

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

THE HONOURABLE) FRIDAY, THE 15TH
)
JUSTICE CAVANAGH) DAY OF NOVEMBER, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NOYA HOLDINGS INC. AND NOYA CANNABIS INC.

Applicants

**ORDER
(Sales Process and Stalking Horse Purchase Agreement)
(Returnable November 15, 2024)**

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA"), for an order, *inter alia*, (i) approving the sales process (the "**Sales Process**") attached as Schedule "A" hereto; and (ii) approving the Stalking Horse Purchase Agreement (as defined below); and certain related relief, was heard this day by way of judicial video conference.

ON READING the affidavit of Ziad Reda sworn October 28, 2024 and the Exhibits thereto (the "**First Reda Affidavit**"), the affidavit of Ziad Reda sworn November 12, 2024 and the Exhibits thereto (the "**Second Reda Affidavit**"), the pre-filing report of BDO Canada Limited ("**BDO**"), in its capacity, initially as the proposed monitor and then the monitor of the Applicants (in such capacity, the "**Monitor**"), dated October 29, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 13, 2024 (the "**First Report**"), and

on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavit of Service of Michelle Pham sworn November 12, 2024.

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Sales Process, the Stalking Horse Purchase Agreement, the First Reda Affidavit or the Second Reda Affidavit, as applicable.

SERVICE

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

APPROVAL OF STALKING HORSE SALES PROCESS

3. **THIS COURT ORDERS** that the Sales Process attached as Schedule “A” hereto (subject to such amendments as may be agreed to by the Monitor, the Applicants and the DIP Lender in accordance with the terms of the Sales Process), including the Applicants' engagement of Kronos Capital Partners Inc. (the “**SISP Agent**”) to assist in the Sales Process pursuant to a sales agent agreement dated November 11, 2024 (the “**SISP Agent Agreement**”), substantially in the form attached as Exhibit “D” to the Second Reda Affidavit, be and is hereby approved.

4. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicants of the SISP Agent Agreement is hereby ratified, authorized and approved.

5. **THIS COURT ORDERS** that the Monitor is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Sales Process and to take such steps and execute such documentation as may be necessary or incidental to the Sales Process, subject to the terms of the Sales Process and subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sales Process.

6. **THIS COURT ORDERS** that the Monitor, SISP Agent and their respective assistants, affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sales Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor or SISP Agent in performing their obligations under the Sales Process as determined by this Court.

STALKING HORSE PURCHASE AGREEMENT

7. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicants of the Stalking Horse Purchase Agreement dated as of November 11, 2024 (the "**Stalking Horse Purchase Agreement**") between the Applicants, one of them as Vendor, and Lending Stream Inc. (or its nominee) as

Purchaser, substantially in the form attached as Exhibit "C" to the Second Reda Affidavit, is hereby ratified, authorized and approved.

8. **THIS COURT ORDERS** that payment of the Break Fee in the amount of \$175,000 pursuant to section 5.1(b) of the Stalking Horse Purchase Agreement is hereby approved.
9. **THIS COURT ORDERS** that the priority of payment of the Professional Fees to a maximum amount of \$100,000 and the Break Fee in the amount of \$175,000, if payable, pursuant to sections 5.1(b) and 5.1(d) of the Stalking Horse Purchase Agreement be and is hereby approved.
10. **THIS COURT ORDERS** that the Monitor, the SISP Agent and the Applicants and their respective counsel be and are hereby authorized but not obligated, to serve or distribute this Order, any other materials, orders, communication, correspondence or other information as may be necessary or desirable in connection with the Sales Process to any Person (as defined in the Initial Order dated November 6, 2024, as amended and restated) or interested party that the Monitor, the SISP Agent or the Applicants considers appropriate. For greater certainty, any such distribution, communication or correspondence shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

PIPEDA

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor, the Sales Agent and

the Applicants are hereby authorized and permitted to disclose and transfer to each potential bidder (the "**Bidders**") and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicants' records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Property ("**Sale**") or the Business. Each Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Monitor, the SISP Agent and/or the Applicants, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Property or Business acquired pursuant to the Sale in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor, the Sales Agent and/or the Applicants, or ensure that all other personal information is destroyed.

