

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

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

Applicants

APPLICATION RECORD
(RETURNABLE NOVEMBER 6, 2024)
VOLUME 2 OF 2

October 29, 2024

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SERVICE LIST

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AND TO:	<p>1955185 ONTARIO INC. also known as 1000593616 ONTARIO INC. 19 Thoroughbred Boulevard Hamilton, ON L9K 1L2</p> <p>Attention: Youssef Reda Email: youssefr@noyagrow.ca</p>

AND TO:	TERRASCEND CORP. and GAGE GROWTH CORP. Terrascend Corp. 77 City Centre Dr., Suite 501 East Tower Mississauga, ON L5B 1M5 Gage Growth Corp. 3610 Mavis Road Mississauga ON L5C 1W2
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AND TO:	HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE Insolvency Unit 6 th Floor, 33 King Street West Oshawa, Ontario L1H 8H5 Insolvency Unit Email: insolvency.unit@ontario.ca Tel: (905) 433-5657 Fax: (905) 436-4510

AND TO:	HEALTH CANADA Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9 Email: Info@hc-sc.gc.ca
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This is Exhibit "O" referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THAT DATE THAT IS THE LATER OF (I) NOVEMBER 22, 2019 OR (II) THE DATE THE COMPANY BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

Certificate No. 2019-1

**SECURED GRID CONVERTIBLE DEBENTURE
OF
RADICLE CANNABIS HOLDINGS INC.**

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UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THAT DATE THAT IS THE LATER OF (I) NOVEMBER 22, 2019 OR (II) THE DATE THE COMPANY BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

GRID CONVERTIBLE DEBENTURE

RADICLE CANNABIS HOLDINGS INC.

(a company existing under the laws of the Province of Ontario)

GRID CONVERTIBLE DEBENTURE DUE November 22, 2022

It is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

In this Convertible Debenture, unless something in the subject matter or context is inconsistent therewith:

"**Accounts**" has the meaning set out in Section 5.1(a)(i);

"**Business Day**" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

"**Change of Control of the Corporation**" means where any person, including a group acting jointly or in concert, acquires or becomes the beneficial owner of, or a combination of persons acting jointly or in concert acquire or become the beneficial owner of, either directly or indirectly, more than fifty (50%) percent of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;

"**Common Shares**" or "**Shares**" means the common shares of the Corporation as such shares were constituted on the date hereof and shares of any other class resulting from the reclassification or change of such Shares;

"**Corporation**" means Radicle Cannabis Holdings Inc., a corporation existing under the laws of the Province of Ontario and its successors and assigns;

"**Conversion Price**" means the price per Common Share at which the portion of the Principal Sum outstanding under this Debenture shall from time to time be convertible into Common Shares, being \$0.60 per Common Share;

"**Convertible Debenture**," the "**Convertible Debenture**," the "**Debenture**", "**herein**," "**hereby**," "**hereof**," "**hereto**," "**hereunder**" and similar expressions mean or refer to this interest bearing, grid convertible debenture and any debenture, deed or instrument supplemental or ancillary thereto and any schedules hereto or thereto and not to any particular article, section, subsection, clause, subclause or other portion hereof;

"**Date of Conversion**" has the meaning set out in Section 3.2;

"**Date of Issue**" means the date as of which this Convertible Debenture is issued;

"**Director**" means a directors of the Corporation for the time being, and reference without more to action by the Directors means action by the Directors as a board or, whenever duly empowered, by the executive committee of the board;

"**Equipment**" has the meaning set out in Section 5.1(a)(ii);

"**Event of Default**" means any of the events specified in Article 6 hereof;

"**Holder**" or "**Debentureholder**" has the meaning set out in Section 2.1;

"**Inventory**" has the meaning set out in Section 5.1(a)(iii);

"**Lien**" means any security interest, mortgage, deed of trust, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument or device, including the interest of each lessor under any capitalized lease and the interest of any bondsman under any payment or performance bond, in, of or on any assets or properties of a Person, whether now owned or hereafter acquired and whether arising by agreement or operation of law;

"**Maturity Date**" means November 22, 2022;

"**Obligations**" has the meaning set out in Section 5.1;

"**Person**" means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof;

"**Principal Sum**" has the meaning set out in Section 2.1; and

"**Property**" means, with respect to any Person, all or any portion of that Person's undertaking, property and assets, both real and personal, including, for greater certainty, any share in the capital of a corporation or ownership interest in any other Person.

1.2 **Meaning of Outstanding**

This Convertible Debenture shall be deemed to be outstanding until it is cancelled or delivered to the Corporation for cancellation and money or Common Shares for the payment thereof have been set aside under Article 9, provided that:

- (1) where a new Convertible Debenture has been issued in substitution for a Convertible Debenture that has been mutilated, lost, stolen or destroyed, only one of such Convertible Debentures shall be counted for the purpose of determining the aggregate principal amount of Convertible Debenture outstanding; and
- (2) if this Convertible Debenture shall have been partially redeemed, purchased or converted it shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the Principal Sum.

1.3 **Non-Business Days**

Whenever any payment to be made hereunder shall be stated to be due, any period of time would begin or end, any calculation is to be made or any other action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment, period of time, or other action shall be taken on the next succeeding Business Day and an extension of time shall be included for the purposes of computation of interest thereon. Any payment made after 3:00 p.m. (Toronto time) on a Business Day shall be deemed to be made on the following Business Day.

1.4 **Currency**

All references to currency herein are to lawful money of Canada and all payments towards the Principal Sum shall be made in such currency.

1.5 **Headings**

The headings of all the Articles and Sections hereof and the table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Convertible Debenture.

1.6 **Governing Law**

This Convertible Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

1.7 **Singular, Gender, Legislation, Etc.**

Words importing the singular number only include the plural and vice versa, words importing any gender include any other gender and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and any reference to any statute or other legislation shall be deemed to be a reference to such legislation as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.8 **Severability**

If any one or more of the provisions or parts thereof contained in this Convertible Debenture should be or become invalid, illegal or unenforceable, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed.

1.9 **Binding Effect**

This Convertible Debenture and all of its provisions shall enure to the benefit of the Holder, its successors and assigns, and shall be binding upon the Corporation and its successors and permitted assigns. The expression the "Holder" as used herein shall include the Holder's assigns whether immediate or derivative

1.10 **Time**

Time shall be of the essence of this Convertible Debenture.

ARTICLE 2
THE CONVERTIBLE DEBENTURE

2.1 **Indebtedness.**

The Corporation, for value received, and in consideration of the premises hereby acknowledges itself indebted and promises and covenants to pay to **WOLVERINE PARTNERS CORP., 77 KING STREET WEST, SUITE 400 TORONTO, ONTARIO M5K 0A1**, the registered holder hereof for the time being (the "**Holder**"):

- (1) the principal sum as reflected from time to time on the grid attached hereto as Schedule "A" (the "**Principal Sum**") on the Maturity Date or sooner upon the occurrence of an Event of Default or upon such other date as specified herein at the principal office of the Corporation in the city of Toronto, Ontario;
- (2) interest on any monies owing by the Corporation to the Holder hereunder, all as specifically calculated hereunder; and
- (3) all other monies which may be owing by the Corporation to the Holder pursuant to this Debenture.

2.2 **Calculation and Payment of Interest, etc.**

- (1) The Corporation shall pay interest on that portion of the Principal Sum outstanding from time to time from the date hereof up to and including the date of payment of the Principal Sum, at a rate of 12% per annum, payable semi-annually in arrears.

- (2) The covenant of the Corporation to pay interest at the rate provided herein shall not merge in any judgement in respect of any obligation of the Corporation hereunder and such judgement shall bear interest in the manner set out in this Section 2.3 and be payable on the same days when interest (whether hereunder or otherwise) is payable hereunder.

2.3 **Designation and Terms of Convertible Debenture**

- (1) This Convertible Debenture shall be designated "Grid Convertible Debenture."
- (2) This Convertible Debenture shall be dated as of the Date of Issue and shall mature on the Maturity Date.

2.4 **Ownership and Payment**

- (1) Subject to any applicable law, the person in whose name any Convertible Debenture is registered shall for all the purposes hereof be and be deemed to be the owner thereof and payment of or on account of the Principal Sum, shall be made only to or upon the order in writing of such person and such payment shall be a good and sufficient discharge to the Corporation and any other registrar for the amount so paid.
- (2) The registered holder for the time being of any Convertible Debenture shall be entitled to the Principal Sum, free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder thereof (except any equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction) and all persons may act accordingly, and the payment to any such holder of any such Principal Sum shall be a good discharge to the Corporation for the same, and neither the Corporation nor any registrar shall be bound to enquire into the title of any such holder.

2.5 **Mutilation, Loss or Destruction of Convertible Debenture**

In case this Convertible Debenture shall become mutilated or be lost, destroyed or stolen, the Corporation, in its discretion, may issue a new Convertible Debenture of like date and tenor upon surrender and cancellation of the mutilated Convertible Debenture or, in the case of a lost, destroyed or stolen Convertible Debenture, in lieu of and in substitution for the same, and the new or substituted Convertible Debenture shall be in a form approved by the Corporation. In the case of loss or destruction or theft, the applicant for a substituted Convertible Debenture shall furnish to the Corporation such evidence of such loss or destruction or theft as shall be satisfactory to the Corporation in its discretion and shall also furnish an indemnity or letter of credit of a Canadian chartered bank or such other indemnity as is satisfactory to the Corporation in its discretion. The applicant for a new or substituted Convertible Debenture shall pay all expenses incidental to the issuance of such new or substituted Convertible Debenture.

ARTICLE 3
CONVERSION OF CONVERTIBLE DEBENTURE

3.1 Conversion Privilege and Conversion Price by Holder

Subject to and upon compliance with the provisions of this Article 3, the Principal Sum which is \$1,000 or an integral multiple of \$1,000 may, at the option of the Holder, be converted into fully paid and non-assessable Common Shares at the Conversion Price.

3.2 Conversion Procedure

- (1) In order to exercise the conversion privilege, the Holder to be converted shall surrender such Convertible Debenture to the Corporation at its office in the city of Toronto, Ontario, together with a duly completed conversion form substantially in the form of Schedule "B" hereto (which shall be irrevocable) stating that the Holder elects to convert such Convertible Debenture or a stated portion of the Principal Sum, constituting an integral multiple of \$1,000, into Common Shares. The surrender of such Convertible Debenture accompanied by such duly completed conversion form shall constitute a contract between the Holder and the Corporation. Conversion of the Convertible Debenture shall entitle the Holder to subscribe for the number of Common Shares which it shall be entitled to receive on such conversion. The Holder upon conversion agrees that the Corporation will be automatically released of all liability thereon or from all liability with respect to that portion of the Principal Sum converted, as the case may be. In return, the Corporation agrees that the surrender and conversion of such Convertible Debenture, or specified portion thereof, constitutes full payment of the subscription price for the Common Shares issuable upon such conversion. The date of receipt by the Corporation of such Convertible Debenture and such notice is herein referred to as the "**Date of Conversion**" of such Convertible Debenture.
- (2) As promptly as practicable after the Date of Conversion, the Corporation shall issue or cause to be issued and deliver to the Holder whose Convertible Debenture is so surrendered, certificate(s) in the name of the Holder of the Convertible Debenture for the number of Common Shares deliverable upon the conversion of such Convertible Debenture (or specified portion thereof). Such conversion shall be deemed to have been effected immediately prior to the close of business on the Date of Conversion. No such surrender on any date on which the transfer registers for Shares of the Corporation or for the Convertible Debenture are closed shall be effective to constitute the Holder as the holder(s) of record of such Shares on such date. Such surrender shall be effective at the close of business on the next succeeding day on which such transfer registers are open and such conversion shall be at the Conversion Price in effect at the close of business on such succeeding day.

- (3) The Shares issued upon such conversion shall rank only in respect of dividends declared in favour of shareholders of record on and after the Date of Conversion or such later date as such holder shall become the holder of record of such Shares pursuant to this Section 3.2.
- (4) Upon surrender to the Corporation of any Convertible Debenture which is to be converted in part only, the Holder thereof shall be entitled to receive, without expense to the Holder, one or more Convertible Debentures for the unconverted portion of the Principal Sum of the Convertible Debenture so surrendered.

3.3 **No Fractional Shares**

Notwithstanding anything herein contained, the Corporation shall in no case be required to issue fractional Shares upon the conversion of any Convertible Debenture. If any fractional interest in a Share would, except for the provisions of this Section 3.3, be deliverable upon the conversion of any Convertible Debenture, the aggregate number of Shares to which such holder shall be entitled shall be rounded down to the nearest whole number if the fraction is less than 0.5 and rounded up to the nearest whole number if the fraction is 0.5 or greater.

3.4 **Adjustment to Conversion Price**

The Conversion Price shall be subject to adjustment from time to time as follows:

- (1) If and whenever at any time the outstanding Shares of the Corporation shall be subdivided, redivided or changed into a greater or consolidated into a lesser number of shares or reclassified into different shares, the Holder who has not exercised his right of conversion prior to the effective date of such event shall be entitled to receive and shall accept, upon the exercise of such right at any time on such effective date or thereafter, in lieu of the number of Shares to which he was theretofore entitled upon conversion, the aggregate number of Shares of the Corporation that such Debentureholder would have been entitled to receive as a result of any such event had he been the registered holder of the number of common shares to which he was theretofore entitled upon conversion.
- (2) In case the Corporation shall fix a record date for the issuance of additional Shares (or securities convertible into additional Shares) to the holders of all or substantially all of its outstanding Shares by way of a stock dividend or otherwise (other than an issue of additional Shares to holders of Shares who have elected to receive dividends in Shares in lieu of receiving cash dividends paid in the ordinary course), the Conversion Price shall be adjusted immediately after the record date for such stock dividend. The Conversion Price shall be adjusted by multiplying the current Conversion Price in effect on such record date by a fraction of which the numerator shall be the total number of Shares outstanding on the record date and of which

the denominator shall be the total number of Shares outstanding on the record date plus the number of additional Shares which shall result from such issuance (assuming for this purpose that all additional Shares issuable upon the exercise of the conversion rights of the securities convertible into additional Shares had been issued).

- (3) In case the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Shares entitling them to subscribe for or purchase additional Shares or shares of any other class of the Corporation or securities convertible into Shares or shares of any other class of the Corporation, and if such issuance has or is likely to have a material adverse effect on the conversion privilege or right of the Debentureholder hereunder, then the Conversion Price shall be adjusted appropriately as determined by the Directors, acting reasonably. If all such rights, options or warrants are not so issued or if all such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed, and the Conversion Price shall be further adjusted as aforesaid based upon the number of additional Shares (or securities convertible into additional Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.
- (4) No adjustments of the Conversion Price shall be made pursuant to Sections 3.4(2) or 3.4(3) if the Holder is permitted to participate in such issuance by way of stock dividend or in the issue of such options, rights or warrants or such distribution, as the case may be, as though and to the same effect as if it had converted its Convertible Debenture into Shares prior to the applicable record date or effective date for such issuance by way of stock dividend or the issue of such options, rights or warrants or such distribution, as the case may be.
- (5) In any case in which this Article shall require that an adjustment to the Conversion Price shall become effective immediately after a record date for an event, the Corporation may defer until the occurrence of such event (i) issuing to the Holder converted after such record date and before the occurrence of such event the additional Shares issuable upon such conversion by reason of the adjustment required by such event and (ii) paying to the Holder cash in lieu of any fractional interest to which he is entitled pursuant to Section 3.3. Notwithstanding the foregoing, the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's rights to receive such additional Shares and such cash upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Shares declared in favour of holders of record of Shares on or after the Date of Conversion.

- (6) The adjustments provided for in this Section 3.4 are cumulative and shall be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs. Notwithstanding the foregoing, no adjustment of the Conversion Price shall be made in any case in which the resulting increase or decrease in the Conversion Price would be less than one percent of the then prevailing Conversion Price. Any adjustment that would otherwise have been required to be made, but for the minimum percentage threshold, shall be carried forward and made at the time of and together with the next subsequent adjustment to the Conversion Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Conversion Price by not less than one percent.

3.5 **Certificate as to Adjustment**

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment in the Conversion Price, prepare an Officers' Certificate specifying the nature of the event requiring the adjustment, the amount of the adjustment necessitated and the method of calculation and the facts relied upon in making such calculation. The Corporation shall forthwith give notice, in the manner specified in Section 8.1, of such adjustment to the Holder, which notice shall specify the Conversion Price after such adjustment and the event requiring such adjustment.

3.6 **Reclassifications, Reorganizations, etc.**

In case of any amalgamation of the Corporation with, or merger of the Corporation into, any other corporation with the result that the Corporation ceases to exist in its present capacity, or in case of any sale, transfer or other disposition of all or substantially all of the assets of the Corporation, the successor Corporation or holder of the Corporation's assets as the case may be shall give notice in the manner specified in Section 8.1 to the Debentureholder. Such notice shall confirm that the Holder shall have the right to convert the Convertible Debenture into the kind and amount of shares and other securities and property receivable upon such amalgamation, merger or sale by a holder of the number of Shares into which such Convertible Debenture might have been converted immediately prior to such event. Such notice shall confirm adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article. The above provisions of this Section shall similarly apply to successive amalgamations, mergers, sales, transfers or other dispositions.

3.7 **Notice to Debentureholder of Certain Events**

In the event that

- (1) any of the events referred to in subparagraphs 3.4(1), 3.4(2), 3.4(3), or 3.6 shall occur; or
- (2) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

the Corporation shall give notice, in the manner specified in Section 8.1, to the Debentureholder, of the action proposed to be taken and the date on which the books of the Corporation shall close or a record shall be taken for such event. The Corporation shall only be required to specify in such notice such particulars of such action as shall have been fixed and determined at the date on which such notice is given. Such notice shall also specify the date as of which the holder of Convertible Debentures and Shares of record shall participate in such event, or shall be entitled to exchange their Convertible Debenture or Shares for securities or other property deliverable upon such event. Such written notice shall be given not less than seven (7) Business Days prior to the record date or the date on which the Corporation's transfer books are to be closed with respect thereto.

3.8 **Cancellation of Convertible Debenture**

A Convertible Debenture surrendered for conversion in full shall be cancelled by the Corporation and no Convertible Debenture shall be issued in substitution therefor.

3.9 **Taxes and Charges on Conversion**

The Corporation shall from time to time promptly pay or make provision for the payment of all taxes and charges that may be imposed by the laws of the Province of Ontario or any federal laws of Canada applicable therein, or any other jurisdiction (except income tax or security transfer tax, if any) that shall be payable with respect to the issuance or delivery of Common Shares to the Holder upon the exercise of the right of conversion pursuant to the terms of this Convertible Debenture.

3.10 **Conversion of Legended Debenture**

Upon the conversion of the Convertible Debenture bearing a legend, the certificates representing the Shares upon conversion of such Debenture and all certificates issued in exchange therefor or in substitution thereof, shall bear such legend as is determined to be required for compliance with applicable laws.

ARTICLE 4 **COVENANTS OF THE CORPORATION**

4.1 **General Covenants**

The Corporation hereby represents and warrants that, so long as this Convertible Debenture is in force and except as otherwise permitted with the Holder's prior written consent:

- (1) it will duly and punctually pay to the Holder the Principal Sum, the interest thereon and all other sums payable hereunder on the dates and at the places, and in the manner provided for herein;
- (2) it will at all times maintain its corporate existence; will carry on and conduct, and will cause to be carried on and conducted, its business in a

proper, efficient and businesslike manner and in accordance with good business practice;

- (3) it will at all times reserve and keep available out of its authorized but unissued capital such number of Shares as shall from time to time be sufficient to effect the conversion of this Convertible Debenture;
- (4) it will fully and effectually maintain and keep maintained the security granted to the Holder as a valid and effective security at all times;
- (5) it will do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of any lease agreement, joint venture agreement, license, or other contract, so long as the same is, in the opinion of the directors of the Corporation, of commercial value, in order to preserve, protect and maintain the rights of the Corporation, and will not suffer or permit any default for which any such lease, agreement, joint venture agreement, license, or contract might be terminated or for which any other party thereto might be relieved of any of its obligations thereunder or for which any obligations of any such party might be reduced; and
- (6) it will not sell or otherwise dispose of by conveyance, transfer, lease or otherwise any of its assets or undertaking.

ARTICLE 5 **SECURITY**

5.1 Security

As security for the full and prompt payment and performance of all obligations of Corporation under this Note and all extensions, renewals and amendments of any of the foregoing (collectively, the "**Obligations**"), the Corporation hereby:

- (a) mortgages and charges to the Holder, and grants to the Holder a security interest in, and the Holder hereby takes a security interest in, all of the Corporation's right, title and interest in and to all of the Corporation's present and after-acquired personal property, and all proceeds thereof, (except the property of the Corporation described in Section 5.3) of whatsoever nature and kind and wherever situate including, without limiting the generality of the foregoing, all of the Corporation's right, title and interest in and to all of the Corporation's present and after-acquired:
 - (i) **Accounts.** Debts, accounts, claims, monies and choses in action due or owing to or owned by the Corporation, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof (collectively, "**Accounts**");

- (ii) **Equipment.** Equipment, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessions and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto and any other tangible personal property that is not Inventory (collectively, "**Equipment**");
 - (iii) **Inventory.** Inventory of whatever kind, including all raw materials, materials used or consumed in the business or profession of the Corporation, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Corporation whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (collectively, "**Inventory**");
 - (iv) **Other Tangible Personal Property.** Chattel paper, documents of title, instruments, money, investment property, and other goods that are not Accounts, Equipment or Inventory; and
 - (v) **Intangibles.** Intangibles and intangible property (except for Accounts) including, without limitation, all contractual rights, licenses, goodwill, patents, trade-marks, tradenames, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Corporation and all other choses in action of the Corporation of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Corporation and all other intangible property of the Corporation which is not Accounts, goods, chattel paper, documents of title, instruments, money or investment property; and
- (b) grants, mortgages and charges, to and in favour of the Holder, as and by way of a floating charge, all of its currently owned and held or hereafter acquired property, assets and undertakings of every nature and kind and wherever situate, and all proceeds thereof, except such of its property, assets, undertakings and interests as are validly subject to the mortgages, charges and security interests granted pursuant to Section 5.1(a).

5.2 **Collateral.**

The term "Collateral" means, collectively, all of the Corporation's right, title and interest in and to all of the Corporation's present and after-acquired personal property, assets and undertakings, and all proceeds thereof (except the property of the Corporation described in Section 5.3) described in Sections 5.1(a) and 5.1(b).

5.3 **Exclusions.**

The mortgages, charges and security interests granted herein do not apply or extend to:

- (1) the last day of any term created by any lease or agreement therefor now held or hereafter acquired by the Corporation, but the Corporation will stand possessed of the reversion thereby remaining in the Corporation of any leasehold premises upon trust for the Holder to assign and dispose thereof as the Holder or any buyer of such leasehold premises directs;
- (2) any lease, agreement or equipment which may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the applicable lessor or other party (each, a "Restricted Asset") until such leave, licence, consent or approval is obtained with respect to the Restricted Asset, and the security interest created hereby will attach and extend to such Restricted Asset as soon as such leave, licence, consent or approval is obtained. The Corporation agrees that it will (i) hold its interest in such Restricted Assets in trust for the Holder until such leaves, licenses, consents or approvals are obtained, and (ii) use all commercially reasonable efforts to obtain as expeditiously as possible all such leaves, licenses, consents or approval; or
- (3) any consumer goods of the Corporation.

5.4 **Attachment.**

The Corporation hereby confirms that value has been given, that it has rights in the Collateral existing at the Date of Issue and that neither the Corporation nor the Holder intend to postpone the attachment of the security interests hereby created, except as provided in Section 5.3(b), and except as provided therein the security interests hereby created will attach when this Convertible Debenture has been executed, or in the case of after-acquired property, such property has been acquired by the Corporation.

5.5 **Notification.**

Upon the occurrence of an Event of Default which is continuing, the Holder may (i) notify any debtor of the Corporation on an intangible, chattel paper, or account, or any obligor on an instrument ("**Account Debtor**") of the security interest created hereby, and (ii) after the exercise by the Holder of any of its rights and remedies provided for hereunder, may require any Account Debtor to make all payments on Collateral to the Holder. The Corporation acknowledges that, after the occurrence of and during the continuation of an Event of Default, and exercise of such rights and remedies, the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Corporation from any Account Debtor, whether before or after notification to such Account Debtor, will be received and held by the Corporation in trust for the Holder and will be promptly turned over to the Holder, and the Corporation will not commingle any proceeds of or payments on the Collateral with any of the Corporation's funds or property, but will hold them separate and apart.

