of \$400,000 (the “**Break Fee**”), which Break Fee shall be payable to the Purchaser in the event that the Stalking Horse Bid is not the Successful Bid.
- (c) The payment of the Break Fee shall be approved in the SISP Order and shall, if payable pursuant to Section 4.1(b), be payable to the Purchaser within two (2) Business Days of the closing of the transaction contemplated by the Successful Bid.
- (d) The Parties acknowledge and agree that the aggregate foregoing Break Fee amount represents a fair and reasonable estimate of the costs and damages that will be incurred by

the Purchaser as a result of preparing and entering into, and not completing the Transactions contemplated by this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Shares or the Retained Assets. For certainty, the Break Fee does not form part of the Purchase Price.

- (e) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Bidder under the SISP, then upon selection of the Successful Bid (or, in the event that the Stalking Horse Bid is selected as the Back-up Bid, upon the closing of the transaction contemplated by the Successful Bid): (i) this Agreement shall be terminated (subject to Article 9 and the Purchaser's entitlement to the Break-Fee); (ii) the Purchaser shall be entitled to the Break Fee; and (iii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in this Agreement.
- (f) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the TNCC Group shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the Transaction forthwith.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the TNCC Group

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

- (a) **Incorporation and Status.** Each member of the TNCC Group is a corporation incorporated and existing under the *Business Corporations Act* (Ontario) and, subject to the obtaining of the Approval and Vesting Order, has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by each member of the TNCC Group and constitutes a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (c) **Residency.** No member of the TNCC Group is a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

5.2 Representations and Warranties of the Purchaser

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

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

5.3 As is, Where is

The representations and warranties of the TNCC Group shall not survive the Closing Time. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.

ARTICLE 6 COVENANTS

6.1 Closing Date

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

6.2 Application for Approval and Vesting Order

As soon as practicable following the selection of this Agreement as the Successful Bid in the SISP, the Monitor shall serve and file with the Court an application for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction, and release the officers and directors of the TNCC Group, its advisors, the CRO, the Monitor and the Monitor’s counsel. The Monitor shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Monitor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

6.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Implementation Steps), the TNCC Group shall comply with the terms of the DIP Term Sheet and continue to maintain the Business and operations of the TNCC Group and the Retained Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws and Permits and Licences.

6.4 Access during Interim Period

During the Interim Period, the TNCC Group shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information

scheduled or required to be disclosed under this Agreement and to the Employees, provided that the Purchaser shall provide the Monitor and the CRO with no less than 24 hours advance notice of any on-site inspection or investigation; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the customers and contractual counterparties of the TNCC Group. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the TNCC Group, and the TNCC Group shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Purchaser acknowledges that the foregoing access rights are not exclusive, and the same rights shall be granted to other Qualified Bidders in the SISP.

6.5 Insurance Matters

Until Closing, the TNCC Group shall keep in full force and effect all insurance policies existing as of the Effective Date and give any notice or present any claim under any such insurance policies consistent with past practice of the TNCC Group in the ordinary course of business.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

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

7.2 Implementation Steps

- (a) Subject to the other terms of this Agreement, the TNCC Group shall effect the Implementation Steps on the terms and using the steps set out at Exhibit "A"; *provided that* the Purchaser and the TNCC Group shall cooperate to ensure that the Implementation Steps are completed in a tax efficient manner, including by revising the steps thereof as required by the Purchaser.
- (b) The Purchaser and the TNCC Group shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Implementation Steps.

7.3 Closing Deliverables of the TNCC Group

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

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) evidence of the completion of the Implementation Steps, including: (i) confirmation of the due incorporation and organization of ResidualCo; and (ii) evidence of the filing of the Articles of Reorganization, as set out in Section 2.1;
- (c) share certificates representing the Purchased Shares;
- (d) a certificate of an officer of each member of the TNCC Group dated as of the Closing Date confirming that all of the representations and warranties of the TNCC Group contained in

this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the TNCC Group has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time;

- (e) the Organizational Documents of each of the TNCC Group and the corporate Books and Records;
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Closing Deliverables of the Purchaser

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

- (a) the Closing Payment, in accordance with Section 3.3;
- (b) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time; and
- (c) such other agreements, documents and instruments as may be reasonably required by the TNCC Group to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

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

- (a) Successful Bid. This Agreement shall have been designated as the Successful Bid in accordance with the terms of the SISP.
- (b) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, vacated, subject to appeal, or leave to appeal and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. 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.

- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (e) Monitor's Certificate. The Monitor shall have delivered an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**") confirming that all conditions to Closing have either been satisfied or waived by the Purchaser and the TNCC Group.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) TNCC Group's Deliverables. The TNCC Group shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The TNCC Group shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the TNCC Group on or before the Closing Date.
- (d) Employees. Each member of the TNCC Group, as applicable, shall have terminated the employment of any Employees identified by the Purchaser in its sole discretion to be Terminated Employees and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be Discharged pursuant to the Approval and Vesting Order.
- (e) ResidualCo. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets, if any; and (iii) the TNCC Group, its Business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after Closing the Business and property of the TNCC Group shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (f) Partial Termination of CCAA Proceedings. Upon Closing, the CCAA Proceedings shall have been terminated in respect of each member of the TNCC Group, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall

continue in respect of ResidualCo, which shall be added to the CCAA Proceedings as an applicant in accordance with the Implementation Steps.