GENERAL

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

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

14. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

SCHEDULE “A”

SALES PROCESS

Introduction

1. On November 6, 2024, Noya Holdings Inc. (“**NHI**”) and its subsidiary, Noya Cannabis Inc. (“**NCI**”), the licenced producer of cannabis products (collectively, the “**Applicants**”) were granted an initial order (as amended and restated on November 15, 2024, and as may be further 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 “**Court**”). The Initial Order, among other things:
 - (a) stayed all proceedings against the Applicants, their assets, and their respective directors and officers;
 - (b) appointed BDO Canada Limited as the monitor of the Applicants (in such capacity, the “**Monitor**”);
 - (c) authorized the Applicants to enter into a debtor-in-possession financing facility (the “**DIP Facility**”) with Lending Stream Inc. or its nominee (the “**DIP Lender**”) pursuant to a Term Sheet dated November 11, 2024 (the “**DIP Term Sheet**”), and approved a charge in favour of the DIP Lender over all of the Applicants' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof to secure the amounts outstanding under or in connection with the DIP Facility; and
 - (d) authorized the Applicants to pursue all avenues of sale of their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.
2. As outlined in the DIP Term Sheet, the Applicants and the DIP Lender, or its nominee (the “**Stalking Horse Bidder**”) were in the process of negotiating a purchase agreement (the “**Stalking Horse Agreement**” or when referring to the bid, the “**Stalking Horse Bid**”) pursuant to which the Stalking Horse Bidder would, among other things: (a) acquire 100% ownership of NCI within the CCAA Proceedings by way of a reverse vesting order issued by the Court; and (b) act as a stalking horse bidder in a Court-supervised sales process (“**Sales Process**”) within the CCAA Proceedings.
3. Further to the Applicants' restructuring efforts and the terms of the DIP Term Sheet, on November 15, 2024, the Court granted an order (the “**Sale Process Approval Order**”) which approved, among other things: (a) the Sales Process; (b) the engagement of Kronos Capital Partners Inc. as sales agent (the “**SISP Agent**”) to assist with the Sales Process; and (c) the Stalking Horse Agreement, as the Stalking Horse Bid in the Sales Process. The Sales

Process is intended to solicit interest in an acquisition or refinancing of the business of the Applicants, or a sale of the assets and/or the business of the Applicants by way of merger, reorganization, recapitalization, primary equity issuance or other similar transaction. The Stalking Horse Bid is intended to provide a degree of certainty in the marketplace for the Applicants, including NCI's customers and its employees, that a going-concern sale of NCI is a viable outcome of the Sales Process. The Applicants intend to provide all qualified interested parties with an opportunity to participate in the Sales Process.

Opportunity

4. The Sales Process is intended to solicit interest in, and opportunities for, a sale of, all or part of the Applicants' assets and business operations (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern or a sale of all, substantially all, or one or more components of the Applicants' Property (as defined in the Initial Order) and business operations (the “**Business**”) as a going concern or otherwise.
5. Except to the extent otherwise set forth in a definitive sale agreement with a Successful Bidder (as defined below), any sale of the Property or the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Applicants, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders (i.e. Approval and Reverse Vesting Order, reverse vesting order, etc.).

Timeline

6. The following table sets out the key milestones under the Sales Process:

Milestone	Deadline
Deadline to publish notice of Sales Process and deliver Teaser Letter and NDA to Known Potential Bidders	Friday, December 6, 2024
Deadline to finalize schedule of Assumed Liabilities in the Stalking Horse Agreement	Tuesday, December 31, 2024
Bid Deadline (as defined below)	Monday, January 27, 2025
Deadline to top-up Deposit to Stalking Horse Payout Amount (as defined below)	Friday, January 31, 2025
Auction (as defined below)	Wednesday, February 5, 2025

Hearing of the Sale Approval Motion (as defined below)	No later than Friday, February 14, 2025, subject to the availability of the Court
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7. Subject to any order of the Court, the dates set out in the Sales Process may be extended by the Monitor with the consent and approval of the Applicants and the Stalking Horse Bidder.

Solicitation of Interest: Notice of the Sales Process

8. As soon as reasonably practicable, but in any event by no later than Friday, December 6, 2024:
- (a) The SISP Agent, in consultation with the Monitor and Applicants, will prepare a list of potential bidders, including: (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity; and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the Sales Process, 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 Sales Process (and such other relevant information which the Monitor, in consultation with the Applicants, considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition), and any other newspaper or journal as the Applicants, in consultation with the Monitor, consider appropriate, if any; and
 - (c) the SISP Agent, in consultation with the Monitor and Applicants, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the Sales Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sales Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor, and their respective counsel.

The SISP Agent will send the Teaser Letter and non-disclosure and confidentiality agreement satisfactory to the Company and the Monitor (an “**NDA**”) to each Known Potential Bidders by no later than Friday, December 6, 2024 , and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Applicants 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

9. Any party who wishes to participate in the Sales Process (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide to the SISP Agent 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.