5.6 **Purchase Money Security Interests.**

The security interests created hereby will constitute purchase money security interests to the extent that any of the Obligations are monies advanced by the Holder to the Corporation for the purpose of enabling the Corporation to purchase or acquire rights in any of the Collateral and were so used by the Corporation, and a certificate of an officer of the Holder as to the extent that the Obligations are monies so advanced and used will be *prima facie* proof of the purchase money security interests constituted hereby.

5.7 **Intellectual Property.**

Upon the request of the Holder, the Corporation shall execute and deliver to the Holder in form and substance satisfactory to the Holder confirmations of security interest for all intellectual property of the Corporation to be filed in the Canadian Intellectual Property Office (or any similar office within or outside of Canada, including the US Patent and Trademark Office).

ARTICLE 6 **DEFAULT AND ENFORCEMENT**

6.1 **Acceleration of Maturity on Default**

Each of the following shall constitute an event of default (hereinafter referred to as an "**Event of Default**"):

- (1) if the Corporation does not pay when due any amount of the Principal Sum or interest or other amount payable by it under the Convertible Debenture at the place and in the currency in which such amount is expressed to be payable;
- (2) if the Corporation makes a general assignment for the benefit of creditors; or any proceeding is instituted by it seeking relief as debtor, or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts or for an order for similar relief under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including under any statutes relating to the incorporation of companies) or seeking appointment of a receiver or trustee, or other similar official for it or for any substantial part of its properties or assets; or any corporate or partnership action is taken to authorize any of the actions referred to in this Section 6.1(2);
- (3) if any proceedings are instituted against the Corporation seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts or an order for similar relief under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including under any statutes relating to the incorporation of companies) or seeking appointment of a receiver,

trustee or other similar official for it or for any substantial part of its properties or assets;

- (4) if any proceedings with respect to the Corporation are commenced under the *Companies' Creditors Arrangement Act* (Canada);
- (5) if the Corporation takes any corporate proceedings for its dissolution, liquidation or amalgamation with any other company or if the corporate existence of the Corporation shall be terminated by expiration, forfeiture or otherwise, or if the Corporation ceases or threatens to cease, to carry on all or a substantial part of its business; or
- (6) if the Corporation defaults in the performance or observance of any term, condition, covenant, representation or warranty contained in this Convertible Debenture.

Should an Event of Default occur, the Debentureholder may in its sole discretion declare the Principal Sum and any accrued interest thereon of this Convertible Debenture to be due and payable on demand, and the same shall forthwith become immediately due and payable. Notwithstanding anything herein contained to the contrary, and, subject to the provisions of Article 3, the Corporation shall, on such demand, forthwith pay to the Debentureholder, the Principal Sum and any accrued interest thereon of this Convertible Debenture. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder.

6.2 **Waiver of Default**

The Holder shall have the power to waive any default or to cancel any declaration made by the Holder upon such terms and conditions as the Debentureholder shall prescribe.

6.3 **Remedies Cumulative**

No remedy herein conferred upon or to the Debentureholder is intended to be exclusive of any other remedy, but each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

6.4 **Enforcement**

- (1) **Security Interests Enforceable.** If at any time an Event of Default has occurred and is continuing, the security interests created hereby shall become enforceable without the need for any action or notice by the Holder.
- (2) **Remedies of the Holder.** If the security interests hereby created become enforceable, the Holder may take any action permitted by law or in equity to enforce its rights, as it may deem expedient, and in particular and without limiting the generality of the foregoing, the Holder may enforce its rights by any one or more of the following remedies:

- (a) Take Possession. By taking possession of the Collateral or any part thereof, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise enforcing its security against the Collateral, and for that purpose entering into and upon any lands, tenements, buildings, houses and premises and doing any act and taking any proceedings in the name of the Corporation, with respect to the Collateral, as the Holder considers necessary;
- (b) Court Appointed Receiver. By commencing proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver-manager of all or any part of the Collateral;
- (c) Court Ordered Sale. By proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- (d) File Proofs of Claim. By filing of proofs of claim and other documents to establish its claims against the Collateral in any proceeding or proceedings relating to the Corporation;
- (e) Appoint Receiver. By appointment by instrument in writing of a receiver or receiver-manager of all or any part of the Collateral;
- (f) Sale or Lease. By sale or lease by the Holder of all or any part of the Collateral (whether or not it has taken possession of the Collateral);
- (g) Voluntary Foreclosure. By retaining any of the Collateral in satisfaction of all or part of the Obligations, in accordance with Section 6.12;
- (h) Other Remedies. By any other remedy or proceeding authorized or permitted hereby or by law or equity (including all of the rights and remedies of a Holder under the Personal Property Security Act (Ontario));

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Holder will not incur any liability to the Corporation.

6.5 **Power of Sale.**

The provisions of Section 6.6 will apply, *mutatis mutandis*, to a sale or lease of any of the Collateral by the Holder under Section 6.4(2)(f).

6.6 Receiver or Receiver-Manager.

Any time after the security interests hereby created have become enforceable, the Holder may from time to time appoint in writing any qualified person to be a receiver or receiver-manager ("**Receiver**") of the Collateral and may likewise remove any such person so appointed and appoint another qualified person in his stead. Any Receiver appointed hereunder will have the following powers:

- (1) **Take Possession.** To take possession of the Collateral or any part thereof, and to collect and get in the Collateral and for that purpose to enter into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Corporation, or otherwise, as the Receiver considers necessary;
- (2) **Carry On Business.** To carry on or concur in carrying on the business of the Corporation (including, without limiting the generality of the powers contained herein, the payment of the obligations of the Corporation whether or not they are due and the cancellation or amendment of any contracts between the Corporation and any other person) and the employment and discharge of such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such salaries, wages or remuneration as the Receiver thinks proper;
- (3) **Repair.** To repair and keep in repair the Collateral or any part or parts thereof and to do all necessary acts and things for the protection of the Collateral;
- (4) **Arrangements.** To make any arrangement or compromise which the Receiver thinks expedient in the interests of the Holder or the Corporation.
- (5) **Exchange.** To exchange any part or parts of the Collateral for any other property suitable for the purposes of the Corporation upon such terms as may seem expedient and either with or without payment or exchange of money or equality of exchange or otherwise;
- (6) **Borrow.** To raise on the security of the Collateral or any part or parts thereof, by mortgage, charge or otherwise any sum of money required for the repair, insurance or protection thereof, or any other purposes mentioned herein, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral or any part thereof, which would or might have priority over the security interests hereby created; or
- (7) **Sell or Lease.** Whether or not the Receiver has taken possession, to sell or lease or concur in the sale or leasing of any of the Collateral or any part or parts thereof and to carry any such sale or lease into effect by conveying, transferring, letting or assigning in the name of or on behalf of the Corporation or otherwise; and any such sale or lease may be made either at public sale or lease (including public auction or closed tender), or by private

sale or lease, as the Receiver may determine and any such sale or lease may be made from time to time as to the whole or any part or parts of the Collateral; and the Receiver may make any stipulations as to title or conveyance or otherwise which the Receiver considers proper; and the Receiver may rescind or vary any contract for the sale or lease of any of the Collateral or any part or parts thereof, and may resell and re-lease without being answerable for any loss occasioned thereby; and the Receiver may sell or lease any of the Collateral for cash or credit, or part cash and part credit, or otherwise as may appear to be most advantageous, and at such prices as can be reasonably obtained therefor, and in the event of a sale or lease on credit neither the Receiver nor the Holder will be accountable for or charged with any monies until actually received.

6.7 Liability of Receiver.

The Receiver appointed and exercising powers under the provisions hereof will not be liable for any loss howsoever arising unless the loss is caused by the Receiver's own gross negligence, fraud or wilful misconduct, and the Receiver will when so appointed be considered to be the agent of the Corporation and the Corporation will be solely responsible for the Receiver's acts and defaults and for the Receiver's remuneration.

6.8 Effect of Appointment of Receiver.

As soon as the Holder takes possession of any Collateral or appoints a Receiver all powers, functions, rights and privileges of the directors and officers of the Corporation concerning the Collateral will cease, unless specifically continued by the written consent of the Holder or the Receiver.

6.9 Appointment of Attorney.

Effective upon and during the continuation of an Event of Default, the Corporation hereby irrevocably appoints, the Holder or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Corporation for and in the name of the Corporation to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, Instruments, demands, assignments, assurances or consents that the Corporation is obliged to sign, endorse or execute and generally to use the name of the Corporation and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Holder or the Receiver, as the case may be, herein.

6.10 Liability of the Holder.

The Holder shall not be responsible or liable for any debts contracted by the Holder, for damages to persons or property or for salaries or non-fulfilment of contracts, in each case, during any period when the Holder shall manage the Collateral upon entry, as herein provided, nor shall the Holder be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or

omission for which a mortgagee in possession may be liable. The Holder shall not be bound to do, observe or perform or to see to the observance or performance by the Corporation of any obligations or covenants imposed upon the Corporation nor shall the Holder, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Holder be obliged to keep any of the Collateral identifiable. The Holder has no obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by the Corporation. The Corporation hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Holder than aforesaid.

6.11 Validity of Sale or Lease.

No buyer at any sale and no lessee under any lease purporting to be made in pursuance of the powers provided herein will be bound to see or enquire whether any default has been made or continues or whether any notice required hereunder has been given or as to the necessity or expediency of the stipulations subject to which sale or lease has been made or otherwise as to the propriety of such sale or lease, or the regularity of proceedings or be affected by notice that such default has been made or continues or notice given as aforesaid, or that the sale or lease is otherwise unnecessary, improper or irregular; and in spite of any impropriety or irregularity or notice thereof to such buyer or lessee the sale or lease to such buyer or lessee will be considered to be within the aforesaid power and to be valid accordingly and the remedy (if any) of the Corporation in respect of any impropriety or irregularity whatsoever in any such sale or lease will be in damages only.

6.12 Voluntary Foreclosure.

If the security interests hereby created become enforceable, the Holder may elect to retain any of the Collateral in satisfaction of the Obligations or any of them, subject to compliance with all applicable laws. The Holder may designate any part of the Obligations to be satisfied by the retention of particular Collateral which the Holder considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations will be considered to be satisfied by the retention of the particular Collateral.

6.13 Proceeds of Disposition and Appropriation of Payments.

In the event of any realization upon or sale or disposition of the Collateral or any portion thereof as hereinbefore provided, the Holder shall apply the proceeds of any such realization, sale or disposition, together with any other moneys at the time held by it in respect of the Obligations, after deducting all costs and expenses of collection, sale and delivery (including, without limitation, legal fees and disbursements on a solicitor-and-his-own-client basis) incurred by the Holder in connection therewith, to such part or parts of the Obligations in the Holder's discretion and the Holder may at all times and from time to time change any appropriation as the Holder may see fit.

6.14 No Set-Off Etc.

The Obligations will be paid by the Corporation without regard to any equities between the Corporation, the Holder or any right of set-off, combination of accounts, cross-claim or counterclaim. Any indebtedness owing by the Holder to the Corporation may be set off or applied against, or combined with, the Obligations by the Holder at any time, either before or after maturity, without demand upon, or notice to, anyone.

6.15 Deficiency.

If the proceeds of the realization of the Collateral are insufficient to fully pay to the Holder and satisfy the Obligations, the Corporation will promptly pay such deficiency or cause it to be paid to the Holder.

6.16 Waiver.

The Holder may waive any breach by the Corporation of any of the provisions herein or any Event of Default, provided always that no act or omission of the Holder will extend to or be taken in any manner whatsoever to affect any subsequent breach or Event of Default or the rights resulting therefrom. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same.

6.17 Time for Payment.

If the Holder demands payment of any Obligations which are payable on demand or if any Obligations are otherwise due by maturity or acceleration, it will be considered reasonable for the Holder to exercise its remedies immediately if such payment is not made in accordance with the terms herein, and any days of grace or any time for payment which might otherwise be required to be given to the Corporation by applicable law is hereby irrevocably waived.

ARTICLE 7
CONSOLIDATION AND AMALGAMATION

7.1 Successor Corporation

The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale or otherwise, unless prior to or contemporaneously with the consummation of such transaction, the Holder's written consent has been obtained and, the Corporation and the successor corporation shall have executed such instruments and done such things as, in the opinion of the Holder's solicitor, are necessary or advisable to establish that upon the consummation of such transaction:

- (1) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Convertible Debenture; and
- (2) this Convertible Debenture will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Debentureholder under this Convertible Debenture.

7.2 **Successor to Possess Powers of the Corporation**

Whenever the conditions of Section 7.1 hereof shall have been duly observed and performed, the successor corporation shall possess and from time to time may exercise each and every right and power of the Corporation under this Convertible Debenture in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any Director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

ARTICLE 8 **NOTICES**

8.1 **Notice**

Any notice by one party to the other party under the provisions hereof shall be valid and effective if delivered, sent by e-mail or mailed by prepaid registered mail to the other party at:

In the case of the Corporation:

90 Beach Road
Hamilton, Ontario L8P 2J7

Attention: Ziad Reda, Chief Executive Officer
E-mail: ziadr@radiclecannabis.ca

In the case of the Holder:

77 King Street West, Suite 400
Toronto, Ontario M5K 0A1

Attention: Fabian Monaco, President
E-mail: fabian@xibfinancial.com

and, subject as provided in this Section 8.1, shall be deemed to have been given at the time of delivery or sending by facsimile or electronic transmission or on the tenth Business Day after mailing. Any delivery made or facsimile or electronic transmission sent on a day other than a Business Day or after 4:00 p.m. (Toronto time) on a Business Day, shall be

deemed to be received on the next following Business Day. In the case of disruption in postal services, any notice shall be delivered or sent by facsimile or electronic transmission. Either party may from time to time notify the other party of a change in address or facsimile number which thereafter, until changed by like notice, shall be the address or facsimile number of such party giving notice for all purposes of this Convertible Debenture.

ARTICLE 9
SUPPLEMENT TO CONVERTIBLE DEBENTURE

9.1 Supplement to Convertible Debenture

From time to time the Corporation shall, when so directed by the Holder, execute, acknowledge and deliver by their proper officers deeds or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (1) adding to the covenants of the Corporation herein contained for the protection of the Holder or providing for events of default in addition to those herein specified;
- (2) making such provisions not inconsistent with this Convertible Debenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Convertible Debenture which do not affect the substance thereof and which provisions and modifications will not, in the opinion of the Holder's solicitor, be prejudicial to the interests of the Debentureholder;
- (3) evidencing the succession or the successive successions of other corporations to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Convertible Debenture; and
- (4) for any other purpose not inconsistent with the terms of this Convertible Debenture.

The Corporation may correct any typographical or other manifest errors in this Convertible Debenture, provided that in the opinion of the Holder's solicitor such corrections will not prejudice the rights of the Debentureholder hereunder and may execute all such documents as may be necessary to correct such errors.

ARTICLE 10
SATISFACTION AND DISCHARGE

10.1 Discharge

Upon the Principal Sum and interest (including interest on amounts in default, if any) on this Convertible Debenture and all other money payable hereunder having been paid or satisfied, the Debentureholder shall, at the request of the Corporation, release and discharge this Convertible Debenture. Upon such request, the Debentureholder shall


execute and deliver such instruments as it shall be advised by the Corporation's counsel are requisite to release the Corporation from its covenants herein contained.

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Convertible Debenture to be signed by its President as of the Date of Issue, being November 22, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:



Authorized Signatory

**SCHEDULE "B"
CONVERSION FORM**

TO: Radicle Cannabis Holdings Inc. (the "**Corporation**")

The undersigned registered holder (the "**Holder**") of the Grid Convertible Debenture (the "**Convertible Debenture**") represented by the within certificate hereby subscribes for Common Shares of the Corporation pursuant to the within Convertible Debenture certificate on the terms specified in the within Convertible Debenture certificate, which certificate is hereby surrendered to the Corporation and which will, upon due issuance of the Common Shares aforesaid, be null and void.

On the date hereof, the Holder, owns _____
Common Shares of the Corporation.

The Common Shares subscribed for will be issued as set forth below and will be mailed to the address set forth below.

Amount of Principal Sum to be Converted: _____

DATED this _____ day of _____, 20__.

WOLVERINE PARTNERS CORP.

Per: _____
Name: Fabian Monaco
Title: President

Print below the name and address in full of the Person in whose name the Common Shares subscribed for are to be issued. If the Common Shares subscribed for are to be issued to more than one person, similar information must be provided for each person, as well as the number of Common Shares to be issued to each. (If any of the Common Shares are to be issued to a person or persons other than the holder of the within Convertible Debenture certificate, the Holder must pay to the Corporation all requisite taxes.)

Name: _____

Address (Including Postal Code): _____

LIMITED GUARANTEE

THIS AGREEMENT dated December 19, 2019.

WHEREAS Radicle Cannabis Holdings Inc. (the "**Debtor**") granted a grid convertible debenture in favour of Wolverine Partners Corp. (the "**Holder**") dated November 22, 2019 (as it may be amended, restated, replaced, supplemented or otherwise modified, from time to time, is herein called the "**Debenture**");

AND WHEREAS the Holder requires that the undersigned provide this Agreement to the Holder as security for the Debtor's obligations under the Debenture;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees and covenants with the Holder as follows:

1. Interpretation

Terms used herein as defined terms shall have the meanings ascribed thereto in the Debenture, unless otherwise defined.

2. Guarantee

The undersigned hereby guarantees payment to the Holder and its successors and assigns promptly upon demand by the Holder of (i) all present and future, direct and indirect, contingent and absolute obligations and liabilities of the Debtor to the Holder, arising under or in connection with the Debenture; and (ii) all other obligations of the Debtor to the Holder which the undersigned may, from time to time, acknowledge in writing are guaranteed hereby (collectively, the "**Obligations**"), PROVIDED THAT the undersigned's liability under this Agreement shall not exceed \$1,000,000 plus interest after demand for payment hereunder, both before and after judgment, at the interest rate set out in section 3 and all sums payable under section 15 of this Agreement. This guarantee shall be a continuing guarantee and shall secure the Obligations, notwithstanding that the Debtor may, from time to time, satisfy the Obligations in whole or in part and thereafter incur further Obligations. The Holder may make successive demands for payment under this Agreement.

3. Interest

The undersigned agrees to pay interest to the Holder on all amounts due by the undersigned under this Agreement, from the date of demand, at the prime rate plus five percent (5.00%) per annum, compounded monthly and payable both before and after judgment at the same rate. "**Prime rate**" means the floating annual rate of interest announced, from time to time, by the Royal Bank of Canada as its reference rate then in effect for determining rates of interest on Canadian dollar loans to customers in Canada, and designated as its prime rate.

4. Debtor's Status and Authority

All monies, advances, renewals or credits obtained pursuant to or in connection with the Debenture from the Holder by the Debtor or by persons purporting to act on behalf of the Debtor shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Debtor or its directors, officers, employees or agents, or that the Debtor may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution

and delivery of any agreement or document by or on behalf of the Debtor is in excess of the powers of the Debtor or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Holder has no obligation to inquire into the powers of the Debtor or any of its directors, officers, employees or agents acting or purporting to act on its behalf.

5. Liability Unaffected by Certain Matters

Except as set forth above, the liability of the undersigned hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by:

- (a) the lack of validity or enforceability of the Obligations in whole or in part for any reason whatsoever, including without limitation by reason of prescription, by operation of law or as a result of any applicable statute, law or regulation;
- (b) any prohibition or restriction imposed in respect of the rights and remedies of the Holder in respect of the Obligations, specifically including without limitation any court order which purports to prohibit or suspend the acceleration of the time for payment of any of the Obligations, the payment by the Debtor of any of the Obligations or the rights and remedies of the Holder against the Debtor in respect of the Obligations;
- (c) the lack of validity or enforceability in whole or in part of: (i) the Debenture or any other agreement made from time to time between the Debtor and the Holder in connection with the Obligations; (ii) any security given by the Debtor in favour of the Holder, from time to time, in connection with the Obligations; (iii) any guarantee given by any person in favour of the Holder, from time to time, in connection with or relating to the Obligations; or (iv) any security given by any such guarantor in favour of the Holder, from time to time, in connection with the Obligations;
- (d) any change in the corporate existence, structure, ownership or control of the Debtor (including any of the foregoing arising from any merger, consolidation, amalgamation, reorganization or similar transaction); any change in the name, objects, capital stock, constituting documents or by-laws of the Debtor; or the dissolution, winding-up, liquidation or other distribution of the assets of the Debtor, whether voluntary or otherwise;
- (e) the Debtor becoming insolvent or bankrupt or subject to any proceeding under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) the arrangement provisions of applicable corporate legislation, any legislation similar to the foregoing in any other jurisdiction, or any legislation enacted substantially in replacement of the foregoing, or the Holder, voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure by the Holder to obtain, register, perfect or maintain any security given by the Debtor or by other persons in respect of the Obligations, whether intentionally or through failure or neglect or otherwise;
- (g) the failure or neglect of the Holder to demand payment of the Obligations from the Debtor, any guarantor of the Obligations or any other person; or the failure or neglect of the Holder to enforce any security held in respect of the Debtor or in respect of any guarantor of the Obligations;

- (h) the valuation by the Holder of any security held in respect of the Obligations, which shall not be considered as a purchase of such security or as payment on account of the Obligations;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Debtor or the undersigned may have or may allege to have against the Holder; or
- (j) any other circumstances which might otherwise constitute a legal or equitable defense available to, or complete or partial discharge of, the Debtor in respect of the Obligations or of the undersigned in respect of this Agreement.

6. Liability Unaffected by Actions of the Holder

The liability of the undersigned hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Holder, in connection with the Debtor, the Obligations or any security held by or granted to the Holder to secure payment or performance of the Obligations. For greater certainty and without limiting the generality of the foregoing, without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the undersigned under this Agreement, and without notice to or the consent of the undersigned, the Holder may, from time to time:

- (a) extend, renew, settle, compromise, waive, release or terminate the Obligations in whole or in part from time to time;
- (b) amend, renew, waive, release or terminate any terms and conditions contained within the Debenture, in whole or in part, from time to time (specifically including, without limitation, any terms and conditions relating to interest rates, fees and principal payments);
- (c) make advances and extend credit to the Debtor and receive repayments in respect of the Obligations, and increase or decrease the amount of credit available to the Debtor from time to time;
- (d) grant time, renewals, extensions, indulgences, releases and discharges to the Debtor;
- (e) take, refrain from taking or release guarantees from other persons in respect of the Obligations;
- (f) take, refrain from taking, refrain from registering or perfecting or release any security from the Debtor, any guarantor of the Obligations or any other person, and release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any such security;
- (g) accept compromises or arrangements from the Debtor, any guarantor of the Obligations or any other person;
- (h) refrain from demanding payment from or exercising any rights or remedies in respect of the Debtor, any guarantor of the Obligations or any security held in respect of the Obligations; and for greater certainty the Holder shall not be bound to exhaust its recourse against the Debtor, guarantors of the Debtor or other persons or enforce any

security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from the undersigned under this Agreement, and the undersigned hereby waives all benefits of discussion and division;

- (i) apply all monies received from the Debtor, any guarantor of the Debtor or any other person or from the proceeds of any security upon such part of the Obligations as the Holder may see fit, or change any such application in whole or in part, from time to time, notwithstanding any direction which may be given regarding application of such monies by the Debtor, any guarantor of the Debtor or any other person; and
- (j) otherwise deal with the Debtor, any guarantor of the Obligations or any other person and any security held by the Holder in respect of the Obligations, as the Holder may see fit in its absolute discretion.

Without limiting the generality of the foregoing, the undersigned shall not be discharged nor shall the liability of the undersigned be affected by any act, thing, omission or means whatsoever which would not have resulted in the discharge or release of the liability of the undersigned under this Agreement if the undersigned had been liable for payment of the Obligations as principal debtor.

7. Accounts Settled

The records of the Holder as to the unpaid balance of the Obligations due to it at any time shall constitute prima facie evidence that the said amount is so due, in the absence of manifest error.