- (g) Disclaimer of Excluded Contracts. The TNCC Group shall have sent notices of disclaimer for all known Excluded Contracts, and such known Excluded Contracts shall form part of the Excluded Assets.
- (h) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the TNCC Group to terminate this Agreement.

8.3 Conditions Precedent in favour of the TNCC Group

The obligation of the TNCC Group to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the TNCC Group at the Closing all the documents and payments contemplated in Section 7.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the TNCC Group. Any condition in this Section 8.3 may be waived by the TNCC Group in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the TNCC Group only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the TNCC Group may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

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

- (a) Automatically upon: (i) the selection of a Successful Bidder by the Monitor in accordance with the SISF in the event that the Purchaser is not the Successful Bidder or the Back-up

Bidder; and (ii) in the event that the Purchaser is selected as the Backup Bidder, upon the completion of the transaction contemplated by the Successful Bid;

- (b) by the mutual written agreement of the TNCC Group (with the consent of the Monitor) and the Purchaser;
- (c) by the TNCC Group (with the consent of the Monitor) or the Purchaser, if the conditions set forth in Section 8.1 are not satisfied or waived on or before the Outside Date; provided that the failure to satisfy such conditions by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement;
- (d) by the Purchaser, if there has been a material violation or breach by the TNCC Group of any agreement, covenant, representation or warranty of the TNCC Group in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1 or 8.2, by the Outside Date and such violation or breach has not been waived by the TNCC Group or cured within five (5) Business Days after written notice thereof from the Purchaser to the TNCC Group;
- (e) by the Purchaser, if the TNCC Group fails to satisfy any of the conditions set forth in Section 8.2 on or before the Outside Date, and such conditions are not waived by the Purchaser;
- (f) by the TNCC Group (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1 or 8.3 by the Outside Date and such violation or breach has not been waived by the TNCC Group or cured within five (5) Business Days after written notice thereof from the TNCC Group to the Purchaser; or
- (g) by the TNCC Group (with the consent of the Monitor), if the Purchaser fails to satisfy any of the conditions set forth in Section 8.3 on or before the Outside Date, and such conditions are not waived by the TNCC Group.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) this Section 9.2; and (b) Section 4.1 with respect to the Purchaser's entitlement to the Break Fee. Notwithstanding the foregoing, if this Agreement is terminated by the TNCC Group pursuant to Section 9.1(b), (c), (f) or (g), the Purchaser shall not be entitled to receive the Break Fee and nothing in this Agreement shall absolve the Purchaser of liability for the violation or breach giving rise to such termination.

ARTICLE 10 GENERAL

10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of the ResidualCo) to comply with Applicable Law, the Purchaser shall, and shall cause the TNCC Group to, retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the ResidualCo, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

10.2 Notice

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

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

The Vancor Group Inc.
697 Coronation Blvd., Unit 5
Cambridge, ON N1R 3G5

Attention: Corry Van Iersel
Email: corry@vancorgroup.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 6600
Toronto, ON M5H 4A9

Attention: Sam Massie / Harrison Fox
Email: smassie@millerthomson.com / hfox@millerthomson.com

- (b) in the case of the TNCC Group, as follows:

c/o 2744364 Ontario Limited o/a True North Cannabis Co.
960 King Street East
Toronto, ON N3H 3P3

Attention: Shawn Dym, Chief Restructuring Officer
Email: sdym@yorkplains.com

with a copy to:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West #3400
Toronto, ON M5H 4E3

Attention: Jasmine Lothian
Email: jlothian@blg.com

- (c) in each case, with a further copy to the Monitor as follows:

Deloitte Restructuring Inc.

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

Attention: Todd Ambachtsheer
Email: tambachtsheer@deloitte.ca

with a copy to:

Blaney McMurtry LLP

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

Attention: David T. Ullmann / Alexandra Teodorescu
Email: dullmann@blaney.com / ateodorescu@blaney.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.3 Public Announcements

The TNCC Group shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the TNCC Group in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings, and the virtual data room established in connection with the SISP. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the TNCC Group or any of its Affiliates under Applicable Law or stock exchange rules, the Parties shall not issue (prior to or after the Closing) any press release or

make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

10.4 Time

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

10.5 Survival

None of the representations, warranties or covenants of any of the Parties set forth in this Agreement or in any document executed in connection with this Agreement shall survive the Closing; save and except for the covenants in Article 2, Article 3, Section 11.1, Section 11.3, and any covenant that, by its terms, is to be performed after Closing).