10. The SISP Agent, in consultation with the Monitor and the Applicants, 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 Applicants or the Monitor deem appropriate. Due diligence shall include access to an electronic data room containing information about the Applicants and the Business (the “**Data Room**”), and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The SISP Agent 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 SISP Agent, Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the SISP Agent, in consultation with Applicants and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information. Neither the SISP Agent, Applicants 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.
11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sales Process and any transaction they enter into with the Applicants.

Continued Management of NCI

12. The management team of the Applicants has agreed to provide transition services to the Successful Bidder following the closing of the transaction contemplated by the Successful Bid (as defined below). Such services will be provided for the period of time required to ensure the successful transition of NCI's operations, in exchange for compensation on the same or similar terms to the current employment arrangements of such individuals.

Stalking Horse Bid Non-Cash Purchase Price Finalized

13. The Stalking Horse Agreement contemplates a purchase price of approximately \$3,850,632.67, plus adjustments as provided for in s. 3.1 of the Stalking Horse Agreement, which adjustments include the Assumed Liabilities, if any, that will be stipulated by the Purchaser on or

before Tuesday, December 31, 2024. The schedule of Assumed Liabilities, once final, will be made available to Potential Bidders in the Data Room.

Formal Binding Offers

14. Potential Bidders that wish to make a formal offer to purchase the Property or Business (a “**Bidder**”) shall submit a binding offer (a “**Bid**”) that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on Monday, January 27, 2025 or such earlier or later date as may be set out in the Bid process letter that may be circulated by the SISP Agent to Potential Bidders, with the approval of the Applicants and Monitor and in consultation with the Stalking Horse Bidder (the “**Bid Deadline**”):
- a. the Bid must be a binding offer to acquire all, substantially all, or a portion of the shares of the Company (a “**Sale Proposal**”) and must be consistent with any necessary terms and conditions established by the SISP Agent, Applicants and the Monitor and communicated to Bidders;
 - b. the Bid must include 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;
 - c. the Bid must include duly authorized and executed transaction agreements that clearly state the purchase price and any other key economic terms expressed in Canadian dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto;
 - d. the Bid must include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
 - e. the Bid must not be conditional on: (i) the outcome of unperformed due diligence by the Bidder including, but not limited to, the negotiation and completion of a transition agreement with key personnel or management required to maintain the cannabis licenses in good standing; or (ii) obtaining financing;
 - f. the Bid must fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is otherwise participating or benefiting from such Bid;
 - g. in addition to the Section 14(a)-(f) above, for a Sale Proposal, the Bid must include:

- i. an executed copy of a sale agreement based on the Stalking Horse Agreement and a redline of the same, clearly showing the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Agreement;
 - ii. 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;
 - iii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - iv. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - v. a description of the conditions and approvals required to complete the closing of the transaction, consistent with those contained in the Stalking Horse Bid;
 - 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;
 - vii. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - viii. a cash deposit equal to the greater of (i) 10% of the Purchase Price in the Sale Proposal and (ii) an amount sufficient to repay the Professional Fees, the Break Fee and the Deposit Repayment (as those terms are defined in the Stalking Horse Agreement).
- h. the Bid must include acknowledgements and representations of the Bidder that the Bidder:
- i. has had an opportunity to conduct any and all due diligence regarding the Property, the Business, and the Applicants prior to making its offer;
 - ii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - iii. 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 Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;
- i. the Bid must be received by the Bid Deadline;

- j. the Bid must contemplate closing the transaction set out therein on or before March 3, 2025.
15. Following the Bid Deadline, the SISP Agent, Applicants and the Monitor will assess the Bids received. The Monitor, in consultation with the Applicants, and with the approval of the Applicants, will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Bids". No Bid received shall be deemed not to be a Qualified Bid without the approval of the Monitor. Only Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s). The Stalking Horse Bid shall automatically be considered as a Qualified Bid for the purposes of the Auction.
16. 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, plus the amount of the break fee, plus professional fees, plus \$100,000.
17. The Monitor, in consultation with the Applicants and with the approval of the Applicants, may waive strict compliance with any one or more of the requirements specified above and deem a non-compliant Bid to be a Qualified Bid.
18. The Monitor shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days of the Bid Deadline, or at such later time as the Monitor deems appropriate.
19. The Monitor may, in consultation with the Applicants and with the approval of the Applicants, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

20. A Qualified Bid will be evaluated 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, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Applicants and the Monitor.