8. Waivers

No delay on the part of the Holder in exercising any of its options, powers, rights or remedies, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver or modification or amendment of this Agreement or any of the said options, powers, rights or remedies shall be binding upon the Holder unless made in writing and signed by an authorized officer of the Holder, and any such waiver shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Holder or the liability of the undersigned hereunder in any other respect or at any other time.

9. Foreign Currency Obligations

If any portion of the Obligations is payable by the Debtor in a currency other than Canadian dollars (the "**Required Currency**"), the liability of the undersigned in respect of such portion of the Obligations shall be to pay such amount in the Required Currency. If the undersigned makes payment in respect of such portion of the Obligations in any other currency (the "**Payment Currency**"), such payment shall constitute satisfaction of the said liability of the undersigned only to the extent that the Holder is able to purchase such portion of the Obligations in the Required Currency using the amount of the Payment Currency received from the undersigned on the date of receipt, in accordance with the Holder's normal practice, and the undersigned shall remain liable to the Holder for any deficiency.

10. Withholding Taxes

Except as otherwise required by law, each payment by the undersigned hereunder shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which the undersigned is domiciled, any jurisdiction from which the undersigned makes any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority thereof or therein

(other than taxes in respect of the gross or net income, capital gains, assets or capital of the Holder). If any such withholding is required by law, the undersigned shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and promptly pay to the Holder such additional amount as may be necessary to ensure that the net amount actually received by the Holder (after payment of such taxes including any taxes on such additional amount paid) is equal to the amount which the Holder would have received if no amounts had been withheld.

11. Representations and Warranties

The undersigned represents and warrants to the Holder as follows, and acknowledges that the Holder is relying upon the said representations and warranties as a basis for extending and maintaining the extension of the Debenture to the Debtor:

- (a) The undersigned has the authority and capacity to enter into and perform its obligations hereunder; the execution and delivery of this Agreement and the performance by the undersigned of its obligations hereunder have been duly authorized by all necessary proceedings; and neither the execution and delivery of this Agreement, nor compliance with the terms, provisions and conditions hereof will conflict with, result in a breach of, or constitute a default under its constituting documents.
- (b) Neither the execution and delivery of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement will conflict with, result in a breach of, or constitute a default under any material agreement or instrument to which the undersigned is a party or by which the undersigned or any of its property and assets may be bound or affected, and does not require the consent or approval of any other person (other than consents or approvals which have been obtained).

12. Revival of Indebtedness and Liability

If at any time all or any part of any payment previously applied by the Holder to any portion of the Obligations is rescinded or returned by the Holder for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, as a result of or in connection with the insolvency, bankruptcy or reorganization of the Debtor or the undersigned, or any allegation that the Holder received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such initial application, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment had not been made.

13. Assignment and Postponement of Indebtedness

Payment of all present and future obligations of the Debtor to the undersigned (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the undersigned agrees that it shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, the undersigned agrees to hold such amount in trust for the Holder and immediately pay such amount to the Holder. If the undersigned now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests constituted thereby shall be subordinated to all present and future security interests held by the Holder in respect of the Obligations, notwithstanding the order of execution,

delivery, registration or perfection of the said security interests, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. The undersigned may not initiate or take any action to enforce the Postponed Security without the prior written consent of the Holder. As additional security for the obligations of the undersigned to the Holder under this Agreement, the undersigned hereby assigns to the Holder the Postponed Indebtedness and the Postponed Security.

14. Restrictions on Right of Subrogation

The undersigned agrees not to exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation or any similar right available to the undersigned against the Debtor or any other guarantor of the Obligations, or as to any security therefor, unless and until the Obligations have been paid and satisfied in full and the Holder has no further obligation to the Debtor under the Debenture. The undersigned has no right to be subrogated hereunder unless: (i) the undersigned has paid to the Holder an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other person having a potential right of subrogation has waived such right and consented to the assignment of the Obligations and any security held by the Holder to the undersigned; and (iii) the Holder has received from the Debtor a release of all claims and demands which the Debtor may have against the Holder, including any obligation to grant additional credit to the Debtor. Any such assignment of loans and security by the Holder to the undersigned shall be on an "as is, where is" basis without representations, warranties or conditions, and without recourse to the Holder. All documents listed above shall be in form and substance satisfactory to the Holder, acting reasonably.

15. Expenses

The undersigned agrees to pay to the Holder, promptly upon demand, all reasonable expenses (including reasonable legal fees on a solicitor client basis) incurred by the Holder in connection with the preservation or enforcement of any of its rights and remedies hereunder, together with interest thereon as provided in paragraph 2.

16. Additional Security

This Agreement is in addition to and not in substitution for any guarantees or agreements which may have previously been given to the Holder by the undersigned in connection with the Debtor or the Obligations, and is in addition to and without prejudice to any security (including guarantees provided by other persons) now or hereafter held by the Debtor in respect of the Obligations, and any other rights or remedies which they might have.

17. Set-Off

From and after an Event of Default, the Holder may, from time to time, set-off and apply any liabilities it may have to the undersigned (including liabilities in respect of any monies deposited with it by the undersigned) against any and all of the obligations of the undersigned to the Holder now or hereafter existing under this Agreement, whether or not any of such obligations may be unliquidated, contingent or unmatured.

18. Notice

Without prejudice to any other method of giving notice, any notice by the Holder to the undersigned pursuant to this Agreement shall be effective if made in writing and given to the undersigned at the address of the Debtor and in the manner set out in the Debenture.

19. Severability

If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect and all changes rendered necessary by the context shall be deemed to have been made.

20. Interpretation

This Agreement is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made. As used herein, "person" includes an individual, corporation, partnership, joint venture, trust, unincorporated association or any government, crown corporation or governmental agency or authority or any combination of the above.

21. Amalgamation of Debtor

If the Debtor amalgamates with any other corporation or corporations, the undersigned acknowledges that the Obligations shall include: (i) all obligations of each amalgamating corporation (including the Debtor) to the Holder in existence at the time of such amalgamation; and (ii) all obligations of the amalgamated corporation to the Holder incurred or arising from time to time after such amalgamation. After such amalgamation, all references herein to the "Debtor" shall mean the said amalgamated corporation and all other provisions of this Agreement shall be deemed to have been amended to the extent required by the context in order to reflect such amalgamation.

22. Further Assurances

The undersigned agrees, at its own expense, to promptly execute and deliver or cause to be executed and delivered to the Holder upon request from time to time all such other and further documents, agreements, opinions, certificates and instruments as are required under this Agreement or as may be reasonably requested by the Holder if necessary or desirable to more fully record or evidence the obligations intended to be entered into herein.

23. Entire Agreement; Inconsistencies with Debenture; Conclusive Delivery

This Agreement constitutes the entire agreement and understanding between the undersigned and the Holder relating to the subject-matter hereof, and no amendment shall be effective unless made in writing and executed by the undersigned and the Holder. Possession by the Holder of an executed copy of this Agreement shall constitute conclusive evidence that: (i) this Agreement was executed and delivered by the undersigned to the Holder free of all conditions; (ii) there is no agreement or understanding between the Holder and the undersigned that this Agreement was delivered in escrow or is not intended to be effective until the occurrence of any event or the satisfaction of any condition; (iii) the Holder has made any representations, statements or promises to the undersigned regarding the Debtor, the Holder's intention to obtain any security in respect of the Obligations or guarantees from other persons in respect of the Obligations, the circumstances under which the Holder may enforce this Agreement, the manner in which the Holder might enforce this Agreement or any other matter which

might conflict with the provisions expressly set out herein; and (iv) there are no representations, statements, promises, understandings, warranties, conditions or collateral agreements between the Holder and the undersigned relating to the subject-matter of this Agreement, other than as expressly set out in the Debenture or herein.

24. 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, without regard to any principles of conflicts of laws that would apply the law of another jurisdiction. Without prejudice to the right of the Holder to commence any proceedings with respect to this Agreement in any other proper jurisdiction, the undersigned hereby irrevocably attorns and submits to the jurisdiction of the courts of the Province of Ontario.

25. Successors and Assigns

This Agreement shall enure to the benefit of the Holder and its successors and assigns, and shall be binding upon the undersigned and its successors; "successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation. Without limiting the generality of the foregoing, if the Holder assigns or transfers all or any portion of the Obligations or any interest therein to any other person in accordance with the terms and conditions of the Debenture, such person shall thereafter be considered a "Holder" for all purposes under this Agreement, and the Obligations or portion thereof or interest therein so transferred or assigned shall be and shall remain part of the "Obligations" hereunder.

26. Execution by Fax or PDF; Execution in Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same agreement. This Agreement may be executed by facsimile or pdf, and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes.

27. Release of Guarantee

Upon the full and final payment and performance of the Obligations, the Holder agrees to execute and deliver all such documents and instruments as may be reasonably required to evidence the termination and release of this Agreement.

28. Receipt of Copy of Agreement

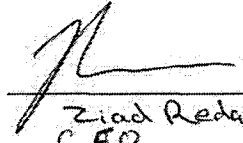
The undersigned hereby acknowledges receipt of a copy of this Agreement.

[The remainder of this page has been intentionally left blank; signature page follows]

IN WITNESS WHEREOF this Agreement has been executed by the undersigned as of the date appearing on the first page hereof.

RADICLE MEDICAL MARIJUANA INC.

By:
Name:
Title:



Ziad Reda
CEO

GENERAL SECURITY AGREEMENT

made as of December 19, 2019

between

RADICLE MEDICAL MARIJUANA INC.

and

WOLVERINE PARTNERS CORP.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT ("Security Agreement") is made as of December 19, 2019 by:

RADICLE MEDICAL MARIJUANA INC. (the "Debtor")

IN FAVOUR OF:

WOLVERINE PARTNERS CORP. (the "Secured Party")

WHEREAS:

- A. Radicle Cannabis Holdings Inc. (the "**Corporation**") is indebted to the Secured Party pursuant to the terms and conditions set out in a certain grid convertible debenture dated November 22, 2019 between the Secured Party and the Corporation (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the "**Debenture**").
- B. The Debtor has provided a guarantee of the obligations of the Corporation under the Debenture on and subject to the terms and condition set out in the unlimited guarantee dated as of the date hereof between the Debtor and the Secured Party (as the same may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, the "**Guarantee**"); and
- C. As security for the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Security Agreement to and in favour of the Secured Party.

NOW THEREFORE IN CONSIDERATION for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

PART 1 SECURITY INTERESTS

1.1 **Security Interests.** Subject to Section 1.3 hereof, as security for the payment and performance of the Obligations, the Debtor hereby:

- (a) mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, and the Secured Party hereby takes a security interest in, all of the Debtor's right, title and interest in and to all of the Debtor's present and after-acquired personal property, and all proceeds thereof, (except the property of the Debtor described in Section 1.3) of whatsoever nature and kind and wherever situate including, without limiting the generality of the foregoing, all of the Debtor's right, title and interest in and to all of the Debtor's present and after-acquired:
 - (i) **Accounts.** Debts, accounts, claims, monies and choses in action due or owing to or owned by the Debtor, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof (collectively, "**Accounts**");
 - (ii) **Equipment.** Equipment, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessions and accessories located at or installed in or affixed or attached to any of the foregoing, and all

drawings, specifications, plans and manuals relating thereto and any other tangible personal property that is not Inventory (collectively, "**Equipment**");

- (iii) **Inventory.** Inventory of whatever kind, including all raw materials, materials used or consumed in the business or profession of the Debtor, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Debtor whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (collectively, "**Inventory**");
 - (iv) **Other Tangible Personal Property.** Chattel paper, documents of title, instruments, money, investment property, and other goods that are not Accounts, Equipment or Inventory; and
 - (v) **Intangibles.** Intangibles and intangible property (except for Accounts) including, without limitation, all contractual rights, licenses, goodwill, patents, trade-marks, tradenames, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Debtor and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, goods, chattel paper, documents of title, instruments, money or investment property; and
- (b) grants, mortgages and charges, to and in favour of the Secured Party, as and by way of a fixed and specific mortgage and charge all of its currently owned and held or hereafter acquired real property and interest therein of every nature and kind wherever situate;
 - (c) grants, mortgages and charges, to and in favour of the Secured Party, as and by way of a floating charge, all of its currently owned and held or hereafter acquired property, assets and undertakings of every nature and kind and wherever situate, except such of its property, assets, undertakings and interests as are validly subject to the mortgages, charges and security interests granted pursuant to Section 1.1(a) and 1.1(b).

1.2 **Collateral.** The term "**Collateral**" means, collectively, the Debtor's right, title and interest in and to all of the Debtor's present and after-acquired real and personal property, assets and undertakings, and all proceeds thereof, (except the property of the Debtor described in Section 1.3) of whatsoever nature and kind and wherever situate including without limiting the generality of the foregoing all of the property described in Sections 1.1(a), 1.1(b) and 1.1(c).

1.3 **Exclusions.** The mortgages, charges and security interests granted in this Security Agreement do not apply or extend to (and shall not form part of the Collateral):

- (a) the last day of any term created by any lease or agreement therefor now held or hereafter acquired by the Debtor, but the Debtor will stand possessed of the reversion thereby remaining in the Debtor of any leasehold premises upon trust for the Secured Party to assign and dispose thereof as the Secured Party or any buyer of such leasehold premises directs;
- (b) any lease or agreement which contains a provision which provides in effect that such lease or agreement may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the lessor or other party (each a "**Restricted Asset**") until such leave, licence, consent or approval is obtained with respect to the Restricted Asset and the security interest created hereby will attach and extend to such Restricted Asset as soon as such leave, licence, consent or approval is obtained. The

Debtor agrees that it will (i) hold its interest in such Restricted Assets in trust for the Secured Party until such leaves, licenses, consents or approvals are obtained, and (ii) upon the request of the Secured Party, use commercially reasonable efforts to promptly obtain all such leaves, licenses, consents or approval; and

- (c) any consumer goods of the Debtor.

Notwithstanding anything to the contrary set out in this Security Agreement, prior to an Event of Default, the grant by the Debtor of security in trade-marks (as defined in the *Trademarks Act* (Canada)) under this Security Agreement or any trademark security agreement shall be limited to a grant by the Debtor of a security interest in all of the Debtor's right, title and interest in such trade-marks.

1.4 **Attachment.** The Debtor hereby confirms that value has been given, that it has rights in the Collateral existing at the date of this Security Agreement and that neither the Debtor nor the Secured Party intend to postpone the attachment of the security interests hereby created, except as provided in Section 1.3(b), and except as provided therein the security interests hereby created will attach when this Security Agreement has been executed, or in the case of after-acquired property, such property has been acquired by the Debtor.

1.5 **Notification.** On or at any time after an Event of Default, the Secured Party (i) may notify any debtor of the Debtor on an intangible, chattel paper, or account, or any obligor on an instrument ("Account Debtor") of the security interest created hereby, and (ii) may require any Account Debtor to make all payments on Collateral to the Secured Party. The Debtor acknowledges that, on or at any time after an Event of Default, the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Debtor from any Account Debtor, whether before or after notification to such Account Debtor, will be received and held by the Debtor in trust for the Secured Party and will be promptly turned over to the Secured Party, and the Debtor shall not commingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart, and such proceeds shall be dealt with in accordance with the Debenture and the Guarantee.

1.6 **Purchase Money Security Interests.** The security interests created hereby will constitute purchase money security interests to the extent that any of the Obligations are monies advanced by the Secured Party to the Debtor for the purpose of enabling the Debtor to purchase or acquire rights in any of the Collateral and were so used by the Debtor, and a certificate of an officer of the Secured Party as to the extent that the Obligations are monies so advanced and used will be *prima facie* proof of the purchase money security interests constituted hereby.

1.7 **Voting re: Investment Property.** Prior to an Event of Default, investment property included in the Collateral shall be voted by the Debtor. On or at any time after an Event of Default, the Secured Party shall be entitled to vote or not to vote such investment property (whether or not transferred into the name of the Secured Party) and exercise all other rights (including without limitation any conversion, exchange or subscription rights) and powers and perform all acts of ownership in respect thereof as the Secured Party sees fit to the extent the Debtor is entitled to.

1.8 **Distributions re: Investment Property.** Except prior to an Event of Default, all interest, dividends, income and revenue from investment property included in the Collateral (including the proceeds of disposition of such investment property) shall be collected by and payable to the Debtor (and not the Secured Party) and may be dealt with in the ordinary course of its business, provided always, however, that subject to, and to the extent required by, the Debenture, any distributions paid or made in connection with a partial or total liquidation or dissolution of an issuer or in connection with the redemption of, purchase for cancellation of or exchange for any such investment property shall, whenever paid or made, be delivered to the Secured Party to hold as part of the Collateral and shall, if received by the Debtor, be received in trust for the Secured Party and be delivered or paid forthwith to the Secured Party as Collateral (with any necessary endorsement). On or at any time after an Event of Default, all dividends paid on such investment property, and all interest, income and revenue from such investment

property, if received by the Debtor, shall be received in trust for the Secured Party and, upon request, promptly be paid to the Secured Party.

1.9 Investment Property.

- (a) The Debtor shall:
- (i) deliver to the Secured Party each certificated security (in which the Debtor has rights) that is in bearer form (duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank), and all instruments representing or relating to such Collateral;
 - (ii) deliver to the Secured Party each certificated security (in which the Debtor has rights) that is in registered form and either endorse the security certificate in blank (or accompany it by a duly signed power of attorney for transfer in blank) or register the security certificate in the name of the Secured Party or its nominee as the Secured Party may direct;
 - (iii) hold in trust for the Secured Party upon receipt and immediately thereafter deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party all securities and certificated securities (duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank) representing any investment property that the Debtor may from time to time hereafter acquire or be or become entitled to; and
 - (iv) in the event that any investment property that is Collateral is changed, classified or reclassified, subdivided or converted into a different number or class of investment property or otherwise, or if any additional investment property is subscribed for or issued to the Debtor for any other reason, the investment property resulting from any such change, classification, reclassification, subdivision, conversion, subscription or issuance and the certificates representing the same shall promptly be delivered by the Debtor to and held by the Secured Party in place of or in addition to, as the case may be, the Collateral, if at any time or from time to time after the date of this Security Agreement, the Debtor shall be entitled to receive or will receive any additional investment property, the Debtor will, as soon as practicable deliver to the Secured Party duly executed documents described in this Section 1.09(a)(i) and (ii) with respect to such shares. In the event of any consolidation, reorganization, merger or amalgamation of an issuer of investment property included in the Collateral with or into another Person, or the sale of a substantial portion of the property and assets of an issuer to another Person or Persons in exchange for investment property in or of such other Person or Persons or any affiliate thereof, any and all investment property issued or issuable to or received or receivable by the Debtor upon such consolidation, reorganization, merger, amalgamation or sale shall form part of the Collateral and the provisions hereof relating to investment property shall, *mutatis mutandis*, apply to such investment property. The provisions of this section shall similarly apply to successive such changes, classifications, reclassifications, subdivisions, conversions, subscriptions, consolidations, reorganizations, mergers, amalgamations and sales;
 - (v) as directed by the Secured Party to either:
 - A. cause each uncertificated security to be "delivered" (as that term is defined in the STA) to the Secured Party; or

- B. cause the issuer of each uncertificated security to enter into an agreement in writing ("**Control Agreement**") with the Secured Party agreeing that the issuer will comply with instructions originated by the Secured Party without the further consent of the Debtor or any other entitlement holder;
- (vi) as directed by the Secured Party do one of the following:
- A. cause the Secured Party or its representative to become the registered entitlement holder of each security entitlement;
 - B. cause the securities intermediary to enter into a Control Agreement with the Secured Party agreeing that the securities intermediary will comply with entitlement orders relating to security entitlements that are originated by the Secured Party without the further consent of the Debtor or any other entitlement holder; or
 - C. cause another person that has control of each securities entitlement on behalf of the Secured Party, or having previously obtained control of the securities entitlement, to acknowledge that the other person has control on behalf of the Secured Party in the manner contemplated in subsections (vi)(A) or (vi)(B) above.
- (b) Subject to subsection 1.09(c) below, the Debtor will be entitled to exercise, or direct the exercise of, all rights conferred by statute or otherwise on a registered holder of investment property with respect to any investment property held directly by the Debtor or its nominee or with respect to any investment property held directly by the Secured Party or its nominee.
- (c) With respect to the Debtor's rights relating to any investment property:
- (i) those rights shall not be exercised in any manner which would be inconsistent with the rights of the Secured Party under this Security Agreement or the Debenture;
 - (ii) the Debtor shall not, without the prior written consent of the Secured Party, by the exercise of any such rights or otherwise, permit or agree to any variation of the rights attached to or conferred by any of the investment property, participate in any rights issue, elect to receive or vote in favour of receiving any dividends other than in the form of cash, except to the extent not prohibited under the Debenture or the Guarantee;
 - (iii) the Debtor shall not participate in any vote concerning a dissolution, liquidation, winding up or similar proceeding of an issuer of investment property, except to the extent not prohibited under the Debenture or the Guarantee;
 - (iv) the Debtor shall not grant "control" (within the meaning of such term under Sections 23 to 26 of the STA) over any investment property to any Person other than the Secured Party; and
 - (v) on or at any time after the an Event of Default, the Secured Party and its representatives may, at the Secured Party's discretion (in the Debtor's name or otherwise and without any consent or authority on the part of the Debtor) (i) have any or all of the investment property included in the Collateral registered either in the name of the Secured Party or its nominee or nominees, and/or (ii) exercise or

cause to be exercised in respect of any of the investment property any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the investment property and all other rights conferred on or exercisable by the bearer or holder thereof.

PART 2 OBLIGATIONS SECURED

2.1 **Obligations.** This Security Agreement and the security interests hereby created will be continuing security for the payment and performance of all direct and indirect, contingent and absolute obligations and liabilities of any kind, now or hereafter existing, matured or unmatured of the Debtor to the Secured Party under or in connection with the Debenture (including for greater certainty, the Obligations as defined in the Debenture), the Guarantee and this Security Agreement (collectively, the "**Obligations**").

PART 3 POSITIVE COVENANTS

3.1 **Positive Covenants.** The Debtor covenants with the Secured Party as follows:

- (a) **Defend Collateral.** It will defend the Collateral against all claims and demands of all persons claiming the Collateral or an interest therein at any time;
- (b) **Maintenance of Records.** It shall keep and maintain records of the Collateral accurate and complete in all material respects in conformity with generally accepted accounting principles ("GAAP") consistently applied, including, to the extent required by GAAP, a record of all payments received and credits granted with respect to the Accounts;
- (c) **Provide Information.** Upon demand by the Secured Party it will promptly furnish in writing to the Secured Party all information reasonably requested concerning the Collateral and it will promptly advise the Secured Party of the serial number, year, make and model of each serial numbered good at any time included in the Collateral;
- (d) **Delivery.** It will deliver to the Secured Party immediately upon execution of this Security Agreement the originals of all chattel paper and all instruments, in each case constituting, representing or relating to the Collateral;
- (e) **Certificated Form.** It will use commercially reasonable efforts to ensure that any investment property issued to the Debtor that constitutes Collateral will be issued in certificated form;
- (f) **Hold in Trust.** It will hold in trust for, the Secured Party upon receipt and, immediately thereafter deliver to the Secured Party any chattel paper and instruments, in each case constituting Collateral that are hereafter acquired by the Debtor;
- (g) **Notices.** The Debtor shall promptly notify the Secured Party in writing of its acquisition of any interest hereafter in property that is of a type where a security interest or lien must be or may be registered, recorded or filed under, or notice thereof given under, any federal statute or regulation;
- (h) **Costs of Preparation & Enforcement.** The Debtor agrees to pay on demand by or on behalf of the Secured Party all reasonable out-of-pocket costs and expenses incurred by the Secured Party, including reasonable legal expenses on a full indemnity basis, in connection with this Security Agreement, the Debenture and Guarantee (collectively, the "**Documents**"), including: the preparation, administration or interpretation of such

documents, the protection and enforcement of the rights of the Secured Party provided for thereby, the enforcement of the Documents and the preparation of any amendments (other than amendments as a result of an assignment of this Security Agreement by the Secured Party or other similar actions caused solely by the Secured Party), waivers, partial discharges and similar matters which may be required; together with interest after demand at the highest rate then applicable to the Obligations pursuant to the Debenture and Guarantee. If such expenses are not paid in full within 30 days after the sending of a written request from the Secured Party, the Corporation hereby authorizes the Secured Party to debit its account in order to pay any such expenses;

- (i) **Payments.** It will promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge (other than liens expressly permitted by the Secured Party in writing) on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (j) **Further Assurances.** It shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers, stock powers, assurances or other documents as the Secured Party shall reasonably require to give effect to or to preserve and perfect the security interest in the Collateral intended to be granted to the Secured Party hereunder, or any security interest the Debtor may hereafter grant or become bound to grant to the Secured Party, for the purpose of accomplishing and effecting the intention of this Security Agreement. The Debtor hereby irrevocably appoints the Secured Party to be the attorney of the Debtor, coupled with an interest, with full power of substitution, for and in the name of the Debtor to execute and to do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder, provided that the Secured Party will not exercise any of its power of attorney rights under this Section 4.1(j) before an Event of Default;
- (k) **Purchase Monies.** If the Secured Party advances money to the Debtor for the purpose of enabling the Debtor to purchase or acquire rights in any Collateral, the Debtor will use such money only for that purpose and will promptly provide the Secured Party with evidence that such money was so applied;
- (l) **Governing Law.** The Debtor will use commercially reasonable efforts to cause any agreement to which it and any securities intermediary are a party in respect of any security entitlement or security account included in or relating to any Collateral will specify that the laws of the province of Ontario, will be that securities intermediary's jurisdiction for the purposes of that agreement, the STA and the PPSA; and
- (m) **Registrable Mortgage.** If the Collateral at any time includes real property or any interest therein, the Debtor will, if required by the Secured Party, execute a mortgage of that Collateral, which mortgage will:
 - (i) be expressed to secure the Obligations;
 - (ii) be expressed to bear interest at the highest rate borne by any of the Obligations;
 - (iii) charge such of the real property or interests owned by the Debtor as the Secured Party will require;
 - (iv) be in a form registrable in the applicable land title office; and
 - (v) be prepared by or on behalf of the Secured Party;

and the Debtor will pay all reasonable costs, charges and expenses of and incidental to the taking, preparing, execution and registering of such mortgage.