10.6 Benefit of Agreement

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

10.7 Entire Agreement

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

10.8 Paramountcy

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

10.9 Governing Law

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

10.10 Assignment

- (a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the TNCC Group, ResidualCo or the Monitor, provided that: (i) the Purchaser provides prior notice of such assignment to the TNCC Group and the Monitor; and (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the TNCC Group without the consent of the Purchaser.

10.11 Further Assurances

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

10.12 Counterparts

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

10.13 Severability

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

10.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith.

10.15 Monitor's Capacity

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

[Signature Page Follows]

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

For the Purchaser:

THE VANCOR GROUP INC.

By: _____

Name: Corry Van Iersel

Title: Authorized Signatory

I have authority to bind the Corporation.

For the TNCC Group:

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

By: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the Corporation.

2767888 ONTARIO INC.

By: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the Corporation.

**2668905 ONTARIO INC. o/a BAMBOO
BLAZE**

By: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the Corporation.

**EXHIBIT “A”
IMPLEMENTATION STEPS**

The Parties agree that this Exhibit “A” remains subject to further revision no less than two (2) days prior to Closing.

[Note: Exhibit to be completed prior to Closing.]

SCHEDULE "A"
EXCLUDED ASSETS

1. Inventory and assets sold in the ordinary course of Business in the Interim Period.
2. Excluded Contracts.
3. The Purchase Price, including the Closing Payment.

[Note: Balance of schedule to be completed prior to Closing.]

**SCHEDULE “B”
EXCLUDED CONTRACTS**

[Note: Schedule to be completed prior to Closing.]

SCHEDULE "C"
EXCLUDED LIABILITIES

[Note: Schedule to be completed prior to Closing.]

SCHEDULE "D"
PERMITTED ENCUMBRANCES

[Note: Schedule to be completed prior to issuance of Approval and Vesting Order.]

SCHEDULE "E"
SISP AND BIDDING PROCEDURES

[NTD: To be completed]

SCHEDULE "F"
RETAINED LIABILITIES

[Note: Schedule to be completed prior to Closing.]

SCHEDULE "G"
RETAINED CONTRACTS

[Note: Schedule to be completed prior to Closing.]

Appendix “C”
Break Fee Summary

Debtor	Purchaser	Proceeding Type	Date	Jurisdiction	A - Termination Fee	B - Expense Reimbursement	C = A + B Total Break Fee	BF as a % of TV
2675970 Ontario Inc. et al. (Tokyo Smoke)	TS Investments Corp.	CCAA	12-Sep-24	Ontario	\$ 390,000		\$ 390,000	100.0%
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	23-Jan-24	Ontario	-	-	-	-
Heritage Cannabis Holdings Corp.	BJK Holdings Ltd. and HAB Cann	CCAA	10-Apr-24	Ontario	\$ 400,000		\$ 400,000	5.2%
BZAM Ltd.	1000816625 Ontario Inc.	CCAA	1-Mar-24	British Columbia	\$ 750,000	\$ 100,000	\$ 850,000	3.6%-5.2%
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	1-Jan-24	Ontario	-	-	-	-
Aleafia Health Inc. et al.	RWB (PV) Canada Inc.	CCAA	10-Aug-23	Ontario	-	\$ 500,000	\$ 500,000	1.72%-2%
Fire & Flower Inc. et al.	2707031 Ontario Inc. (the DIP	CCAA	15-Jun-23	Ontario	\$ 650,000	\$ 100,000	\$ 750,000	3.4%
Trichome Financial Corp.	L5 Capital Inc.	CCAA	12-Dec-22	Ontario	-	\$ 200,000	\$ 200,000	4.0%
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCAA	31-Oct-22	Ontario	\$ 185,000	\$ -	\$ 185,000	4.8%
Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCAA	8-Nov-22	Ontario	\$ 175,000	\$ 25,000	\$ 200,000	5.7%
Zenabis Group	2657408 Ontario Inc.	CCAA	16-Jun-22	Quebec	\$ -	\$ 750,000	\$ 750,000	Unclear
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	31-Mar-20	Ontario	-	\$ 100,000	\$ 100,000	0.9%

**Appendix “D”
Instruction Letter**

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

Appendix “E”
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

**Appendix “F”
Proof of Claim**

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: _____

Appendix “G”
Notice of Revision or Disallowance

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: _____

**Appendix “H”
Notice of Dispute**

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/tbcc.

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 VANCOR GROUP INC.

and

2744364 ONTARIO LIMITED, *ET AL*

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

Applicant

Respondents (Debtors)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at **TORONTO**

SECOND REPORT OF THE MONITOR

BLANEY McMURTRY LLP
Barristers and Solicitors
Suite 1500 - 2 Queen Street East
Toronto, ON M5C 3G5

David Ullmann (LSO # 42357I)
Tel: (416) 596-4289
Email: dullmann@blaney.com

Alexandra Teodorescu (LSO # 63889D)
Tel: (416) 596-4279
Email: ateodorescu@blaney.com

Anisha Samat (LSO # 82342Q)
Tel: (416) 593-3924
Email: asamat@blaney.com

Lawyers for the Monitor, Deloitte
Restructuring Inc.