Auction

21. If the Monitor receives at least one additional Qualified Bid, in addition to the Court-approved Stalking Horse Bid, the Monitor will conduct and administer an Auction in accordance with the terms of this Sales Process (the "**Auction**"). Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

22. 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**” and each, a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 5:00 p.m. Eastern Daylight Time on January 31, 2025:
- a. each Qualified Party must inform the Monitor whether it intends to participate in the Auction;
 - b. those Qualified Parties intending to participate in the Auction must satisfy the Monitor of their ability to deliver a deposit top-up equivalent to the Stalking Horse Bidder's deposit, professional fees, and break fee, which aggregate amount is expected to total approximately \$4 million (the “**Stalking Horse Payout Amount**”), in the event that such Qualified Party's Bid is the Successful Bid. For certainty, Qualified Parties shall provide the Monitor with:
 - i. evidence of immediately available funds being held in trust in an amount sufficient to repay the Stalking Horse Payout Amount; and
 - ii. a pledge, commitment or otherwise issued in favour of the Stalking Horse Bidder in an amount equal to the Stalking Horse Payout Amount, payable upon the Court's approval of such Qualified Party's Successful Bid and an Order approving such payment to the Stalking Horse Bidder.
23. 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.

Auction Procedure

24. The Auction shall be governed by the following procedures:
- (a) Participation at the Auction. Only the Applicants, the Qualified Parties, 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 (Eastern Time) two (2) business days after the Bid Deadline;
 - (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 Applicants (the “**Initial Bid**” and any bid made at the Auction by a Qualified Party subsequent to the Monitors announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$100,000;

- (d) 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; 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;
- (e) 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 bids with full knowledge and written confirmation of the then-existing highest bid(s);
- (f) No Post-Auction Bids. No bids will be considered for any purpose after the Auction has concluded; and
- (g) Auction Procedures. The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

Selection of Successful Bid

25. Before the conclusion of the Auction, the Monitor, in consultation with the Applicants, will:

- a. review each Qualified Bid, considering the factors set out in paragraph 14 and, among other things:
 - i. the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - ii. the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in paragraph 25(a)(i);
 - iii. the likelihood of the Qualified Party's ability to close a transaction by March 3, 2025, after completion of the Auction and timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the

likelihood of the Court's approval of the Successful Bid; the net benefit to the Applicants; and

iv. any other factors the Applicants may, consistent with their fiduciary duties, reasonably deem relevant; and

b. identify the highest or otherwise best bid received at the Auction (the “**Successful Bid**” and the Qualified Party making such bid, the “**Successful Party**”).

26. The Successful Party shall, in good faith, complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Monitor, in consultation with and Approval from the Applicants, subject to the milestones set forth in paragraph 6.

Sale Approval Motion Hearing

27. At the hearing of the motion to approve any transaction with a Successful Party (the “**Sale Approval Motion**”), the Monitor or the Applicants shall seek, among other things, approval from the Court to consummate the transaction contemplated by the Successful Bid. All Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Monitor and the Applicants on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

28. All discussions regarding a Sale Proposal or Bid should be directed through the Monitor. Under no circumstances should the management of the Applicants 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 Sales Process.

29. Participants and prospective participants in the Sales Process 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 Applicants, the Monitor and such other Bidders or Potential Bidders in connection with the Sales Process, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Supervision of the Sales Process

30. The Monitor shall oversee and conduct the Sales Process with the assistance of the SISP Agent, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the Sales Process in the manner set out in this Sales Process, the Sale Process

Approval Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the Sales Process.

31. This Sales Process does not and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.
32. Without limiting the preceding paragraph, the Monitor, the SISP Agent and its advisors shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Applicants, the Stalking Horse Bidder or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this Sales Process, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Monitor. By submitting a Bid, each 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 wilful misconduct of the Monitor.
33. Participants in the Sales Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
34. Without limiting in any way the intent and effect of the applicable provisions of the Stalking Horse Bid in respect of the Sales Process, the Applicants and the Monitor shall have the right to modify the Sales Process (including, without limitation, pursuant to the Bid process letter) with the prior written approval of the Applicants and consultation with the Stalking Horse Bidder if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sales Process; provided that the Service List in these CCAA proceedings shall be advised of any substantive modification to the procedures set forth herein.
35. The Monitor may seek advice and directions from the Court in relation to all matters associated with the implementation of the Sales Process.

Schedule "1"
Address of Monitor

To the Monitor:

BDO CANADA LIMITED
51 Breithaupt Street, Suite 300
Kitchener, ON N2H 5G5

Robyn Duwyn
Email: rduwyn@bdo.ca
Tel: (519) 578-6910

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NOYA HOLDINGS INC. AND NOYA CANNABIS INC.

Applicants

Court File No. CV-24-00730120-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Sales Process and Stalking Horse Purchase Agreement)
(Returnable November 15, 2024)**

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