PART 4 NEGATIVE COVENANTS

4.1 **Negative Covenants.** The Debtor covenants and agrees with the Secured Party that it will not, without the prior written consent of the Secured Party:

- (a) **Control Agreements.** Consent to, and represents and warrants to the Secured Party that it has not previously consented to:
 - (i) the entering into by any issuer of uncertificated securities included in or relating to the Collateral of a Control Agreement; or
 - (ii) the entering into by any securities intermediary for any securities accounts, security entitlements or other investment property other than uncertificated securities included in or relating to the Collateral, of a Control Agreement in respect of such securities accounts, security entitlements or other investment property with any person other than the Secured Party or such nominee or agent as it may direct;
- (b) **Securities.** With respect to any component of investment properties that are not "securities" or "financial assets" within the meaning of the STA (including, without limitation, any interest in a partnership or limited liability company that (1) is not dealt in or traded on any securities exchange or in any securities market; or (2) does not provide by its terms that it is a "security" for the purposes of the STA; or is not held in a securities account) use commercially reasonable efforts to take or consent to any steps that would cause such component to become "securities" or "financial assets" within the meaning of the STA unless the Debtor complies with the requirements of Section 1.10(a) to the extent applicable to such component.

PART 5 DEFAULT AND ENFORCEMENT

5.1 **Event of Default.** The term "Event of Default" as used herein has the meaning ascribed to such term in the Debenture.

5.2 **Rights upon Acceleration.** On and after an Event of Default, Article 6 of the Debenture shall apply *mutatis mutandis*.

5.3 **Demand Obligations.** The Debtor agrees that the provisions of Section 5.1 will not affect the demand nature of any indebtedness or obligations (including the Obligations) payable on demand, and the Secured Party may demand payment of such indebtedness and obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Security Agreement or any other instrument between the Debtor and the Secured Party.

5.4 **Security Interests Enforceable.** Without prejudice to any right which the Secured Party may now or hereafter have to demand payment of any of the Obligations, the Obligations shall, at the option of the Secured Party, become payable and the security interests created hereby shall become enforceable on an Event of Default, without the need for any action or notice by the Secured Party except as may be required by the Debenture or Applicable Law.

5.5 **Remedies of the Secured Party.** If the security interests hereby created become enforceable, the Secured Party may take any action permitted by law or in equity to enforce its rights, as it may deem

expedient, and in particular and without limiting the generality of the foregoing, the Secured Party may enforce its rights by any one or more of the following remedies:

- (a) **Take Possession.** By taking possession of the Collateral or any part thereof, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the Collateral, and for that purpose entering into and upon any lands, tenements, buildings, houses and premises and doing any act and taking any proceedings in the name of the Debtor, or otherwise, as the Secured Party considers necessary;
- (b) **Effect Registration.** Effect the registration of, and obtain a certificate or certificates for, any investment property included in the Collateral in the name of the Secured Party or its nominee(s), and for such purpose the Secured Party is hereby irrevocably appointed the attorney of the Debtor with full power of substitution to endorse and/or transfer any such investment property to the Secured Party or its nominee(s);
- (c) **Court Appointed Receiver.** By proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver-manager of all or any part of the Collateral;
- (d) **Court Ordered Sale.** By proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
- (e) **File Proofs of Claim.** By filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
- (f) **Appoint Receiver.** By appointment by instrument in writing of a receiver or receiver-manager of all or any part of the Collateral;
- (g) **Sale or Lease.** By sale or lease by the Secured Party of all or any part of the Collateral (whether or not it has taken possession of the Collateral);
- (h) **Voluntary Foreclosure.** By retaining any of the Collateral in satisfaction of all or part of the Obligations, in accordance with Section 5.13;
- (i) **Other Remedies.** By any other remedy or proceeding authorized or permitted hereby or by law or equity (including all of the rights and remedies of a secured party under the PPSA (as defined below));

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

5.6 **Power of Sale.** The provisions of Section 5.7(g) will apply, *mutatis mutandis*, to a sale or lease of any of the Collateral by the Secured Party under Section 5.5(g).

5.7 **Receiver or Receiver-Manager.** Any time after the security interests hereby created have become enforceable, the Secured Party may from time to time appoint in writing any qualified person to be a receiver or receiver-manager ("**Receiver**") of the Collateral and may likewise remove any such person so appointed and appoint another qualified person in his stead. Any Receiver appointed hereunder will have the following powers:

- (a) **Take Possession.** To take possession of the Collateral or any part thereof, and to collect and get in the Collateral and for that purpose to enter into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Debtor, or otherwise, as the Receiver considers necessary;

- (b) **Carry On Business.** To carry on or concur in carrying on the business of the Debtor (including, without limiting the generality of the powers contained in this Security Agreement, the payment of the obligations of the Debtor whether or not they are due and the cancellation or amendment of any contracts between the Debtor and any other Person) and the employment and discharge of such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such salaries, wages or remuneration as the Receiver thinks proper;
- (c) **Repair.** To repair and keep in repair the Collateral or any part or parts thereof and to do all necessary acts and things for the protection of the Collateral;
- (d) **Arrangements.** To make any arrangement or compromise which the Receiver thinks expedient in the interests of the Secured Party or the Debtor and to assent to any modification or change in or omission from the provisions of this Security Agreement;
- (e) **Exchange.** To exchange any part or parts of the Collateral for any other property suitable for the purposes of the Debtor upon such terms as may seem expedient and either with or without payment or exchange of money or equality of exchange or otherwise;
- (f) **Borrow.** To raise on the security of the Collateral or any part or parts thereof, by mortgage, charge or otherwise any sum of money required for the repair, insurance or protection thereof, or any other purposes mentioned in this Security Agreement, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral or any part thereof, which would or might have priority over the security interests hereby created;
- (g) **Sell or Lease.** Whether or not the Receiver has taken possession, to sell or lease or concur in the sale or leasing of any of the Collateral or any part or parts thereof and to carry any such sale or lease into effect by conveying, transferring, letting or assigning in the name of or on behalf of the Debtor or otherwise; and any such sale or lease may be made either at public sale or lease (including public auction or closed tender), or by private sale or lease, as the Receiver may determine and any such sale or lease may be made from time to time as to the whole or any part or parts of the Collateral; and the Receiver may make any stipulations as to title or conveyance or otherwise which the Receiver considers proper; and the Receiver may rescind or vary any contract for the sale or lease of any of the Collateral or any part or parts thereof, and may resell and re-lease without being answerable for any loss occasioned thereby; and the Receiver may sell or lease any of the Collateral for cash or credit, or part cash and part credit, or otherwise as may appear to be most advantageous, and at such prices as can be reasonably obtained therefor, and in the event of a sale or lease on credit neither the Receiver nor the Secured Party will be accountable for or charged with any monies until actually received.

5.8 **Liability of Receiver.** The Receiver appointed and exercising powers under the provisions hereof will not be liable for any loss howsoever arising unless the loss is caused by the Receiver's gross negligence, fraud or wilful misconduct, and the Receiver will when so appointed be considered to be the agent of the Debtor and the Debtor will be solely responsible for the Receiver's acts and defaults and for the Receiver's remuneration.

5.9 **Effect of Appointment of Receiver.** As soon as the Secured Party takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of the directors and officers of the Debtor concerning the Collateral will cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

5.10 **Appointment of Attorney.** The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, Instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement. Neither the Secured Party nor the Receiver shall exercise the power of attorney granted pursuant to this Section 5.10 prior to an Event of Default.

5.11 **Liability of the Secured Party.** The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non fulfillment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by a the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Secured Party has no obligation to clean up or otherwise prepare the Collateral for sale. All risk of loss, damage or destruction of the Collateral shall be borne by the Debtor. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

5.12 **Validity of Sale or Lease.** No buyer at any sale and no lessee under any lease purporting to be made in pursuance of the powers set out in Sections 5.5(g) and 5.7(g) will be bound to see or enquire whether any default has been made or whether any notice required hereunder has been given or as to the necessity or expediency of the stipulations subject to which sale or lease has been made or otherwise as to the propriety of such sale or lease, or the regularity of proceedings or be affected by notice that such default has been made or notice given as aforesaid, or that the sale or lease is otherwise unnecessary, improper or irregular; and in spite of any impropriety or irregularity or notice thereof to such buyer or lessee the sale or lease to such buyer or lessee will be considered to be within the aforesaid power and to be valid accordingly and the remedy (if any) of the Debtor in respect of any impropriety or irregularity whatsoever in any such sale or lease will be in damages only.

5.13 **Voluntary Foreclosure.** The Secured Party may elect to retain any of the Collateral in satisfaction of the Obligations or any of them. The Secured Party may designate any part of the Obligations to be satisfied by the retention of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations will be considered to be satisfied by the retention of the particular Collateral.

5.14 **Proceeds of Disposition.** In the event of any realization upon or sale or disposition of the Collateral or any portion thereof as hereinbefore provided, the Secured Party shall apply the proceeds of any such realization, sale or disposition, together with any other moneys at the time held by it under the provisions of this Security Agreement, after deducting all costs and expenses of collection, sale and delivery (including, without limitation, legal fees and disbursements on a full indemnity basis) incurred by the Secured Party in connection therewith, to the payment of all amounts owing by the Debtor in respect of the Obligations, in accordance with the Debenture, and the balance of such proceeds, if any, shall be paid in accordance with the PPSA and any other Applicable Law.

5.15 **No Set-Off Etc.** The Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Secured Party or any right of set-off, combination of accounts, cross-claim or counterclaim. Any indebtedness owing by the Secured Party to the Debtor may be set off or applied against, or combined with, the Obligations by the Secured Party at any time, either before or after maturity, without demand upon, or notice to, anyone.

5.16 **Deficiency.** If the proceeds of the realization of the Collateral are insufficient to fully pay to the Secured Party the Obligations, the Debtor will promptly pay such deficiency or cause it to be paid to the Secured Party.

5.17 **Waiver.** The Secured Party may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any Event of Default, provided always that no act or omission of the Secured Party will extend to or be taken in any manner whatsoever to affect any subsequent breach or Event of Default or the rights resulting therefrom.

5.18 **Time for Payment.** If the Secured Party demands payment of any Obligations which are payable on demand or if any Obligations are otherwise due by maturity or acceleration, it will be considered reasonable for the Secured Party to exercise its remedies immediately if such payment is not made, and any days of grace or any time for payment which might otherwise be required to be given to the Debtor by any applicable law is hereby irrevocably waived.

PART 6 GENERAL

6.1 **Notices.** Any notice or communication required or permitted to be given under this Security Agreement shall be in writing and will be made in accordance with the notice provisions of the Guarantee, and shall be deemed to have been given or made at such time as set out in the Guarantee.

6.2 **Discharge.** If at any time there are no Obligations then outstanding and the Secured Party has no further obligations or liabilities under the Debenture and the Debenture has been terminated, then, at the request and at the expense of the Debtor, the Secured Party will promptly cancel and discharge this Security Agreement and the security interests granted in this Security Agreement and the Secured Party will execute and deliver to the Debtor all such documents as are required to effect such discharge.

6.3 **No Obligation to Advance.** The Debtor acknowledges and agrees that none of the preparation, execution or registration of notice of this Security Agreement will bind the Secured Party to advance the monies hereby secured nor will the advance of a part of the monies hereby secured bind the Secured Party to advance any unadvanced portion thereof.

6.4 **Rights Cumulative.** All rights and remedies of the Secured Party set out in this Security Agreement, in any of the other Documents and in any other security agreement held by the Secured Party from the Debtor or any other person whomsoever to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein or therein is intended to be exclusive but each is in addition to every other right or remedy contained herein or therein or in any future security agreement, or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

6.5 **Realization.** The Debtor acknowledges and agrees that the Secured Party may realize upon various securities securing the Obligations or any part thereof in such order as it may be advised and any such realization by any means upon any security or any part thereof will not bar realization upon any other security or the security hereby constituted or parts thereof.

6.6 **No Merger.** This Security Agreement will not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment concerning any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

6.7 **Extensions.** The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor,

Account Debtors, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or to the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

6.8 Indemnity. The Debtor hereby indemnifies the Secured Party for, and holds it harmless from, any and all liability, loss or damage which the Secured Party may incur by reason of this Security Agreement and from any and all claims and demands whatsoever which may be asserted against the Secured Party by reason of any alleged obligations of or undertakings by the Debtor to perform or discharge any of the terms, covenants or agreements contained in any of the agreements to which it is a party, except for such liability, loss or damage arising by reason of the gross negligence, fraud or wilful misconduct of the Secured Party. Should the Secured Party incur any such liability, loss or damage under any of the agreements or under or by reason of this Security Agreement or in the defence of any such claims or demands of a third party (except for such liability, loss or damage arising by reason of the gross negligence, fraud or wilful misconduct of the Secured Party), the amount thereof, including out-of-pocket costs, expenses and legal fees calculated on a full indemnity basis, shall be reimbursed by the Debtor to the Secured Party promptly following demand.

6.9 Entire Agreement. There are no representations, agreements, warranties, conditions, covenants or terms, express or implied, collateral or otherwise, affecting this Security Agreement or the Security Interest or the Debtor's obligations and liabilities hereunder other than as expressed herein, in the Debenture and in the other Documents.

6.10 Provisions Reasonable. The Debtor acknowledges that the provisions of this Security Agreement and, in particular, those provisions respecting rights, remedies and powers of the Secured Party or any Receiver against the Debtor, its business and any Collateral are commercially reasonable.

6.11 Assignment. This Security Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. The Debtor shall not, without the Secured Party's prior written consent (which may be arbitrarily withheld by the Secured Party), assign any interest under this Security Agreement to any other Person. The Secured Party shall always be entitled to transfer or assign its rights or obligations under this Security Agreement.

6.12 Appropriation of Payments. Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations in accordance with the Debenture and as the Secured Party may otherwise see fit and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

6.13 Use of Collateral by Debtor. Except as provided herein or in the Debenture, until an Event of Default, the Debtor will be entitled to possess, operate, collect, use and enjoy the Collateral in any manner not inconsistent with the terms hereof.

6.14 Modifications, Etc. No modification or amendment of this Security Agreement will be effective unless in writing and executed by the Debtor and the Secured Party and no waiver of any of the provisions of this Security Agreement will be effective unless in writing and signed by the party waiving the provision.

6.15 Disclosure of Information. The Debtor consents to the Secured Party, in compliance with any statutory disclosure requirements, disclosing information about the Debtor, this Security Agreement, the Collateral and the Obligations to any person the Secured Party believes is entitled to such information.

6.16 Statutory Waivers. To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations

upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

PART 7 INTERPRETATION

7.1 **Incorporated Definitions.** In this Security Agreement, words which are defined in the Ontario *Personal Property Security Act* (as such legislation may be amended, renamed or replaced from time to time, and including all regulations from time to time made thereunder, the "PPSA") or the Ontario *Securities Transfer Act* (as such legislation may be amended, renamed or replaced from time to time, and including all regulations from time to time made thereunder, the "STA") or the Debenture, which are not defined in this Security Agreement will have the respective meanings given to them in the PPSA, the STA or the Debenture.

7.2 **Headings.** The headings in this Security Agreement are inserted for convenience of reference only and will not affect the construction or interpretation of this Security Agreement.

7.3 **Severability.** If any provision herein is determined to be void, voidable or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other provision hereof and all the provisions hereof are hereby declared to be separate, severable and distinct.

7.4 **Applicable Law and Attornment.** This Security Agreement and all documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereby attorn to the non-exclusive jurisdiction of the courts of such province.

7.5 **Time of Essence.** Time will be of the essence hereof.

7.6 **Number and Gender.** In this Security Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

7.7 **Execution and Deliver.** This Security Agreement may be executed and delivered by the parties hereto by facsimile or other electronic means and all such counterparts and facsimiles or reproductions shall together constitute one and the same agreement.

7.8 **Conflict.** In the event of any conflict between the provisions of this Security Agreement and the provisions of the Debenture which cannot be resolved by both provisions being complied with, the provisions contained in the Debenture will prevail to the extent of such conflict.

PART 8 ACKNOWLEDGMENT AND WAIVER

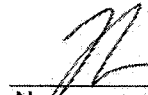
8.1 **Acknowledgment and Waiver.** The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Security Agreement or any amendments hereto.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

TO EVIDENCE ITS AGREEMENT the Debtor has executed this Security Agreement effective as of the date first appearing above.

RADICLE MEDICAL MARIJUANA INC.

By: 
Name: Ziad Reda
Title: CEO

I have authority to bind the Corporation.

This is Exhibit “P” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

TerrAscend Completes Acquisition of Gage Cannabis

NEWS PROVIDED BY

TerrAscend →

Mar 10, 2022, 08:56 ET

TORONTO, March 10, 2022 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis multi-state operator, and Gage Growth Corp. ("Gage") (CSE: GAGE, OTCQX: GAEGF), a leading high-quality premium cannabis brand and operator, today announced that they have completed their previously announced court-approved plan of arrangement under the *Canada Business Corporations Act* (the "Transaction"), whereby TerrAscend has acquired all of the issued and outstanding subordinate voting shares (the "Gage Shares") of Gage.

"I believe the combination of TerrAscend and Gage has created one of the most compelling and differentiated operators in the North American cannabis industry," said Jason Wild, Executive Chairman of TerrAscend. "Our proven cultivation and manufacturing expertise, proprietary flower strains, and top-selling brands position us to deliver exceptional retail experiences and products for our patients and customers."

Mr. Wild added, "I'm incredibly proud of both teams for their efforts in getting this transaction over the finish line. Now the real work begins, together!"

Transaction Details

As previously announced, the Transaction was effected by way of a court-approved plan of arrangement pursuant to the *Canada Business Corporations Act*, where shareholders of Gage (the "Gage Shareholders") received 0.3001 of a common share of TerrAscend for each Gage Share (or equivalent) held (the "Exchange Ratio"). At closing, TerrAscend issued an aggregate of 51.3 million common shares to former Gage

shareholders. In addition, up to 25.8 million TerrAscend common shares are reserved for issuance in connection with the exercise or exchange of former Gage convertible securities that will be satisfied with TerrAscend common shares if and when exercised or exchanged. **416**

Gage is now a wholly-owned subsidiary of TerrAscend. In connection with the Transaction, Gage Shares will be delisted from the CSE effective at the close of trading today, and Gage intends to submit an application to the applicable securities regulators to cease to be a reporting issuer and terminate Gage's public reporting obligations in the near term.

TerrAscend did not own or control, directly or indirectly, any Gage Shares prior to the Transaction. Upon closing the Transaction, TerrAscend beneficially owns or controls 144,339,663 Gage Shares, 1,433,000 super voting shares of Gage and 5,330 exchangeable shares of Spartan Partners Corporation, a subsidiary of Gage. An early warning report in respect of TerrAscend's acquisition of all of the issued and outstanding securities of Gage will be filed on SEDAR and made available under Gage's issuer profile at www.sedar.com and a copy can be obtained by contacting TerrAscend at the number below.

Gage Registered Shareholders

Registered shareholders of Gage are reminded that, pursuant to the letter of transmittal that was mailed to them as part of the materials delivered in connection with the special meeting of Gage shareholders held on November 11, 2021, in order to receive the TerrAscend shares to which they are entitled, registered holders of Gage Shares are required to deposit the share certificate(s) or DRS statements representing their Gage Shares, together with a duly completed letter of transmittal, with Odyssey Trust Company, the depository for the Transaction. For more information on the Transaction, please see the news releases previously issued by TerrAscend and Gage, along with Gage's management information circular dated October 12, 2021, all of which are available at www.sedar.com.

The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Advisors

Norton Rose Fulbright acted as Canadian and U.S. legal counsel to TerrAscend. ATB Capital Markets Inc. and Haywood Securities Inc. acted as independent financial advisors to the TerrAscend Special Committee and Stikeman Elliott LLP acted as independent legal counsel to the TerrAscend Special Committee. 417

Dentons Canada LLP acted as legal counsel to Gage in Canada and Dickinson Wright PLLC acted as legal counsel to Gage in the United States. Eight Capital acted as independent financial advisor to the Gage Special Committee and Clarus Securities acted as independent financial advisor to the Gage Board.

About TerrAscend

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, Michigan and California, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates The Apothecarium and Gage dispensary retail locations as well as scaled cultivation, processing, and manufacturing facilities in its core markets. TerrAscend's cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use markets. The Company owns several synergistic businesses and brands, including Gage Cannabis, The Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascend.com.

About Gage

Gage is innovating and curating the highest quality cannabis experiences possible for cannabis consumers in the state of Michigan and Canada, and bringing internationally renowned brands to market. Through years of progressive industry experience, the firm's founding partners have successfully built and grown operations with federal and state licenses, including cultivation, processing and retail locations. For more information about Gage Growth Corp., visit www.gagecannabis.com or www.gageinvestors.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project",

"estimate", "outlook" and other similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment, and the availability of licenses, approvals and permits.

Forward-looking statements in this news release include, but are not limited to: statements with respect to the anticipated benefits associated with the acquisition of Gage, including the anticipated effects on TerrAscend's future performance. Actual results and developments may differ materially from those contemplated by these statements.

Such forward-looking statements are based on certain assumptions regarding TerrAscend and Gage, including anticipated benefits from the Transaction, and expected growth, results of operations, performance, industry trends and growth opportunities. While TerrAscend and Gage consider these assumptions to be reasonable, based on information currently available, they may prove to be incorrect.

Among other things, there can be no assurance that the anticipated benefits from the Transaction will be achieved. Readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to: current and future market conditions; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; with respect to TerrAscend, the risk factors described in our Registration Statement on Form 10 and other filings with the U.S. Securities and Exchange Commission, which are available at www.sec.gov, and other filings with Canadian securities regulators, including TerrAscend's management information circular dated October 4, 2021, and TerrAscend's most recently filed MD&A, both filed with the Canadian securities regulators and available under TerrAscend's profile on SEDAR at www.sedar.com, and with respect to Gage, the risk factors set out in Gage's most recently filed MD&A, filed with the Canadian securities regulators and available under Gage's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. TerrAscend and Gage disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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Third Party Information

This press release includes market and industry data that has been obtained from third party sources, including industry publications. Each of TerrAscend and Gage believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither TerrAscend nor Gage has independently verified any of the data from third party sources referred to in this press release or ascertained the underlying economic assumptions relied upon by such sources.

SOURCE TerrAscend

For more information regarding TerrAscend: Keith Stauffer, Chief Financial Officer, IR@terrascend.com; Rob Kelly, MATTIO Communications, 416-992-4539, terrascend@mattio.com; For more information regarding Gage: 1-(833)-455-GAGE (4243), IR@gageusa.com

This is Exhibit “Q” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

Loan Agreement

THIS AGREEMENT made as of the 27 day of February, 2019,

BETWEEN:

RADICLE CANNABIS HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the "Borrower")

OF THE FIRST PART,

-- and --

1955185 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the ("Lender"))

OF THE SECOND PART,

WHEREAS the Borrower has requested the Lender to loan to the Borrower the aggregate sum of ONE MILLION (\$1,000,000.00) DOLLARS (CDN.) on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

ARTICLE ONE – DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In this Agreement unless something in the subject matter or context is inconsistent therewith:

- (a) **"Advances"** means collectively all those advances made by the Lender to the Borrower under this Agreement;
- (b) **"Affiliate"** means an affiliated body corporate as defined in the Business Corporations Act (Ontario), R.S.O. 1990, c. B.16 and the regulations thereunder as amended from time to time;
- (c) **"Agreement"** means this loan agreement;

- (d) "**Arm's Length**" has the meaning attributed thereto in the Income Tax Act (Canada), R.S.C. 1985, c. 1 (5th Supp.) and the regulations thereunder as amended from time to time;
- (e) "**business day**" means any day other than a Saturday or Sunday or holiday on which Canadian chartered banks are open for business in Toronto, Ontario;
- (f) "**control**" and "**controlled**" shall have the meanings attributed thereto in the Business Corporations Act (Ontario), R.S.O. 1990, c. B.16 and the regulations thereunder as amended from time to time;
- (g) "**Current Assets**" means the current assets of the Borrower determined in accordance with generally accepted accounting principles applied on a consistent basis by specifically excluding all amounts owing from shareholders or affiliates, determined on both a combined or consolidated basis, if applicable, and on an unconsolidated basis;
- (h) "**Current Liabilities**" means the current liabilities of the Borrower determined in accordance with generally accepted accounting principles applied on a consistent basis, determined on both a combined, or consolidated, basis, as applicable, and on an unconsolidated basis;
- (i) "**Default**" means any of the events specified in Section 7.1 hereof;
- (j) "**General Security Agreement**" means the security agreement so entitled and issued by the Borrower to the Lender dated as of the 6 day of February, 2019 and attached hereto as Schedule "A";
- (k) "**Generally accepted accounting principles**" or "**GAAP**" means the current accounting principles recommended by the Canadian Institute of Chartered Accountants, in the "CICA Handbook" at the relevant time, or in the event that the matter is not covered in the CICA Handbook, principles, having general acceptance among accounting professionals at the relevant time;
- (l) "**Income Tax Act**" means the Income Tax Act (Canada) R.S.C. 1985, c. 1 (5th Supp.) and the regulations thereunder, as amended from time to time;
- (m) "**Indebtedness**" includes all principal, interest and interest on overdue interest and premiums payable pursuant to the provisions of this Agreement and the Security from time to time outstanding, and all other moneys from time to time owing by the Borrower to the Lender;
- (n) "**Indirect Liabilities**" means debts, liabilities or obligations for the payment of money for which the Borrower is or may be directly or contingently liable whether as guarantor, surety, endorser or otherwise;

- (o) **"Mortgaged Property"** means and includes all undertaking, property and assets of the Borrower expressed herein or in the General Security Agreement or by any instrument supplemental hereto or thereto to be mortgaged, hypothecated, pledged and/or charged and/or ceded and transferred or in which a security interest is granted, or intended so to be, with the payment to the Lender of the Indebtedness whether fixed or by floating charge or both or grant of security interest;
- (p) **"Note"** means the promissory note of the Borrower in favour of the Lender denominated in Canadian Dollars and attached hereto as Schedule "B";
- (q) **"OBCA"** means the Business Corporations Act (Ontario), R.S.O. 1990, c. B.16 and the regulations thereunder, as amended from time to time;
- (r) **"Person"** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator or other legal representative;
- (s) **"Security"** means the General Security Agreement and any other instrument or agreement which purports to secure the Indebtedness;

1.2 **Schedules.** Schedule "A" and Schedule "B", attached hereto are incorporated in and deemed to be an integral part of this Agreement.

ARTICLE TWO – AMOUNT AND TERMS OF THE LOAN

2.1 **The Loan.** The Lender hereby agrees that on the terms and subject to the conditions set forth herein it will make a loan (the "Loan") in the total aggregate amount of ONE MILLION (\$1,000,000.00) CDN to the Borrower.

2.2 **Promissory Note.** The disbursement of funds made pursuant to Section 2.1 hereof, shall be evidenced by the Note, a copy of which is attached hereto as Schedule "B".

2.3 **Term.** The term of the Loan is one (1) year.

2.4 **Interest.** The Borrower hereby covenants and agrees with the Lender that so long as any of the Indebtedness remains unpaid, to pay interest to the Lender as follows:

- (a) The principal amount outstanding from time to time hereunder shall bear interest at the rate of TWELVE (12%) PER CENT) per annum calculated and payable monthly not in advance.
- (b) The interest for payments payable hereunder is calculated monthly not in advance, and accordingly an interest rate of 12% is equivalent to an interest rate of 12.6825% per annum calculated on a half-yearly not in advance basis.

- (c) Interest shall be payable on such portion of the principal sum outstanding at the aforesaid rate, as well after as before maturity, and both before and after default and after as before maturity, and both before and after default and after judgment, computed from the date of the advance of each principal sum and shall be calculated and paid monthly, in arrears, on the sixth (6th) day of each and every month in each and every year commencing on March 6, 2019.
- (d) In the event that the Borrower defaults in any payment hereunder, it shall pay interest on the amount of interest and/or principal in default at the rate per annum set out in this section at the same time and place as provided for the payment of interest generally hereunder, such interest to be payable both before and after judgment.

2.5 Prepayment. The Borrower may repay the Loan in whole or in part at any time after the disbursement of funds pursuant to Section 2.1 hereof, provided the Borrower has given to the Lender thirty (30) days' prior written notice together with a premium equal to one (1) months' interest on the amount prepaid.

2.6 Final Payment. The Borrower shall, on February 6, 2020, make the final payment on the Loan in an amount representing all the outstanding principal and interest at such time.

2.7 Place and Manner of Payment. The Borrower shall make all payments of principal, interest and other amounts payable hereunder by the Borrower to the Lender at:

19 Thoroughbred Boulevard, Ancaster, Ontario, L9K 1L2

In the event that any payment is made by cheque, the forwarding or delivery of such cheque shall satisfy and discharge the liability for the principal and interest to the extent of the sums represented thereby unless such cheque is not paid on presentation provided that in the event of the non-receipt of such cheque, or the loss or destruction thereof, the Borrower, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and reasonably satisfactory to it, shall issue a replacement cheque for the amount of such cheque.

ARTICLE THREE – REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties and Covenants. The Borrower hereby covenants with and represents and warrants to the Lender, and acknowledges and confirms that the Lender is relying on such covenants, representations and warranties in connection with entering into this agreement, that:

- (a) It is a corporation duly existing and in good standing under the laws of its jurisdiction and incorporation;
- (b) it is duly registered and qualified to carry on business and has and will continue to have all requisite authority, licences and permits to carry on the business of the

Corporation;

- (c) it has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (d) the borrowing of money by the Borrower, entering into of this Agreement, the Security and any other agreement additional or collateral hereto and the issue of the Security to be given hereunder does not conflict and will not conflict with, and does not result, and will not result, in a breach or violation of, or constitute a default under any of the covenants contained in any agreement to which it is or will become a party or by which it is or will become bound by any law or regulation applicable to it. The Borrower confirms that it has consent to the creation of this Security by any prior creditor.
- (e) the Borrower has the power and is duly authorized to borrow the moneys hereunder and to enter into, execute, deliver and perform this Agreement and the Security;
- (f) this Agreement and the Security constitute a valid and binding obligation of the Borrower enforceable in accordance with its terms;
- (g) the Borrower has and will have good title to all its property and assets from time to time comprising and included in the Mortgaged Property, free and clear of all assignments, liens, charges and encumbrances whatsoever;
- (i) the Borrower's most recent financial statements, copies of which have been provided to the Lender, are complete and correct and present fully and accurately the financial condition of the Borrower as of such date and the results of the operations of the Borrower for the period ended on such date all in accordance with GAAP consistently applied, and since that time there has been no material adverse change in such financial position. There are no contingent liabilities, long-term commitments or other long-term liabilities, or liabilities for taxes of the Borrower which have not been disclosed to the Lender in writing.
- (j) there are no actions, suits, investigations or proceedings pending or threatened affecting the Borrower or any of its assets before any Court or governmental or quasi-governmental entity which may materially adversely affect the financial condition, business or operations of the Borrower;
- (k) to the best of its knowledge, the Borrower is not in breach of any by-laws, statutes, regulations, rules or orders, municipal, parliamentary or otherwise, relating in any way to the Mortgaged Property or the operations of its business or both, and there are no restrictions or other agreements affecting the real property, except as disclosed by the registered title;
- (l) there are no judgments or executions against the Borrower;

- (m) all tax returns and reports of the Borrower required by law to be filed have been duly filed and all taxes, assessments, contributions, fees and other governmental charges (other than those presently payable without penalty and interest or those currently being contested in good faith) levied against the Borrower or any of its properties or its assets or income which are due and payable, have been paid;
- (n) the Borrower has not made any assignment for the benefit of creditors nor has any receiving order been made against it under the provisions of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, nor has any petition for such an order been served upon it nor are there any proceedings in effect under the provisions of the Winding-up and Restructuring Act, R.S.C. 1985, c. W-11 or the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36;
- (o) the Borrower is not subject to any claims by its employees, arising from salary or benefits, which would rank *pari passu* with, or prior to, the charges of the Lender under the Security, all such salary benefits being paid to date.
- (p) the Borrower has withheld from each payment to any of its officers, directors and employees the amount of all taxes, including, but not limited to income tax and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable tax legislation;
- (q) the Borrower has no loans or indebtedness outstanding which has been made to it by any directors, former directors, officers, employees or partners of the Borrower or to a person or corporation not dealing at arm's length with any of the foregoing; and
- (r) the proceeds of the Loan disbursed hereunder pursuant to the commitment shall be used only for the purpose of operating expenses specifically for Phase II of the Borrower's business at 90 Beach Road, Hamilton, Ontario and for no other purpose unless mutually agreed to in writing by the parties.

3.2 **Survival.** The covenants, representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and notwithstanding such execution and delivery and regardless of any investigation made by or on behalf of the Lender with respect thereto, shall continue in full force and effect until the repayment in full of all Indebtedness.

ARTICLE FOUR -- AFFIRMATIVE COVENANTS

4.1 **Affirmative Covenants.** So long as any amounts are owed to the Lender under the terms of this Agreement, any instrument or document incidental hereto, including the Note, the Borrower covenants and agrees, unless the Lender shall otherwise agree in writing, as follows:

- (a) The Borrower will duly and punctually pay or cause to be paid to the Lender the Indebtedness at the dates, time and places, and in the manner herein provided for;

- (b) the Borrower shall comply, in all material respects with all applicable laws, rules, regulations and orders applicable to the Borrower, its assets, or its business;
- (c) the Borrower shall duly observe and conform to all valid requirements of any governmental authorities relative to the conduct of its business or to its properties or assets;
- (d) the Borrower shall maintain and keep in full force and effect its corporate existence and all licenses and permits necessary to ensure the proper conduct of its business, including without limitation, preserving and maintaining all of its proprietary rights;
- (e) the Borrower shall maintain its properties used or useful in its business in good working order and condition and from time to time make all necessary and needful repairs, renewals, replacements, additions and improvements thereto;
- (f) the Borrower shall pay all of its obligations and liabilities when due, including (without limitation) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any property securing any obligations hereunder, and maintain appropriate reserves for the accrual of the same in accordance with GAAP; provided, however, that (unless and until foreclosure, distraint, sale or other similar proceedings shall have been commenced) nothing in this subsection shall require it to observe or conform to any requirements of a governmental authority, or to pay any obligation or liability, so long as the validity thereof shall be contested in good faith by appropriate proceedings diligently prosecuted and provided that provision is made to the satisfaction of the Lender for the eventual payment thereof in the event it is found that such are payable by the Borrower;
- (g) if at any time or from time to time, the Borrower desires to remove assets which are comprised of or all of the Mortgaged Property to any jurisdiction other than Ontario, the Borrower will, prior to removing such assets from Ontario give to the Lender written notice thereof;
- (h) the Borrower shall furnish to the Lender within fifteen (15) days after the end of each month, unaudited financial statements for that month, prepared in accordance with GAAP, applied on a consistent basis with prior periods and setting forth in the statements in comparative form figures for the corresponding month in the preceding year;
- (i) the Borrower shall furnish to the Lender within forty-five (45) business days after the end of each fiscal year of the Borrower, unaudited financial statements as follows:
 - (i) balance sheet, prepared in accordance with generally accepted accounting principles applied on a consistent basis, of the Borrower, and

- (ii) statements of profit and loss, surplus and source and use of funds, prepared in accordance with generally accepted accounting principles applied on a consistent basis of the Borrower for such period,

all such statements to be provided on a consolidated, or combined basis, as applicable;

- (j) the Borrower shall furnish to the Lender prompt notice of all actions, suits and proceedings before any court, tribunal or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, materially affecting the Borrower or its business, operations or properties;
- (k) the Borrower shall furnish to the Lender prompt written notice of any material adverse change in the business, properties, conditions or operations, financial or otherwise, of the Borrower, a statement setting forth details of such a material adverse change and the action of which the Borrower proposes to take with respect thereto;
- (l) the Borrower shall furnish to the Lender prompt written notice of the occurrence of any default;
- (m) the Borrower shall furnish to the Lender promptly after the Lender's request, such other information respecting the condition or operations, financial or otherwise, of the Borrower as the Lender may from time to time reasonably request;
- (n) the Borrower will immediately give the Lender written notice of any condition or event which has resulted or would with passage of time result in:
 - (i) a material adverse change in the Borrower's business, properties, conditions or operations, financial or otherwise;
 - (ii) a breach in any material respect of or noncompliance in any material respect with any term, condition or covenant contained herein or in any document delivered pursuant hereto;
 - (iii) a material breach or noncompliance with any term, condition or covenant of any material contract to which the Borrower is a party or by which it or its property may be bound;
 - (iv) the occurrence of any event of Default as defined in Article Seven hereof;
 - (v) any litigation or proceedings affecting any of the transactions contemplated by this Agreement or affecting the Borrower which, if adversely determined, might have a materially adverse affect upon the financial condition, business or operations of the Borrower; and upon the Borrower's receipt of any notice or process service, of any litigation or claims of any kind in excess of Fifty Thousand Dollars (\$50,000), initiated or asserted against the Borrower,

which might subject the Borrower to liability, whether covered by insurance or not;

- (vi) any dispute between the Borrower and any governmental regulatory body or other party which might materially affect the transactions contemplated by this Agreement or materially interfere with the normal business operations of the Borrower;
 - (vii) the imposition of any lien, levy, attachment or execution on its business or assets created or imposed by any governmental entity or any creditor and shall cause such liens or other process to be satisfied within no more than thirty (30) days; or
 - (viii) any change, modification and/or termination in the Proprietary Rights.
- (o) the Borrower shall keep proper books of records and accounts in which full, true and correct entries in accordance with GAAP will be made of all dealings or transactions relating to its business and activities;
 - (p) the Borrower will maintain, with financially sound and responsible companies' insurance in such form and in such amounts and against such risks as is customarily carried by companies engaged in the same or a similar business and operating like properties, including (i) insurance on its properties against loss or damage by fire or other hazard; (ii) adequate insurance against liability on account of or damage or injury to persons and property and under all applicable workman's compensation laws; and (iii) such other insurance as the Lender may reasonably request.
 - (q) the Borrower shall, thirty (30) days prior to the expiry of any insurance policy required hereby, deliver to the Lender a renewal receipt, binder or certified copy of a new policy replacing such expiring insurance policy, or otherwise satisfy the Lender that such insurance has been renewed;
 - (r) the Borrower shall cause the insurance money under all policies required hereunder to be made payable to the Lender, as its interest may appear, or shall otherwise deal with such policies in such manner as to enable any insurance money payable thereunder to be collected by the Lender which may elect to have such insurance money applied in reinstatement or towards repayment of the moneys secured hereby whether then due or not. The Borrower shall from time to time, do, sign, execute and endorse such transfers, assignments, cheques, loss claims, receipts, writings and things in the name of the Borrower and on its behalf as the Lender may deem necessary or advisable;
 - (s) the Borrower will permit any person designated in writing by the Lender to visit and inspect any of its properties, books, accounts and records of and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Lender may reasonably request, upon prior notice, including

without limitation, the right to examine or audit the Borrower's books, accounts and records and make copies and memoranda thereof, which inspection, examination, audit or copying shall be at the expense of the Lender unless there shall have occurred at the time of such activity an Event of Default or an event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both, in which case the expenses of such activity shall be borne by the Borrower;

- (t) if the Borrower shall fail to perform any covenant on its part herein contained, the Lender may in its discretion perform any of the said covenants capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Lender may make payments or expenditures with its own funds, or with money borrowed by or advanced to it for such purpose, but shall be under no obligation to do so; and all sums so expended or advanced shall be at once payable by the Borrower on demand and shall bear interest at the rate of interest provided at Section 2.4 herein until paid, and shall be payable out of any funds coming into the possession of the Lender in priority to the Indebtedness but no such performance or payment shall be deemed to relieve the Borrower from any Default hereunder;
- (u) the Borrower will pay or reimburse the Lender and its agent for all reasonable costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) of or incurred by the Lender in connection with this Agreement and the Security taken in pursuance hereof including all costs of title examination, compensation of engineers, solicitors, et cetera as required, and all costs, charges and expenses in connection with the recovery or enforcement of repayment of the Indebtedness or any part thereof or in connection with the enforcement or realization of the Security, any amendment or reorganization, subsequent registration and all other like charges or expenses, and any amount not so paid shall bear interest at the rate of interest provided at Section 2.4 herein and shall be payable out of any funds coming into the possession of the Lender in priority to the Indebtedness;
- (v) the Borrower will do, observe and perform all of its obligations in all matters and things necessary or expedient to be done, observed or performed by virtue of any law of Canada or any province or municipality thereof for the purpose of creating, perfecting, maintaining or registering the Security; and
- (w) the Borrower will at all times repair and keep in repair and good order and condition, or cause to be so repaired and kept in good order and condition, all buildings, erections, machinery and plant used in or in connection with its business and which are necessary for efficient operation up to modern standards of usage, and renew and replace or cause to be renewed and replaced all and any of the same which may become dilapidated, unserviceable, inconvenient or destroyed and which are necessary for efficient operation, and at all reasonable times will allow the Lender or its duly authorized agent access to the Mortgaged Property in order to view the state and condition of the same.

ARTICLE FIVE – NEGATIVE COVENANTS

5.1 Negative Covenants. The Borrower hereby covenants and agrees with the Lender that so long as any of the Indebtedness secured under the terms of this Agreement or any instrument or document incidental hereto remains unpaid, the Borrower covenants and agrees with the Lender as follows:

- (a) The Borrower shall not, except in the ordinary course of business, sell, lease, abandon or otherwise dispose of, distribute to, either directly or indirectly, any of the assets of the Borrower;
- (b) the Borrower shall not consolidate with or merge into any other corporation or entity;
- (c) the Borrower shall not create or suffer to exist any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties or assets, whether now owned or hereafter acquired, except:
 - (i) liens for taxes, assessments or other governmental charges or levies not at the time delinquent or thereafter payable without penalty or being contested in good faith, provided provision is made to the satisfaction of the Lender for the eventual payment thereof in the event it is found that such are payable by the Borrower, and
 - (ii) liens of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business which are not overdue by a period of more than fifteen (15) calendar days; unless, such liens are for sums being contested in good faith and provided that provision is made to the satisfaction of the Lender for the eventual payment thereof in the event it is found that such are payable by the Borrower;
 - (ii) the security interests perfected by registrations in favour of CANOPY GROWTH CORPORATION and CANOPY RIVERS CORPORATION;
- (d) the Borrower shall not become liable as a surety, guarantor, accommodation endorser, account party or otherwise for or upon the obligation of any other person, provided, however, that this Subsection shall not be deemed to prohibit the endorsement of negotiable instruments for deposit or collection received in the usual course of business;
- (e) the Borrower shall not pay any dividends for the benefit of its shareholders or make any other payment or distribution of assets not in the ordinary course of business;
- (f) the Borrower shall not, without the prior written consent of the Lender,

- (i) incur any long term debt,
 - (ii) effect any large or extraordinary purchase or sales commitments,
 - (iii) modify, amend, or terminate any contracts, transactions, plans, leases or arrangements relating to the Products, other than in the ordinary course of business, which may, in the opinion of the Lender, have a material and adverse effect on the Borrower's business,
 - (iv) use the assets in violation of any applicable laws, rules or regulations, or
 - (v) sell, lease, modify, amend, supplement, cancel, or otherwise transfer or dispose of any of the assets provided for in the General Security Agreement.
- (g) the Borrower shall not sell, assign or dispose of any property in any transaction or series of transactions which will conclude with a reacquisition by the Borrower of the same or similar property;
- (i) subject to any encumbrance to which such property was not theretofore subject, or
 - (ii) pursuant to a condition of sale agreement or other title retention agreement including a lease in the nature of a title retention agreement;
- (h) the Borrower will not, directly or indirectly, make loans or advances to or give security or guarantee or otherwise become liable for the debts of any person, save for those given to or in relation to the Borrower.

ARTICLE SIX – SECURITY INTEREST

6.1 Grant of Security. The Borrower agrees with the Lender that as security for payment of the Indebtedness of the Borrower to the Lender pursuant to this Loan Agreement and to ensure compliance by the Borrower with its representations, warranties and covenants herein, the Borrower shall deliver the following (or cause the following to be delivered) to the Lender in form and substance satisfactory to the Lender and with priority satisfactory to the Lender,

- (i) the General Security Agreement, a copy of which is attached hereto as Schedule "A", and
- (ii) the Promissory Note, a copy of which is attached hereto as Schedule "B".

6.2 Defeasance. The Lender shall, at the written request and at the expense of the Borrower, cancel and discharge all charges and liens under the Security and execute and deliver to the Borrower such deeds or other instruments as shall be requisite to discharge the charges and liens thereof, and to reconvey to the Borrower the property subject to the charges and liens thereof, free and clear of all such charges and liens and to effect the cancellation of the registration of the

Security, and to release the Borrower from the covenants herein contained, provided that the Lender is satisfied that the Borrower has discharged all of its obligations hereunder including the payment of all Indebtedness.

ARTICLE SEVEN – DEFAULT

7.1 Events of Default. An Event of Default shall be deemed to have occurred if any of the following events occur:

- (a) the Borrower defaults in payment of the Indebtedness when it becomes due and payable under any provision hereof;
- (b) if the Borrower shall neglect to carry out or fail to observe any representation, warranty or covenant herein or in any of the Security, or in any certificate or other document delivered pursuant hereto provided the Borrower shall have fifteen (15) days to make good such default before the Borrower shall be deemed to be in default hereunder;
- (c) if the Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution be passed for the winding-up or liquidation of the Borrower;
- (d) if the Borrower defaults in the performance of any provision of, or an Event of Default occurs under, any agreement or instrument to which the Borrower is a party or by which it or any of its assets is bound (including, without limitation, any agreement relating to any operating line of credit or other credit facility made available from time to time by the Lender or any affiliate thereof to the Borrower, any security therefor or any other agreement or instrument relating thereto) unless the same has been waived by each relevant party affected thereby or unless such default is capable of being remedied and the period specified in such agreement or instrument for remedying such default has not expired;
- (e) if the Borrower shall become insolvent or make a bulk sale of its assets or if the Borrower makes a general assignment for the benefit of creditors, or any proceeding or filing is instituted or made by the Borrower seeking relief, or to adjudicate it a bankrupt or insolvent, or seeking the liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its assets or takes any action to authorize or in furtherance of any of the foregoing;
- (f) if an encumbrancer shall lawfully take possession of the property of the borrower which, in the opinion of the Lender, represents a substantial portion of the property or if a distress or execution or any similar process shall be levied or enforced against such property and such process remains unsatisfied for such period of time as would

permit such property or such portion thereof to be sold or seized;

- (g) if any representation, warranty or covenant contained herein was false or misleading in any material respect at the time such representation, warranty or covenant was made; or
- (h) if, without the prior written consent of the Lender, the outstanding shares of the Borrower are sold, assigned, transferred, hypothecated or additional shares of the Borrower are issued to a person not presently a beneficial owner of the shares such that a change of control of the Borrower results.

7.2 Rights of Lender Upon Default. Upon the occurrence of an Event of Default, the Lender may, in addition to any other rights or remedies provided for herein or in the Security or at law or in equity, declare the Indebtedness to be immediately due and payable and the same shall forthwith become immediately due and payable, whereupon the same shall become so payable without presentation, demand, protest or further notice of any kind, all of which are hereby waived by the Borrower. The Borrower shall forthwith pay to the Lender the Indebtedness together with subsequent interest thereon at the rate provided in Section 2.4 from the date of such declaration until payment is received by the Lender, such subsequent interest to be payable at the times and places and in the moneys mentioned herein.

7.3 Waiver of Default. The Lender may at any time waive in writing any Default which may have occurred pursuant to this Article Seven. Such waiver shall in no way extend to or be taken in any manner whatsoever to affect any subsequent Default or the rights or remedies resulting therefrom.

ARTICLE EIGHT – SECURITY ENFORCEMENT

8.1 Methods to Enforce Security. When the Security has become enforceable, but subject to the provisions hereof:

- (a) The Lender may proceed to enforce its rights by any action, suit, remedy or proceeding authorized or permitted by law or by equity and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to enforce its rights;
- (b) the Lender may enter into and upon the Borrower's property and take possession of all or any part of the Mortgaged Property, with full power to carry on, manage and conduct the business and operations of the Borrower including the power to borrow moneys or advance its own moneys for the purpose of such business operations, the maintenance and preservation of the Mortgaged Property or any part thereof, the payment of taxes, wages and other charges ranking in priority to the Indebtedness and current operating expenses incurred not more than sixty (60) days prior to such taking of possession (and the moneys so borrowed or advanced shall be repaid by the Borrower on demand and until repaid shall bear interest thereon at the rate provided in Section 2.4 and form a charge upon the Mortgaged Property in priority

to the Indebtedness and shall be secured hereby) and to receive the revenues, incomes, issues and profits of the Mortgaged Property and to pay therefrom all its expenses, charges and advances in carrying on the said business operations or otherwise, and all taxes, assessments and other charges against the Mortgaged Property ranking in priority to the Indebtedness, or payment of which may be necessary to preserve the Mortgaged Property, and to apply the remainder of the moneys so received in accordance with the provisions hereof;

- (c) the Lender may, either after entry as provided herein, or without any entry, sell and dispose of all the Mortgaged Property, either as a whole or in separate parcels at public auction or by tender or by private contract at such time and on such terms and conditions, having first given such notice of the time and place of such sale, as it may think proper. The Lender may make such sale whether by auction, tender or private contract, either for cash, upon credit, or in exchange for bonds, debentures, stocks or other securities of another corporation or partly for one and partly for the other upon such reasonable conditions as to terms of payment as it may deem proper, and upon any such sale shall be obliged to account to the Borrower only in relation to moneys actually received and only at the time of receipt. It shall be lawful for the Lender to rescind or vary any contract of sale that may have been entered into, and resell with or under any of the powers conferred herein, to adjourn any such sale from time to time, and to execute and deliver to the purchaser or purchasers of the said property, or any part thereof, good and sufficient deed or deeds for the same, the authorized officers of the Lender being hereby irrevocably constituted an attorney of the Borrower for the purpose thereof, any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Borrower and its assigns and all other persons claiming the said property or any part or parcel thereof, by, from, through, or under the Borrower or its assigns and the proceeds of any such sale shall be distributed in the manner hereinafter provided; and
- (d) the Lender or any agent or representative thereof, may become the purchaser at any sale of the Mortgaged Property whether made under the power of sale herein contained or pursuant to foreclosure or pursuant to foreclosure or other judicial proceedings.

8.2 Delay Not Prejudicial. No delay or omission of the Lender to exercise any remedy shall impair any such remedy or shall be construed to be a waiver of any Default hereunder or under the Security or acquiescence therein.

8.3 Borrower to Yield Possession. The Borrower binds and obliges itself to yield up possession of the Mortgaged Property and the conduct of its business in connection therewith to the Lender on demand whenever the Lender shall have a right of entry under the provisions hereof and agrees to put no obstacles in the way of but to facilitate by all legal means the actions of the Lender hereunder, and not to interfere with the carrying out of the powers hereby granted to it, and the Borrower shall forthwith, by and through its officers and directors, execute such documents and transfers as may be necessary to place the Lender in legal possession of the Mortgaged Property and its business in connection therewith and thereupon all the powers and functions, rights and

privileges of each and every of its directors and officers shall cease and determine with respect to the Mortgaged Property, unless specifically continued in writing by the Lender or unless the property shall have been restored to it.

8.4 Remedies Not Exclusive. Any one or more remedies may from time to time be exercised independently or in combination, and no such remedy exercised by the Lender shall be exclusive of or depend in any way on another remedy.

8.5 Lender as Agent. If the Security shall become enforceable, then the Borrower hereby irrevocably appoints the Lender to be its attorney for it and in its name and on its behalf to execute and do any deeds, documents, transfers, conveyances, assignments, assurances, consents and things which it ought to sign, execute and do hereunder and generally to use its name in the exercise of all or any of the powers hereby conferred on the Lender with full power of substitution and revocation.

8.6 Protection of the Lender. In realizing upon the Mortgaged Property, the Lender shall not be responsible for any loss occasioned by any demand, collection, enforcement, sale or other realization thereof or the failure to demand, collect, enforce or sell any of the Mortgaged Property thereof, and the Lender shall not be bound to protect the Mortgaged Property from depreciating in value. Upon any sale or realization of the Mortgaged Property by way of public auction, the Lender may become purchaser free from any right or equity or redemption, which right or equity is expressly waived and may, in paying the purchase price, apply so much of the obligations of the Borrower hereunder on account of the purchase price as may be necessary for such purpose.

ARTICLE NINE – APPLICATION OF FUNDS ON REALIZATION OF SECURITY

9.1 Application of Funds. Except as otherwise herein provided, the moneys arising from any enforcement hereof or of the Security shall be applied as follows:

- (a) Firstly, in payment or reimbursement to the Lender of the expenses, disbursement and advances of the Lender (including the fees and expenses of any Receiver appointed pursuant hereto or under the Security) incurred or made in connection with the realization of the Security;
- (b) secondly, in repayment of any Indebtedness; and
- (c) the surplus, if any, shall be paid to the Borrower or its assigns, unless otherwise agreed to in writing.

9.2 Deficiency. If the moneys received by the Lender or any receiver hereunder are insufficient to repay to the Lender all moneys due to it, the Borrower shall forthwith pay or cause to be paid to the Lender such deficiency.

ARTICLE TEN – APPOINTMENT OF RECEIVER

10.1 Appointment of Receiver. If the Security shall become enforceable, pursuant to Article

Eight the Lender may appoint a receiver or manager or receiver and manager of the Mortgaged Property, or any part thereof (hereinafter called the "Receiver"), and, may remove any Receiver so appointed and appoint another in his stead, and the following provisions shall take effect:

- (a) Such appointment may be made at any time after the Security shall have become enforceable and either before or after the Lender shall have entered into or taken possession of the Mortgaged Property or any part thereof but such appointment may be revoked upon the direction in writing of the Lender;
- (b) such Receiver may carry on the business of the Borrower or any part thereof and may exercise all the powers conferred upon the Lender hereby;
- (c) every such Receiver shall be vested with all or any of the powers and discretion of the Lender;
- (d) every such Receiver may, with the consent in writing of the Lender borrow money for the purpose of carrying on business of the Borrower or for the maintenance of the Mortgaged Property or any part or parts thereof or for any other purposes approved by the Lender and may issue security on the Mortgaged Property the amounts from time to time required to carry out the duties of the Receiver appointed hereunder which shall bear interest as shall be reasonably determined by the Receiver;
- (e) every such Receiver shall so far as concerns responsibility for his acts and omissions in exercising all or any of the powers and discretion conferred upon him hereunder be deemed the agent of the Borrower and not of the Lender.
- (f) the Lender may from time to time require any such Receiver to give security for the performance of his duties and may fix the nature and amount thereof, but shall not be bound to require such security;
- (g) save so far as otherwise directed by the Lender all moneys from time to time received by such Receiver shall be paid over to the Lender; and
- (h) the Lender may from time to time fix the remuneration of every such Receiver, which remuneration shall be reasonable, and direct the payment thereof out of the Mortgaged Property or the proceeds thereof in priority to payment of the Indebtedness;

ARTICLE ELEVEN – GENERAL CONTRACT PROVISIONS

11.1 Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- (a) To the Borrower at: 90 Beach Road,
Hamilton, Ontario L8L 8K3
- (b) To the Lender at: 19 Thoroughbred Boulevard,
Ancaster, Ontario L9K 1L2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

11.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.

11.3 Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

11.4 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

11.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the agreement.

11.6 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

11.7 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

11.8 Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

11.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

11.10 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

11.11 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

11.12 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

11.13 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this agreement.

11.14 Conflict. In the event of any conflict or discrepancy between the provisions of this Agreement and the provisions of the Security and any other collateral agreements, the provisions of this Agreement shall govern.

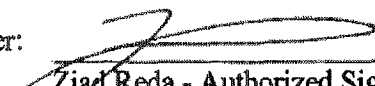
11.15 No Set-Off. The obligations of the Borrower to make all payments of principal and interest and all other amounts hereunder shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, compensation, counter-claim, recoupment, defence or other right which the Borrower may have against the Lender or anyone else for any reason whatsoever.

11.16 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures

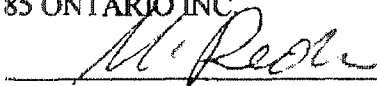
forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this Loan Agreement this 27th day of February, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:  C/S
Ziad Reda - Authorized Signing Officer
I have authority to bind the Corporation

1955185 ONTARIO INC

Per:  C/S
Mohamed Reda - Authorized Signing Officer
I have authority to bind the Corporation

SCHEDULE "A"

General Security Agreement

SCHEDULE "B"

Promissory Note

General Security Agreement

THIS AGREEMENT made as of the 27th day of February, 2019.

BETWEEN:

RADICLE CANNABIS HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the "Borrower")

OF THE FIRST PART,

-- and --

1955185 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the "Lender")

OF THE SECOND PART.

WHEREAS the Borrower and the Lender have entered into a loan agreement pursuant to which the Lender agreed to advance the principal amount of ONE MILLION (\$1,000,000.00) DOLLARS to the Borrower;

AND WHEREAS as security for such loan arrangement the Borrower has agreed to provide a promissory note in the amount of ONE MILLION (\$1,000,000.00) DOLLARS in favour of the Lender to the Lender (the "Note");

NOW THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE – DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In this agreement unless something in the subject matter or context is inconsistent therewith:

- (a) "Act" means the Personal Property Security Act, R.S.O. 1990, c. P.10 and the regulations thereunder, as amended from time to time, or any legislation that may be substituted therefor;

- (b) "Agreement" means this agreement and any amendments hereto agreed to by all of the parties evidenced in writing;
- (c) "Collateral" means, subject to Section 2.4, any and all of the undertaking, property and assets of the Borrower which are now or at any time hereafter owned by the Borrower or in which the Borrower now has or at any time hereafter acquires any interest of any nature whatsoever, including without in any way limiting the generality of the foregoing:
- (i) All present and future equipment of the Borrower, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto;
 - (ii) all present and future inventory of the Borrower, including all raw materials, materials used or consumed in the business or profession of the Borrower, work-in-progress, finished goods, goods used for packing, materials used in the business of the Borrower not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("Inventory");
 - (iii) all present and future debts, demands and amounts due or accruing due to the Borrower whether or not earned by performance, including without limitation its book debts, accounts receivable and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof ("Accounts");
 - (iv) all present and future intangible personal property of the Borrower, including all contract rights, goodwill, patents, trade marks, trade names, business styles, copyrights and other industrial property, and all other choses in action of the Borrower of every kind, whether due at the present time or hereafter to become due or owing;
 - (v) all present and future documents of title of the Borrower, whether negotiable or otherwise including all warehouse receipts and bills of lading;
 - (vi) all present and future agreements made between the Borrower as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("Chattel Paper");
 - (vii) all present and future bills, notes and cheques (as such are defined pursuant to the Bills of Exchange Act, R.S.C. 1985, c. B-4), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("Instruments");

- (viii) all present and future money of the Borrower, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency;
 - (ix) all present and future securities held by the Borrower, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Borrower in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, R.S.O. 1990, c. B.16 and all substitutions therefor and dividends and income derived therefrom ("Securities");
 - (x) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to the undertaking, property and assets of the Borrower which are subject to the Security Interest; and
 - (xi) all Proceeds.
- (d) "Deficiency" means, at any time, the difference, if any, between:
- (i) the aggregate of:
 - (A) the amount of the Obligations at that time, and
 - (B) the Reasonable Expenses incurred prior to that time; and
 - (ii) the proceeds of disposition received by the Lender from a disposition of the Collateral in accordance with Subsection 4.1(h);
- (e) "Event of Default" means the occurrence of one or more of the following events:
- (i) the Borrower fails to pay to the Lender any indebtedness forming part of the Obligations as and when the same shall be due and payable by the Borrower to the Lender; and
 - (ii) the Borrower defaults in the performance of any of the other Obligations;
- (f) "Insurance Proceeds" means all proceeds of insurance payable to the Borrower under policies of insurance maintained by the Borrower from time to time;
- (g) "Note" means the promissory note dated February 6, 2019, payable by the Borrower to the Lender in the amount of ONE MILLION (\$1,000,000.00) DOLLARS, a copy of which is attached hereto as Schedule "A";
- (h) "Obligations" means all indebtedness, liabilities and obligations (whether direct,

indirect, absolute, contingent or otherwise) of the Borrower to the Lender existing from time to time under or pursuant to either one or both of the Note or this Agreement;

- (i) "Proceeds" means property in any form derived, directly or indirectly, from any dealing with the Collateral or other Proceeds and includes any payment representing indemnity or compensation for loss to the Collateral or other Proceeds, including without limitation, all Insurance Proceeds;
- (j) "Reasonable Expenses" means any and all reasonable expenses incurred from time to time by the Lender, or any Receiver, in the preparation of this Agreement, in the perfection or preservation of the Security Interest, in enforcing payment or performance of the Obligations or any part thereof or in locating, taking possession of, transporting, holding, repairing, processing, preparing for and arranging for the disposition of and/or disposing of the Collateral and any and all other reasonable expenses incurred by the Lender or any Receiver as a result of the Lender or a Receiver exercising any of their rights or remedies hereunder and any and all reasonable legal expenses including those incurred in any legal action or proceeding or appeal therefrom commenced, or taken in good faith by the Lender and any and all reasonable fees and disbursements of any solicitor, accountant or valuator or similar person employed by the Lender in connection with any of the foregoing;
- (k) "Receiver" means a receiver, receiver and manager or any similar person appointed in accordance with Subsection 4.1(n); and
- (l) "Security Interest" shall have the meaning assigned thereto in Section 2.1.

ARTICLE TWO – CREATION OF SECURITY INTEREST

2.1 Grant of Security Interest. Subject to Section 2.4, as continuing security for the due and timely payment and performance by the Borrower of the Obligations, including but not limited to the due observance of the Note, the Borrower hereby grants to the Lender a security interest (the "Security Interest") in the Collateral.

2.2 Proceeds of Collateral. For greater certainty, the Security Interest shall extend to the Proceeds of the Collateral.

2.3 No Postponement. The Borrower and the Lender acknowledge and agree that they do not intend to postpone the time for attachment of the Security Interest.

2.4 Excepted from Collateral. The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower is hereby excepted out of the Collateral. As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower agrees that it will stand possessed of the reversion of one day remaining in the Borrower in respect of each such term, respectively, upon trust to assign and dispose of the same in such manner as the Lender may from time to time direct in writing and, upon

any sale of any such leasehold premises by the Lender as provided for herein, the Lender shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser or any other person, firm or corporation, be entitled by deed or other written instrument to appoint such purchaser or other person, firm or corporation as a new trustee of the aforesaid residue of any such term in place of the Borrower and to vest the same accordingly in the new trustee freed and discharged from any obligation whatsoever respecting the same.

2.5 Transfers to Lender. The Borrower shall, upon request from the Lender, forthwith deliver to the Lender to be held by the Lender hereunder all instruments, securities, letters of credit, advances of credit and negotiable documents of title in its possession or control, and shall, where appropriate, duly endorse the same for transfer in blank or as the Lender may direct and shall make all reasonable efforts to forthwith deliver to the Lender any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Lender.

2.6 Additional Security. As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower, subject to Section 2.4, hereby grants, bargains, sells, assigns and transfers to the Lender all Collateral such that title thereto and ownership therein shall belong to and be vested in the Lender, provided that the Lender shall not thereby assume or be liable for any obligations or payments in respect of any of the Collateral and further provided that, upon the sale of any Inventory by the Borrower in accordance with the provisions of Section 2.7, title thereto and ownership therein shall be automatically divested from the Lender and provided further that, upon the termination of this Agreement in accordance with Section 9.2, title to and ownership in the Collateral shall be automatically revested in the Borrower without any further act of the Lender or the Borrower.

2.7 Ordinary Course of Business. Unless and until an Event of Default shall occur, the Inventory may be sold by the Borrower in the ordinary course of its business and for the purpose of carrying on the same.

2.8 Borrower not to Encumber Collateral. The Borrower shall not create, assume, incur or permit to exist any mortgage, hypothec, charge, pledge, assignment, security interest, lien or other encumbrance in, on or of the Collateral or any part or parts thereof other than the Security Interest or other security interests perfected by registration at the date hereof (the "Permitted Encumbrances"), which Permitted Encumbrances are attached as Schedule "B".

ARTICLE THREE – COLLECTION OF PROCEEDS

3.1 Payments to Lender. The Lender may, before as well as after the occurrence of an Event of Default, notify any person obligated to the debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Lender of all such present and future amounts due thereunder whether or not the Borrower was theretofore making collections on the Collateral. From time to time and upon the request in writing of the Lender, the Borrower shall also so notify such persons to make payment directly to the Lender.

3.2 Demand for Payment. In addition to the rights of the Lender provided for in Section 3.1, it is understood and agreed that the Lender may, at any time on or after the occurrence of an Event of Default make demand for payment of any monies secured hereby and take control of any Proceeds.

3.3 Monies in Trust for Lender. In the event that the Borrower shall collect or receive any Accounts or shall be paid for any of the other Collateral or shall receive any Proceeds, all money so collected or received by the Borrower shall be received by the Borrower as trustee for the Lender and shall be paid to the Lender forthwith upon demand and shall, for all purposes, be deemed to form part of the Collateral.

ARTICLE FOUR – DEFAULT AND REMEDIES

4.1 Enforcement of Security. Upon the occurrence of any Event of Default, the Security Interest hereby granted shall immediately become enforceable and the Lender may, forthwith or at any time thereafter and without notice to the Borrower, except as provided by applicable law or this agreement, take one or more of the following actions:

- (a) declare any or all of the Obligations not then due and payable to be immediately due and payable by giving notice in writing thereof to the Borrower and, in such event, such Obligations shall be forthwith due and payable by the Borrower to the Lender;
- (b) pursuant to the power of attorney granted to the Lender by the Borrower contemporaneously herewith, execute on behalf of the Borrower and register such further and other instruments whether pursuant to any legislation in any province of Canada relating to the registration of mortgages, charges, hypothecs, pledges, liens or other security interests or encumbrances against land or otherwise, against the Collateral or any of it as may be necessary or desirable in order to fix its priority as a creditor of the Borrower vis-à-vis other creditors of the Borrower;
- (c) commence legal action to enforce payment or performance of the Obligations;
- (d) require the Borrower, at the Borrower's expense, to assemble the Collateral at a place or places designated by notice in writing given by the Lender to the Borrower, and the Borrower agrees to so assemble the Collateral;
- (e) require the Borrower, by notice in writing given by the Lender to the Borrower, to disclose to the Lender the location or locations of the Collateral and the Borrower agrees to make such disclosure when so required by the Lender;
- (f) without legal process, enter any premises where the Collateral may be situate and take possession of the Collateral by any method permitted by law;
- (g) repair, process, complete, modify or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Borrower or otherwise;

- (h) dispose of the Collateral by private or public sale, lease or otherwise upon such terms and conditions as the Lender may determine and whether or not the Lender has taken possession of the Collateral;
- (i) carry on all or any part of the business or businesses of the Borrower and may, to the exclusion of all others including the Borrower, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Borrower for such time and in such manner as the Lender sees fit and the Lender shall not be liable to the Borrower for any act, omission or negligence in so doing or for any rent, charges, depreciation, damages or other amount in connection therewith or resulting therefrom;
- (j) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Borrower;
- (k) borrow money for the purpose of carrying on the business of the Borrower or for the maintenance, preservation or protection of the Collateral, whether or not in priority to the mortgages, charges, hypothecs, assignments and Security Interest hereby created and granted, to secure repayment of any money so borrowed;
- (l) where the Collateral has been disposed of by the Lender as provided in Subsection 4.1(h), commence legal action against the Borrower for the Deficiency;
- (m) where the Lender has taken possession of the Collateral as herein provided, the Lender shall retain the Collateral irrevocably, to the extent not prohibited by law, by giving notice thereof to the Borrower and such retention shall reduce the amount of the Obligations by an amount equal to the fair market value, as reasonably determined by the Lender, of the Collateral so retained;
- (n) appoint, by an instrument in writing delivered to the Borrower, a Receiver of the Collateral, and remove any Receiver so appointed and appoint another or others in its stead, or institute proceedings in any court of competent jurisdiction for the appointment of a Receiver, it being understood and agreed that:
 - (i) The Lender may appoint any person, firm or corporation as Receiver;
 - (ii) such appointment may be made at any time either before or after the Lender shall have taken possession of the Collateral;
- (iii) the Lender may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof out of the Collateral or any proceeds derived from a sale or other disposition of dealing thereof or therewith; and
 - (iv) the Receiver shall be deemed to be the agent of the Borrower for all purposes and, for greater certainty, the Lender shall not be in any way responsible for

any actions, whether wilful, negligent or otherwise, of any Receiver or for any tax liabilities arising from the use, sale or other disposition of the Collateral by the Receiver (unless all rights of ownership in the Collateral have been transferred to and vested in the Lender prior to the use, sale or other disposition thereof by the Receiver), and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result of, in whole or in part, any action taken by the Receiver or any failure of the Receiver to do any act or thing;

- (o) pay or discharge any mortgage, charge, encumbrance, lien, adverse claim or security interest claimed by any person, firm or corporation and reasonably established to the satisfaction of the Lender in the Collateral and the amount so paid shall be added to the Obligations and shall bear interest at the rate of Twelve (12.00%) percent per annum calculated monthly until payment thereof;
- (p) exercise all of the rights under all contracts, notes, debentures or other instruments in writing comprising the Collateral as fully and effectually as if the Lender was the absolute owner thereof;
- (q) commence legal proceedings for and on behalf of and in the name of the Lender and at the expense of the Borrower in order to enforce the rights of the Borrower under any contracts, agreements, indentures or other instruments in writing which may form part of the Collateral; and
- (r) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.

4.2 Duty of Lender to Act Reasonably. In enforcing its rights hereunder the Lender shall be required to act at least to the standards which are consistent with the commercial practices of a person carrying on a business in a distress, default or liquidation situation.

4.3 Sale of Collateral. The Borrower and the Lender acknowledge and agree that any sale referred to in Subsection 4.1(h) may be either a sale of all or any portion of the Collateral and may be by way of public tender, private contract or otherwise without notice, advertisement or any other formality, all of which are hereby waived by the Borrower. To the extent not prohibited by law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Lender in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell without being answerable for any loss. The Lender may sell the Collateral for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Collateral and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Borrower and all those claiming an interest in the Collateral by, from, through or under the Borrower.

4.4 Lender to Mean Receiver. For the purposes of Sections 4.1, 4.2 and 4.3, a reference to "Lender" shall, where the context permits, include any Receiver appointed in accordance with Subsection 4.1(n).

4.5 Payment of Reasonable Expenses. The amount of the Reasonable Expenses shall be paid by the Borrower to the Lender from time to time forthwith after demand therefor is given by the Lender to the Borrower together with interest chargeable thereon at the rate of Twelve (12.00%) percent per annum calculated monthly and payment of such Reasonable Expenses together with such interest shall be secured by the Security Interest.

4.6 Payment of Deficiency. Where the Collateral has been disposed of by the Lender as provided herein, the Deficiency shall be paid by the Borrower to the Lender forthwith after demand therefor has been given by the Lender to the Borrower together with interest chargeable thereon at the rate of Twelve (12.00%) percent per annum calculated monthly and the payment of the Deficiency together with such interest shall be secured by the Security Interest.

4.7 Lender's Remedies. The Lender's rights and remedies, whether provided for in this agreement or otherwise, are, to the fullest extent possible in law, mutually exclusive and are cumulative and not alternative.

4.8 No Obligation to Dispose of Collateral. The Lender shall not be under any obligation to, or be liable or accountable for any failure to, enforce payment or performance of the Obligations or to seize, realize, take possession of or dispose of the Collateral and shall not be under any obligations to institute proceedings for any of such purposes.

ARTICLE FIVE – POSSESSION OF COLLATERAL BY LENDER

5.1 Collateral in the Possession of Lender. Where any Collateral is in the possession of the Lender,

- (a) the Lender shall have no duty of care whatsoever with respect to such Collateral other than to use reasonable care in the custody and preservation thereof, provided that the Lender need not take any steps of any nature to defend or preserve the rights of the Borrower therein against prior parties;
- (b) the Lender may, at any time following the occurrence of an Event of Default, grant or otherwise create a security interest in such Collateral upon any terms whether or not such terms impair the Borrower's right to redeem such Collateral; and
- (c) the Lender may, at any time following the occurrence of an Event of Default, use such Collateral in any manner and to such extent as it, in its sole discretion, deems necessary or desirable.

ARTICLE SIX – FIXTURES

6.1 **Fixtures.** The Borrower acknowledges and agrees that no Collateral shall become affixed to any real property other than real property owned by the Borrower in respect of which a mortgage or charge in favour of the Lender has been duly registered in all appropriate offices of public record.

ARTICLE SEVEN – ACKNOWLEDGEMENTS BY THE BORROWER

7.1 **Acknowledgments by the Borrower. The Borrower:**

- (a) acknowledges receipt of a true copy of this Agreement;
- (b) acknowledges and agrees that this Agreement may be assigned by the Lender, without the consent of and without notice to the Borrower, to such person, firm or corporation as the Lender may determine and, in such event, such person, firm or corporation shall be entitled to all of the rights and remedies of the Lender as set forth in this Agreement or otherwise and the Lender shall be released and discharged from its obligations hereunder; and
- (c) agrees not to assert against any assignee of the Lender, and the rights of such assignee are not subject to, any claim, defence, demand, set-off or other right, whether at law or in equity, that the Borrower has or may have against the Lender.

ARTICLE EIGHT – WAIVER

8.1 **Waiver by Borrower.** To the extent not prohibited by law, the Borrower hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner adversely affect the Lender's rights or remedies hereunder.

8.2 **Waiver by Lender.** The Lender may, in whole or in part, waive any breach of any of the provisions of this Agreement by the Borrower, any default by the Borrower in the payment or performance of any of the Obligations or any of its rights and remedies whether provided for hereunder or otherwise provided that no such waiver shall be considered to have been given unless given expressly by the Lender to the Borrower in writing.

8.3 **Failure of Lender to Exercise Rights.** The Lender may, at any time, grant extensions of time or other indulgences to, accept compositions from or grant releases and discharges to the Borrower in respect of the Collateral or otherwise deal with the Borrower or with the Collateral and other security held by the Lender, all as the Lender may see fit, and the Borrower agrees that any such act or any failure by the Lender to exercise any of its rights or remedies, whether provided for hereunder or otherwise, shall in no way affect or impair the Security Interest or the rights or remedies of the Lender, whether provided for in this Agreement or otherwise.

ARTICLE NINE – EFFECTIVE DATE AND TERMINATION

9.1 **Effective Date.** This Agreement shall become effective according to its terms immediately

upon the execution hereof by the Lender and the Borrower. This Agreement and the Security Interest are in addition to and not in substitution for any other Agreement made between the Lender and the Borrower or any other security granted by the Borrower to the Lender whether before or after the execution of this Agreement. The Security Interest shall be a general and continuing security notwithstanding that the Obligations shall at any time or from time to time be fully satisfied or performed and shall continue in full force and effect until terminated as provided in Section 9.2.

9.2 Termination of Agreement. This Agreement may be terminated by written agreement made between the Lender and the Borrower or by notice in writing given by the Borrower to the Lender at any time when all of the Obligations have been fully satisfied and performed by the Borrower. Upon termination of this Agreement in accordance with the provisions of this Section 9.2, the Lender shall, at the request and expense of the Borrower, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Borrower reasonably considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

ARTICLE TEN – POWER OF ATTORNEY

10.1 Appointment of Lender as Attorney. The Borrower hereby irrevocably constitutes and appoints the Lender as the true and lawful attorney of the Borrower with power of substitution in the name of the Borrower to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Lender, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this agreement or to exercise any of its rights and remedies hereunder, and to do all acts or things necessary to realize or collect the Proceeds and the Borrower hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this Section 10.1. This power of attorney shall not be revoked or terminated by any act or thing other than the termination this Agreement in accordance with Section 9.2.

ARTICLE ELEVEN – REGISTRATION

11.1 Borrower to Effect Registrations. The Borrower will promptly effect all registrations, filings, recordings and all re-registrations, refilings and re-recordings of or in respect of this Agreement and the Security Interest in all offices in all jurisdictions and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority hereof and/or of the Security Interest.

ARTICLE TWELVE – GENERAL CONTRACT PROVISIONS

12.1 Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- | | |
|-------------------------|--|
| (a) To the Borrower at: | 90 Beach Road
Hamilton, Ontario L8L 8K3 |
|-------------------------|--|

(b) To the Lender at:

19 Thoroughbred Blvd.
Ancaster, Ontario L9K 1L2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

12.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.

12.3 Counterparts. This agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

12.4 Time of the Essence. Time shall be of the essence of this agreement and of every part hereof and no extension or variation of this agreement shall operate as a waiver of this provision.

12.5 Entire Agreement. This agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the agreement.

12.6 Enurement. This agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

12.7 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

12.8 Headings for Convenience Only. The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.

12.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such

Province.

12.10 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

12.11 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

12.12 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

12.13 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

12.14 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this General Security Agreement this 27th day of February, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:  C/S
Ziad Reda, President

I have the authority to bind the corporation.

1955185 ONTARIO INC.

Per:  C/S
Mohamed Reda, President

I have the authority to bind the corporation.

SCHEDULE "A"
Promissory Note

SCHEDULE "B"
Permitted Encumbrances

See Attached Personal Properties Security Act Search dated 30 Jan 2019

Promissory Note

ONE MILLION (\$1,000,000.00) DOLLARS

Due: February 27, 2020

FOR VALUE RECEIVED the undersigned promises to pay on February 6, 2020 to or to the order of 1955185 ONTARIO INC., the principal amount of ONE MILLION (\$1,000,000.00) DOLLARS in lawful money of Canada and to pay interest at the rate of Twelve per cent (12.00%) per annum calculated monthly not in advance on the principal amount from time to time remaining unpaid, to be payable on the 27th day of each and every month commencing on the 27th day of March, 2019 up to and including the 27th day of February, 2020. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Hamilton, this 27 day of February, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:  C/S
Ziad Reda, President

I have the authority to bind the corporation.

RESOLUTIONS OF THE DIRECTOR

OF

RADICLE CANNABIS HOLDINGS INC.

WHEREAS the Corporation wishes to obtain a loan from 1955185 ONTARIO INC. the sum of One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby ratifies and confirms the execution and delivery of the Loan Agreement, General Security Agreement and Promissory Note;
2. The President of the Corporation be, and he is hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

THE FOREGOING RESOLUTIONS are hereby consented to by the signature of the only Director of the Corporation pursuant to the provisions of the *Business Corporations Act, R. S. O., 1990.*

DATED this 27 day of February, 2019.


Ziad Reda, Director

RESOLUTIONS OF THE DIRECTOR

OF

RADICLE CANNABIS HOLDINGS INC.

WHEREAS the Corporation wishes to obtain a loan from 1955185 ONTARIO INC. the sum of One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby ratifies and confirms the execution and delivery of the Loan Agreement, General Security Agreement and Promissory Note;
2. The President of the Corporation be, and he is hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

CERTIFIED to be a true copy of Resolutions of the Director passed by the only Director of RADICLE CANNABIS HOLDINGS INC. on the 27 day of February, 2019.


Ziad Reda - President



ONTARIO PPSA New Registration
1C CONFIRMATION

PPSA Ref File No.: 748600272

Expiry Date: 2020-02-26

Registration Number: 20190226 1622 1590 0845

REGISTRATION TYPE: Personal Property Security Act
TERM OF REGISTRATION (YEARS): 1

CAUTION FILING: N
MOTOR VEHICLE SCHEDULE: N

DEBTORS

Business Debtors		
	BUSINESS NAME ONTARIO CORPORATION NUMBER	ADDRESS
1	RADICLE CANNABIS HOLDINGS INC. 002585921	77 KING STREET WEST, SUITE #3000 TORONTO ON M5K 1G8

SECURED PARTIES

Secured Parties		
	NAME	ADDRESS
1	1955185 ONTARIO INC.	19 THOROUGHbred BOULEVARD ANCASTER ON L9K 1L2

COLLATERAL

Collateral Classification Selected	MATURITY DATE	AMOUNT SECURED
Consumer Goods <input checked="" type="checkbox"/> Inventory <input checked="" type="checkbox"/> Equipment <input checked="" type="checkbox"/> Accounts <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Motor Veh Incl <input type="checkbox"/>	2020-02-27	\$1,000,000.00

General Collateral
GENERAL SECURITY AGREEMENT

REGISTERING AGENT

NAME	ADDRESS
FOREMAN, ROSENBLATT & LEWIS	101-425 YORK BLVD. HAMILTON ON L8R 3M3

Reference:
Docket:

Prepared by: Debbie Walker
Transaction ID: 254267303

Saved and Printed on:
February 26, 2019 16:23

Promissory Note

ONE MILLION (\$1,000,000.00) DOLLARS

Due: February 27, 2020

FOR VALUE RECEIVED the undersigned promises to pay on February 6, 2020 to or to the order of 1955185 ONTARIO INC., the principal amount of ONE MILLION (\$1,000,000.00) DOLLARS in lawful money of Canada and to pay interest at the rate of Twelve per cent (12.00%) per annum calculated monthly not in advance on the principal amount from time to time remaining unpaid, to be payable on the 27th day of each and every month commencing on the 27th day of March, 2019 up to and including the 27th day of February, 2020. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Hamilton, this 27 day of February, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:  C/S
Ziad Reda, President

I have the authority to bind the corporation.

Promissory Note

UP TO ONE MILLION (\$1,000,000.00) DOLLARS

Due: March 26, 2020

FOR VALUE RECEIVED the undersigned promises to pay on March 26, 2020 to or to the order of 1955185 ONTARIO INC., the principal amount of up to ONE MILLION (\$1,000,000.00) DOLLARS in lawful money of Canada and to pay interest at the rate of Twelve per cent (12.00%) per annum calculated monthly not in advance on the principal amount from time to time remaining unpaid, to be payable on the 26th day of each and every month commencing on the 26th day of April, 2019 up to and including the 26th day of March, 2020. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Hamilton, as at this 26th day of March, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:

C/S


Ziad Reda, President

I have the authority to bind the corporation.

General Security Agreement

THIS AGREEMENT made as at the 26th day of March, 2019.

BETWEEN:

RADICLE CANNABIS HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the "Borrower")

OF THE FIRST PART,

-- and --

1955185 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario and having its head office in the City of Hamilton,

(hereinafter referred to as the "Lender")

OF THE SECOND PART.

WHEREAS the Borrower and the Lender have entered into a loan agreement pursuant to which the Lender agreed to advance the principal amount of up to ONE MILLION (\$1,000,000.00) DOLLARS to the Borrower;

AND WHEREAS as security for such loan arrangement the Borrower has agreed to provide a promissory note in the amount of to ONE MILLION (\$1,000,000.00) DOLLARS in favour of the Lender to the Lender (the "Note");

NOW THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto each of the other parties hereto and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto) it is agreed as follows:

ARTICLE ONE – DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In this agreement unless something in the subject matter or context is inconsistent therewith:

- (a) "Act" means the Personal Property Security Act, R.S.O. 1990, c. P.10 and the regulations thereunder, as amended from time to time, or any legislation that may be substituted therefor;

- (b) "Agreement" means this agreement and any amendments hereto agreed to by all of the parties evidenced in writing;
- (c) "Collateral" means, subject to Section 2.4, any and all of the undertaking, property and assets of the Borrower which are now or at any time hereafter owned by the Borrower or in which the Borrower now has or at any time hereafter acquires any interest of any nature whatsoever, including without in any way limiting the generality of the foregoing:
- (i) All present and future equipment of the Borrower, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto;
 - (ii) all present and future inventory of the Borrower, including all raw materials, materials used or consumed in the business or profession of the Borrower, work-in-progress, finished goods, goods used for packing, materials used in the business of the Borrower not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("Inventory");
 - (iii) all present and future debts, demands and amounts due or accruing due to the Borrower whether or not earned by performance, including without limitation its book debts, accounts receivable and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof ("Accounts");
 - (iv) all present and future intangible personal property of the Borrower, including all contract rights, goodwill, patents, trade marks, trade names, business styles, copyrights and other industrial property, and all other choses in action of the Borrower of every kind, whether due at the present time or hereafter to become due or owing;
 - (v) all present and future documents of title of the Borrower, whether negotiable or otherwise including all warehouse receipts and bills of lading;
 - (vi) all present and future agreements made between the Borrower as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("Chattel Paper");
 - (vii) all present and future bills, notes and cheques (as such are defined pursuant to the Bills of Exchange Act, R.S.C. 1985, c. B-4), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("Instruments");

- (viii) all present and future money of the Borrower, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency;
 - (ix) all present and future securities held by the Borrower, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Borrower in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security within the meaning of Part VI (Investment Securities) of the Business Corporations Act, R.S.O. 1990, c. B.16 and all substitutions therefor and dividends and income derived therefrom ("Securities");
 - (x) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to the undertaking, property and assets of the Borrower which are subject to the Security Interest; and
 - (xi) all Proceeds.
- (d) "Deficiency" means, at any time, the difference, if any, between:
- (i) the aggregate of:
 - (A) the amount of the Obligations at that time, and
 - (B) the Reasonable Expenses incurred prior to that time; and
 - (ii) the proceeds of disposition received by the Lender from a disposition of the Collateral in accordance with Subsection 4.1(h);
- (e) "Event of Default" means the occurrence of one or more of the following events:
- (i) the Borrower fails to pay to the Lender any indebtedness forming part of the Obligations as and when the same shall be due and payable by the Borrower to the Lender; and
 - (ii) the Borrower defaults in the performance of any of the other Obligations;
- (f) "Insurance Proceeds" means all proceeds of insurance payable to the Borrower under policies of insurance maintained by the Borrower from time to time;
- (g) "Note" means the promissory note dated as at March 26, 2019, payable by the Borrower to the Lender in the amount of up to ONE MILLION (\$1,000,000.00) DOLLARS, a copy of which is attached hereto as Schedule "A";
- (h) "Obligations" means all indebtedness, liabilities and obligations (whether direct,

indirect, absolute, contingent or otherwise) of the Borrower to the Lender existing from time to time under or pursuant to either one or both of the Note or this Agreement;

- (i) "Proceeds" means property in any form derived, directly or indirectly, from any dealing with the Collateral or other Proceeds and includes any payment representing indemnity or compensation for loss to the Collateral or other Proceeds, including without limitation, all Insurance Proceeds;
- (j) "Reasonable Expenses" means any and all reasonable expenses incurred from time to time by the Lender, or any Receiver, in the preparation of this Agreement, in the perfection or preservation of the Security Interest, in enforcing payment or performance of the Obligations or any part thereof or in locating, taking possession of, transporting, holding, repairing, processing, preparing for and arranging for the disposition of and/or disposing of the Collateral and any and all other reasonable expenses incurred by the Lender or any Receiver as a result of the Lender or a Receiver exercising any of their rights or remedies hereunder and any and all reasonable legal expenses including those incurred in any legal action or proceeding or appeal therefrom commenced, or taken in good faith by the Lender and any and all reasonable fees and disbursements of any solicitor, accountant or valuator or similar person employed by the Lender in connection with any of the foregoing;
- (k) "Receiver" means a receiver, receiver and manager or any similar person appointed in accordance with Subsection 4.1(n); and
- (l) "Security Interest" shall have the meaning assigned thereto in Section 2.1.

ARTICLE TWO – CREATION OF SECURITY INTEREST

2.1 Grant of Security Interest. Subject to Section 2.4, as continuing security for the due and timely payment and performance by the Borrower of the Obligations, including but not limited to the due observance of the Note, the Borrower hereby grants to the Lender a security interest (the "Security Interest") in the Collateral.

2.2 Proceeds of Collateral. For greater certainty, the Security Interest shall extend to the Proceeds of the Collateral.

2.3 No Postponement. The Borrower and the Lender acknowledge and agree that they do not intend to postpone the time for attachment of the Security Interest.

2.4 Excepted from Collateral. The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower is hereby excepted out of the Collateral. As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower agrees that it will stand possessed of the reversion of one day remaining in the Borrower in respect of each such term, respectively, upon trust to assign and dispose of the same in such manner as the Lender may from time to time direct in writing and, upon

any sale of any such leasehold premises by the Lender as provided for herein, the Lender shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser or any other person, firm or corporation, be entitled by deed or other written instrument to appoint such purchaser or other person, firm or corporation as a new trustee of the aforesaid residue of any such term in place of the Borrower and to vest the same accordingly in the new trustee freed and discharged from any obligation whatsoever respecting the same.

2.5 Transfers to Lender. The Borrower shall, upon request from the Lender, forthwith deliver to the Lender to be held by the Lender hereunder all instruments, securities, letters of credit, advances of credit and negotiable documents of title in its possession or control, and shall, where appropriate, duly endorse the same for transfer in blank or as the Lender may direct and shall make all reasonable efforts to forthwith deliver to the Lender any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Lender.

2.6 Additional Security. As further continuing security for the due and timely payment and performance by the Borrower of the Obligations, the Borrower, subject to Section 2.4, hereby grants, bargains, sells, assigns and transfers to the Lender all Collateral such that title thereto and ownership therein shall belong to and be vested in the Lender, provided that the Lender shall not thereby assume or be liable for any obligations or payments in respect of any of the Collateral and further provided that, upon the sale of any Inventory by the Borrower in accordance with the provisions of Section 2.7, title thereto and ownership therein shall be automatically divested from the Lender and provided further that, upon the termination of this Agreement in accordance with Section 9.2, title to and ownership in the Collateral shall be automatically revested in the Borrower without any further act of the Lender or the Borrower.

2.7 Ordinary Course of Business. Unless and until an Event of Default shall occur, the Inventory may be sold by the Borrower in the ordinary course of its business and for the purpose of carrying on the same.

2.8 Borrower not to Encumber Collateral. The Borrower shall not create, assume, incur or permit to exist any mortgage, hypothec, charge, pledge, assignment, security interest, lien or other encumbrance in, on or of the Collateral or any part or parts thereof other than the Security Interest or other security interests perfected by registration at the date hereof (the "Permitted Encumbrances"), which Permitted Encumbrances are attached as Schedule "B".

ARTICLE THREE – COLLECTION OF PROCEEDS

3.1 Payments to Lender. The Lender may, before as well as after the occurrence of an Event of Default, notify any person obligated to the debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Lender of all such present and future amounts due thereunder whether or not the Borrower was theretofore making collections on the Collateral. From time to time and upon the request in writing of the Lender, the Borrower shall also so notify such persons to make payment directly to the Lender.

3.2 **Demand for Payment.** In addition to the rights of the Lender provided for in Section 3.1, it is understood and agreed that the Lender may, at any time on or after the occurrence of an Event of Default make demand for payment of any monies secured hereby and take control of any Proceeds.

3.3 **Monies in Trust for Lender.** In the event that the Borrower shall collect or receive any Accounts or shall be paid for any of the other Collateral or shall receive any Proceeds, all money so collected or received by the Borrower shall be received by the Borrower as trustee for the Lender and shall be paid to the Lender forthwith upon demand and shall, for all purposes, be deemed to form part of the Collateral.

ARTICLE FOUR -- DEFAULT AND REMEDIES

4.1 **Enforcement of Security.** Upon the occurrence of any Event of Default, the Security Interest hereby granted shall immediately become enforceable and the Lender may, forthwith or at any time thereafter and without notice to the Borrower, except as provided by applicable law or this agreement, take one or more of the following actions:

- (a) declare any or all of the Obligations not then due and payable to be immediately due and payable by giving notice in writing thereof to the Borrower and, in such event, such Obligations shall be forthwith due and payable by the Borrower to the Lender;
- (b) pursuant to the power of attorney granted to the Lender by the Borrower contemporaneously herewith, execute on behalf of the Borrower and register such further and other instruments whether pursuant to any legislation in any province of Canada relating to the registration of mortgages, charges, hypothecs, pledges, liens or other security interests or encumbrances against land or otherwise, against the Collateral or any of it as may be necessary or desirable in order to fix its priority as a creditor of the Borrower vis-à-vis other creditors of the Borrower;
- (c) commence legal action to enforce payment or performance of the Obligations;
- (d) require the Borrower, at the Borrower's expense, to assemble the Collateral at a place or places designated by notice in writing given by the Lender to the Borrower, and the Borrower agrees to so assemble the Collateral;
- (e) require the Borrower, by notice in writing given by the Lender to the Borrower, to disclose to the Lender the location or locations of the Collateral and the Borrower agrees to make such disclosure when so required by the Lender;
- (f) without legal process, enter any premises where the Collateral may be situate and take possession of the Collateral by any method permitted by law;
- (g) repair, process, complete, modify or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Borrower or otherwise;

- (h) dispose of the Collateral by private or public sale, lease or otherwise upon such terms and conditions as the Lender may determine and whether or not the Lender has taken possession of the Collateral;
- (i) carry on all or any part of the business or businesses of the Borrower and may, to the exclusion of all others including the Borrower, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Borrower for such time and in such manner as the Lender sees fit and the Lender shall not be liable to the Borrower for any act, omission or negligence in so doing or for any rent, charges, depreciation, damages or other amount in connection therewith or resulting therefrom;
- (j) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Borrower;
- (k) borrow money for the purpose of carrying on the business of the Borrower or for the maintenance, preservation or protection of the Collateral, whether or not in priority to the mortgages, charges, hypothecs, assignments and Security Interest hereby created and granted, to secure repayment of any money so borrowed;
- (l) where the Collateral has been disposed of by the Lender as provided in Subsection 4.1(h), commence legal action against the Borrower for the Deficiency;
- (m) where the Lender has taken possession of the Collateral as herein provided, the Lender shall retain the Collateral irrevocably, to the extent not prohibited by law, by giving notice thereof to the Borrower and such retention shall reduce the amount of the Obligations by an amount equal to the fair market value, as reasonably determined by the Lender, of the Collateral so retained;
- (n) appoint, by an instrument in writing delivered to the Borrower, a Receiver of the Collateral, and remove any Receiver so appointed and appoint another or others in its stead, or institute proceedings in any court of competent jurisdiction for the appointment of a Receiver, it being understood and agreed that:
 - (i) The Lender may appoint any person, firm or corporation as Receiver;
 - (ii) such appointment may be made at any time either before or after the Lender shall have taken possession of the Collateral;
- (iii) the Lender may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof out of the Collateral or any proceeds derived from a sale or other disposition of dealing thereof or therewith; and
 - (iv) the Receiver shall be deemed to be the agent of the Borrower for all purposes and, for greater certainty, the Lender shall not be in any way responsible for

any actions, whether wilful, negligent or otherwise, of any Receiver or for any tax liabilities arising from the use, sale or other disposition of the Collateral by the Receiver (unless all rights of ownership in the Collateral have been transferred to and vested in the Lender prior to the use, sale or other disposition thereof by the Receiver), and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result of, in whole or in part, any action taken by the Receiver or any failure of the Receiver to do any act or thing;

- (o) pay or discharge any mortgage, charge, encumbrance, lien, adverse claim or security interest claimed by any person, firm or corporation and reasonably established to the satisfaction of the Lender in the Collateral and the amount so paid shall be added to the Obligations and shall bear interest at the rate of Twelve (12.00%) percent per annum calculated monthly until payment thereof;
- (p) exercise all of the rights under all contracts, notes, debentures or other instruments in writing comprising the Collateral as fully and effectually as if the Lender was the absolute owner thereof;
- (q) commence legal proceedings for and on behalf of and in the name of the Lender and at the expense of the Borrower in order to enforce the rights of the Borrower under any contracts, agreements, indentures or other instruments in writing which may form part of the Collateral; and
- (r) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement, the Act or by law or equity.

4.2 Duty of Lender to Act Reasonably. In enforcing its rights hereunder the Lender shall be required to act at least to the standards which are consistent with the commercial practices of a person carrying on a business in a distress, default or liquidation situation.

4.3 Sale of Collateral. The Borrower and the Lender acknowledge and agree that any sale referred to in Subsection 4.1(h) may be either a sale of all or any portion of the Collateral and may be by way of public tender, private contract or otherwise without notice, advertisement or any other formality, all of which are hereby waived by the Borrower. To the extent not prohibited by law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Lender in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell without being answerable for any loss. The Lender may sell the Collateral for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Collateral and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Borrower and all those claiming an interest in the Collateral by, from, through or under the Borrower.

4.4 Lender to Mean Receiver. For the purposes of Sections 4.1, 4.2 and 4.3, a reference to "Lender" shall, where the context permits, include any Receiver appointed in accordance with Subsection 4.1(n).

4.5 Payment of Reasonable Expenses. The amount of the Reasonable Expenses shall be paid by the Borrower to the Lender from time to time forthwith after demand therefor is given by the Lender to the Borrower together with interest chargeable thereon at the rate of Twelve (12.00%) percent per annum calculated monthly and payment of such Reasonable Expenses together with such interest shall be secured by the Security Interest.

4.6 Payment of Deficiency. Where the Collateral has been disposed of by the Lender as provided herein, the Deficiency shall be paid by the Borrower to the Lender forthwith after demand therefor has been given by the Lender to the Borrower together with interest chargeable thereon at the rate of Twelve (12.00%) percent per annum calculated monthly and the payment of the Deficiency together with such interest shall be secured by the Security Interest.

4.7 Lender's Remedies. The Lender's rights and remedies, whether provided for in this agreement or otherwise, are, to the fullest extent possible in law, mutually exclusive and are cumulative and not alternative.

4.8 No Obligation to Dispose of Collateral. The Lender shall not be under any obligation to, or be liable or accountable for any failure to, enforce payment or performance of the Obligations or to seize, realize, take possession of or dispose of the Collateral and shall not be under any obligations to institute proceedings for any of such purposes.

ARTICLE FIVE – POSSESSION OF COLLATERAL BY LENDER

5.1 Collateral in the Possession of Lender. Where any Collateral is in the possession of the Lender,

- (a) the Lender shall have no duty of care whatsoever with respect to such Collateral other than to use reasonable care in the custody and preservation thereof, provided that the Lender need not take any steps of any nature to defend or preserve the rights of the Borrower therein against prior parties;
- (b) the Lender may, at any time following the occurrence of an Event of Default, grant or otherwise create a security interest in such Collateral upon any terms whether or not such terms impair the Borrower's right to redeem such Collateral; and
- (c) the Lender may, at any time following the occurrence of an Event of Default, use such Collateral in any manner and to such extent as it, in its sole discretion, deems necessary or desirable.

ARTICLE SIX – FIXTURES

6.1 **Fixtures.** The Borrower acknowledges and agrees that no Collateral shall become affixed to any real property other than real property owned by the Borrower in respect of which a mortgage or charge in favour of the Lender has been duly registered in all appropriate offices of public record.

ARTICLE SEVEN – ACKNOWLEDGEMENTS BY THE BORROWER

7.1 **Acknowledgments by the Borrower. The Borrower:**

- (a) acknowledges receipt of a true copy of this Agreement;
- (b) acknowledges and agrees that this Agreement may be assigned by the Lender, without the consent of and without notice to the Borrower, to such person, firm or corporation as the Lender may determine and, in such event, such person, firm or corporation shall be entitled to all of the rights and remedies of the Lender as set forth in this Agreement or otherwise and the Lender shall be released and discharged from its obligations hereunder; and
- (c) agrees not to assert against any assignee of the Lender, and the rights of such assignee are not subject to, any claim, defence, demand, set-off or other right, whether at law or in equity, that the Borrower has or may have against the Lender.

ARTICLE EIGHT – WAIVER

8.1 **Waiver by Borrower.** To the extent not prohibited by law, the Borrower hereby waives the benefit of all of the provisions of the Act or any other legislation which would in any manner adversely affect the Lender's rights or remedies hereunder.

8.2 **Waiver by Lender.** The Lender may, in whole or in part, waive any breach of any of the provisions of this Agreement by the Borrower, any default by the Borrower in the payment or performance of any of the Obligations or any of its rights and remedies whether provided for hereunder or otherwise provided that no such waiver shall be considered to have been given unless given expressly by the Lender to the Borrower in writing.

8.3 **Failure of Lender to Exercise Rights.** The Lender may, at any time, grant extensions of time or other indulgences to, accept compositions from or grant releases and discharges to the Borrower in respect of the Collateral or otherwise deal with the Borrower or with the Collateral and other security held by the Lender, all as the Lender may see fit, and the Borrower agrees that any such act or any failure by the Lender to exercise any of its rights or remedies, whether provided for hereunder or otherwise, shall in no way affect or impair the Security Interest or the rights or remedies of the Lender, whether provided for in this Agreement or otherwise.

ARTICLE NINE – EFFECTIVE DATE AND TERMINATION

9.1 **Effective Date.** This Agreement shall become effective according to its terms immediately

upon the execution hereof by the Lender and the Borrower. This Agreement and the Security Interest are in addition to and not in substitution for any other Agreement made between the Lender and the Borrower or any other security granted by the Borrower to the Lender whether before or after the execution of this Agreement. The Security Interest shall be a general and continuing security notwithstanding that the Obligations shall at any time or from time to time be fully satisfied or performed and shall continue in full force and effect until terminated as provided in Section 9.2.

9.2 Termination of Agreement. This Agreement may be terminated by written agreement made between the Lender and the Borrower or by notice in writing given by the Borrower to the Lender at any time when all of the Obligations have been fully satisfied and performed by the Borrower. Upon termination of this Agreement in accordance with the provisions of this Section 9.2, the Lender shall, at the request and expense of the Borrower, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Borrower reasonably considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

ARTICLE TEN – POWER OF ATTORNEY

10.1 Appointment of Lender as Attorney. The Borrower hereby irrevocably constitutes and appoints the Lender as the true and lawful attorney of the Borrower with power of substitution in the name of the Borrower to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Lender, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this agreement or to exercise any of its rights and remedies hereunder, and to do all acts or things necessary to realize or collect the Proceeds and the Borrower hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this Section 10.1. This power of attorney shall not be revoked or terminated by any act or thing other than the termination this Agreement in accordance with Section 9.2.

ARTICLE ELEVEN – REGISTRATION

11.1 Borrower to Effect Registrations. The Borrower will promptly effect all registrations, filings, recordings and all re-registrations, refilings and re-recordings of or in respect of this Agreement and the Security Interest in all offices in all jurisdictions and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority hereof and/or of the Security Interest.

ARTICLE TWELVE – GENERAL CONTRACT PROVISIONS

12.1 Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- | | |
|-------------------------|--|
| (a) To the Borrower at: | 90 Beach Road
Hamilton, Ontario L8L 8K3 |
|-------------------------|--|

(b) To the Lender at:

19 Thoroughbred Blvd.
Ancaster, Ontario L9K 1L2

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

12.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.

12.3 Counterparts. This agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

12.4 Time of the Essence. Time shall be of the essence of this agreement and of every part hereof and no extension or variation of this agreement shall operate as a waiver of this provision.

12.5 Entire Agreement. This agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the agreement.

12.6 Enurement. This agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

12.7 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

12.8 Headings for Convenience Only. The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.

12.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such

Province.

12.10 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

12.11 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

12.12 Legislation References. Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

12.13 Severability. If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

12.14 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF the parties have duly executed this General Security Agreement as at the 26th day of March, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:  C/S

Ziad Reda, President

I have the authority to bind the corporation.

1955185 ONTARIO INC.

Per:  C/S

Mohamed Reda, President

I have the authority to bind the corporation.

SCHEDULE "A"
Promissory Note

Promissory Note

UP TO ONE MILLION (\$1,000,000.00) DOLLARS

Due: March 26, 2020

FOR VALUE RECEIVED the undersigned promises to pay on March 26, 2020 to or to the order of 1955185 ONTARIO INC., the principal amount of up to ONE MILLION (\$1,000,000.00) DOLLARS in lawful money of Canada and to pay interest at the rate of Twelve per cent (12.00%) per annum calculated monthly not in advance on the principal amount from time to time remaining unpaid, to be payable on the 26th day of each and every month commencing on the 26th day of April, 2019 up to and including the 26th day of March, 2020. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Hamilton, as at this 26th day of March, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per: _____ C/S

Ziad Reda, President

I have the authority to bind the corporation.

SCHEDULE "B"
Permitted Encumbrances

See Attached Personal Properties Security Act Search

ServiceOntario

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Enquiry Result

File Currency: 12MAY 2019

⏪ ⏩ All Pages ⏪ ⏩

Show All Pages

Note: All pages have been returned.

Type of Search Business Debtor
 Search Conducted On RADICLE MEDICAL MARIJUANA INC
 File Currency 12MAY 2019

File Number	Family	of Families	Page	of Pages	Expiry Date	Status
730149462	1	3	1	3	25JUL 2042	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
730149462	C01	1			20170725 0954 1590 8897	P BPSA	25

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor				
		Business Debtor Name	Ontario Corporation Number	
		RADICLE MEDICAL MARIJUANA INC		
		Address	City	Province
		90 BEACH ROAD	HAMILTON	ON
			Postal Code	L8P 2J7

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor				
		Business Debtor Name	Ontario Corporation Number	
		Address	City	Province
			Postal Code	

Secured Party	Secured Party / Lien Claimant			
	CANOPY R VERS CORPORATION			
	Address		City	Province
	1 HERSHEY DR VE		SMITH FALLS	ON
			Postal Code	K7A 0A9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.
				V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3#KW)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	RADICLE MEDICAL MARIJUANA INC								
File Currency	12MAY 2019								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730150686	2	3	2	3	25JUL 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730150686		001	1		20170725 1004 1590 8900	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE MEDICAL MARIJUANA INC.								
	Address			City	Province	Postal Code			
	90 BEACH ROAD			HAMILTON	ON	L8P 2J7			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	CANOPY GROWTH CORPORATION								
	Address			City	Province	Postal Code			
	1 HERSHEY DRIVE			SMITH FALLS	ON	K7A 0A8			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3#KW)								
	Address			City	Province	Postal Code			
	SUITE 2100, 40 KING STREET WEST			TORONTO	ON	M5H 3C2			

END OF FAMILY

Type of Search	Business Debtor
	RADICLE MEDICAL MARIJUANA INC

Search Conducted On

File Currency 12MAY 2019
 File Number 738642006 Family of Families 3 3 Page of 3 3 Expiry Date 25APR 2023 Status

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number 738642006 Caution Filing 01 Page of 031 Total Pages Motor Vehicle Schedule 20180425 1637 1626 6880 Registration Number Registered Under P PPSA 5 Registration Period

Individual Debtor Date of Birth First Given Name Initial Surname

Business Debtor Business Debtor Name Ontario Corporation Number
 RADICLE MEDICAL MARIJUANA INC
 Address City Province Postal Code
 90 BEACH ROAD HAMILTON ON L8L8K3

Individual Debtor Date of Birth First Given Name Initial Surname

Business Debtor Business Debtor Name Ontario Corporation Number
 Address City Province Postal Code

Secured Party Secured Party / Lien Claimant
 ALTERNA SAVINGS CREDIT UN ON LIMITED COMMERCIAL
 Address City Province Postal Code
 319 MCRAE AVENUE OTTAWA ON K1Z0B9

Collateral Classification Consumer Goods Inventory Equipment Accounts Other Motor Vehicle Amount Date of Maturity or No Fixed Maturity Date
 X 34500 X

Motor Vehicle Description Year Make Model V.I.N.

General Collateral Description SECURED COPORATE VISA General Collateral Description

Registering Agent				
ALTERNA SAVINGS CREDIT UNION COMMERCIAL				
Address			City	Province
319 MCRAE AVENUE			OTTAWA	ON
			Postal Code	K1Z0B9

LAST PAGE

Note: All pages have been returned.

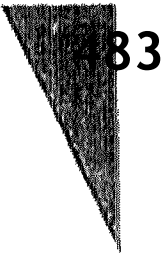
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System Date: 13MAY2019

Last Modified: May 13 2019

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[Contact us](#)

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[Terms of Use](#)

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**INCUMBENCY CERTIFICATE
of RADICLE CANNABIS HOLDINGS INC.**

We, the undersigned, hereby certify that:

1. The following persons have been duly elected or appointed and qualify as directors of the Corporation:

Ziad Reda

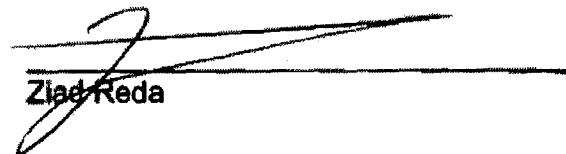
2. The following person is the officer of the Corporation and holds the respective office in the Corporation as set forth:

<u>Name</u>	<u>Office</u>
Ziad Reda	President
Upadhyaya Rakeshkumar	Secretary

3. The following are the genuine signatures of the directors and officer of the Corporation:

<u>Name</u>	<u>Director/Office</u>	<u>Signature</u>
Ziad Reda	Director & President	
Upadhyaya Rakeshkumar	Secretary	

DATED as at the 26th day of March, 2019.


 Ziad Reda



ONTARIO PPSA New Registration
1C DRAFT

REGISTRATION TYPE: Personal Property Security Act
TERM OF REGISTRATION (YEARS): 1

CAUTION FILING: N
MOTOR VEHICLE SCHEDULE: N

DEBTORS

Business Debtors	
BUSINESS NAME ONTARIO CORPORATION NUMBER	ADDRESS
1 RADICLE CANNABIS HOLDINGS INC. 002585921	77 KING STREET WEST, SUITE #3000 TORONTO ON M5K 1G8

SECURED PARTIES

Secured Parties	
NAME	ADDRESS
1 1955183 ONTARIO INC.	19 THOROUGHbred BOULEVARD ANCASTER ON L9K 1L2

COLLATERAL

Collateral Classification Selected	MATURITY DATE	AMOUNT SECURED
Consumer Goods <input checked="" type="checkbox"/> Inventory <input checked="" type="checkbox"/> Equipment <input checked="" type="checkbox"/> Accounts <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Motor Veh Incl <input type="checkbox"/>	2020-03-26	\$1,000,000.00
General Collateral		
GENERAL SECURITY AGREEMENT		

REGISTERING AGENT

NAME	ADDRESS
FOREMAN, ROSENBLATT & LEWIS	101-425 YORK BLVD. HAMILTON ON L8R 3M3


APPROVAL SIGNATURE

May 15/2019
DATE


core

Powered by oncorp

**ONTARIO PPSA New Registration
1C CONFIRMATION**

PPSA Ref File No.: 751191768

Expiry Date: 2020-05-14

Registration Number: 20190514 1225 1590 6616

REGISTRATION TYPE: Personal Property Security Act
TERM OF REGISTRATION (YEARS): 1

CAUTION FILING: N
MOTOR VEHICLE SCHEDULE: N

DEBTORS

Business Debtors		
	BUSINESS NAME ONTARIO CORPORATION NUMBER	ADDRESS
1	RADICLE CANNABIS HOLDINGS INC. 002585921	77 KING STREET WEST, SUITE #3000 TORONTO ON M5K 1G8

SECURED PARTIES

Secured Parties		
	NAME	ADDRESS
1	1955185 ONTARIO INC.	19 THOROUGHbred BOULEVARD ANCASTER ON L9K 1L2

COLLATERAL

Collateral Classification Selected	MATURITY DATE	AMOUNT SECURED
Consumer Goods <input checked="" type="checkbox"/> Inventory <input checked="" type="checkbox"/> Equipment <input checked="" type="checkbox"/> Accounts <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Motor Veh Incl <input type="checkbox"/>	2020-03-26	\$1,000,000.00

General Collateral
GENERAL SECURITY AGREEMENT

REGISTERING AGENT

NAME	ADDRESS
FOREMAN, ROSENBLATT & LEWIS	101-425 YORK BLVD. HAMILTON ON L8R 3M3

RESOLUTIONS OF THE DIRECTOR AND SHAREHOLDERS

OF

1955185 ONTARIO INC.

WHEREAS the Corporation wishes to loan to RADICLE CANNABIS HOLDINGS INC. the sum of up to One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby approves the Loan Agreement, General Security Agreement and Promissory Note and authorizes the President of the Corporation to enter into the Loan Agreement and General Security Agreement on behalf of the Corporation;
2. The proper officers of the Corporation be, and they are hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

THE FOREGOING RESOLUTIONS are hereby consented to by the signatures of the only Director and all of the Shareholders of the Corporation pursuant to the provisions of the *Business Corporations Act, R. S. O., 1990.*

DATED as at the 26th day of March, 2019.



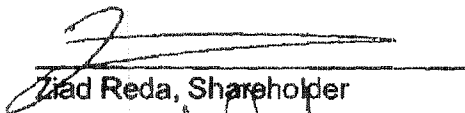
Mohamed Ali Reda, Director and Shareholder



Khadije Reda, Shareholder



Rami Reda, Shareholder



Ziad Reda, Shareholder



Youssef Reda, Shareholder

RESOLUTIONS OF THE DIRECTOR AND SHAREHOLDERS

OF


1955185 ONTARIO INC.

WHEREAS the Corporation wishes to loan to RADICLE CANNABIS HOLDINGS INC. the sum of up to One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby approves the Loan Agreement, General Security Agreement and Promissory Note and authorizes the President of the Corporation to enter into the Loan Agreement and General Security Agreement on behalf of the Corporation;
2. The proper officers of the Corporation be, and they are hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

CERTIFIED to be a true copy of Resolutions of the Director and Shareholders passed by the only Director and all of the Shareholders of 1955185 ONTARIO INC. as at the 26th day of March, 2019.



Mohamed Ali Reda - Secretary

RESOLUTIONS OF THE DIRECTOR

OF

RADICLE CANNABIS HOLDINGS INC.

WHEREAS the Corporation wishes to obtain a loan from 1955185 ONTARIO INC. the sum of up to One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby ratifies and confirms the execution and delivery of the Loan Agreement, General Security Agreement and Promissory Note;
2. The President of the Corporation be, and he is hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

THE FOREGOING RESOLUTIONS are hereby consented to by the signature of the only Director of the Corporation pursuant to the provisions of the *Business Corporations Act, R. S. O., 1990.*

DATED as at the 26th day of March, 2019.



Ziad Reda, Director

RESOLUTIONS OF THE DIRECTOR

OF

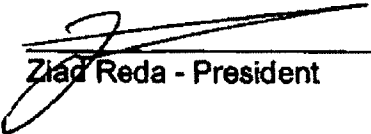
RADICLE CANNABIS HOLDINGS INC.

WHEREAS the Corporation wishes to obtain a loan from 1955185 ONTARIO INC. the sum of up to One Million (\$1,000,000.00) Dollars, on the terms and conditions contained in the attached Loan Agreement, General Security Agreement and Promissory Note;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation hereby ratifies and confirms the execution and delivery of the Loan Agreement, General Security Agreement and Promissory Note;
2. The President of the Corporation be, and he is hereby authorized directed to do, sign, perform and execute all acts, deeds, documents and things necessary or expedient and incidental to the carrying out of the above or which counsel may advise.

CERTIFIED to be a true copy of Resolutions of the Director passed by the only Director of RADICLE CANNABIS HOLDINGS INC. as at the 26th day of March, 2019.



Ziad Reda - President

Promissory Note

UP TO ONE MILLION (\$1,000,000.00) DOLLARS

Due: March 26, 2020

FOR VALUE RECEIVED the undersigned promises to pay on March 26, 2020 to or to the order of 1955185 ONTARIO INC., the principal amount of up to ONE MILLION (\$1,000,000.00) DOLLARS in lawful money of Canada and to pay interest at the rate of Twelve per cent (12.00%) per annum calculated monthly not in advance on the principal amount from time to time remaining unpaid, to be payable on the 26th day of each and every month commencing on the 26th day of April, 2019 up to and including the 26th day of March, 2020. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

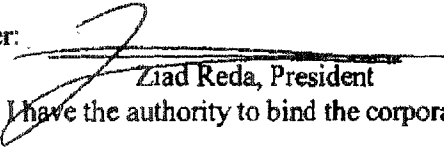
Upon default in payment of any payment when due hereunder, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

DATED at Hamilton, as at this 26th day of March, 2019.

RADICLE CANNABIS HOLDINGS INC.

Per:


Ziad Reda, President

C/S

I have the authority to bind the corporation.

**INCUMBENCY CERTIFICATE
of RADICLE CANNABIS HOLDINGS INC.**

We, the undersigned, hereby certify that:

1. The following persons have been duly elected or appointed and qualify as directors of the Corporation:

Ziad Reda

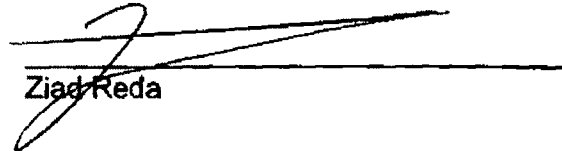
2. The following person is the officer of the Corporation and holds the respective office in the Corporation as set forth:

<u>Name</u>	<u>Office</u>
Ziad Reda	President
Upadhyaya Rakeshkumar	Secretary

3. The following are the genuine signatures of the directors and officer of the Corporation:

<u>Name</u>	<u>Director/Office</u>	<u>Signature</u>
Ziad Reda	Director & President	
Upadhyaya Rakeshkumar	Secretary	

DATED as at the 26th day of March, 2019.


 Ziad Reda

This is Exhibit “R” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

EXTENSION AGREEMENT

WHEREAS Radicle Cannabis Holdings Inc. (the "Debtor") entered into a Loan Agreement and General Security Agreement in favour of 1955195 ONTARIO INC., as of February 27, 2019 for \$1,000,000.00, and as it may be amended, restated, replaced, supplemented or otherwise modified, from time to time ("First Loan Security") due February 27, 2020;

WHEREAS Radicle Cannabis Holdings Inc. (the "Debtor") entered into a Loan Agreement and General Security Agreement with 1955195 ONTARIO INC., as of March 26, 2019 for \$1,000,000.00, and as it may be amended, restated, replaced, supplemented or otherwise modified, from time to time ("Second Loan Security") due March 26, 2020;

AND WHEREAS the First Loan Security and the Second Loan Security are collectively referred to as the "Security";

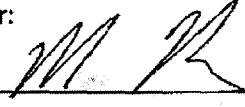
AND WHEREAS the Debtor has requested an extension of the due dates of each Security, for a term of five (5) years each;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of these presents, and the sum of TWO (\$2.00) DOLLARS now paid, the receipt and sufficient of which is hereby acknowledged, the parties hereto hereby agree as follows;

- 1. The First Loan Security due date shall be extended to February 27, 2025;
- 2. The Second Loan Security due date shall be extended to March 26, 2025.
- 3. All other terms and conditions of the First Loan Security and the Second Loan Security shall remain the same and time.

Dated this 24 day of January, 2020

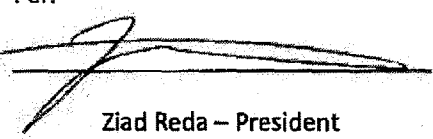
1955195 ONTARIO INC.

Per: 

Mohammed Reda - President

I have authority to bind the Corporation

RADICLE CANNABIS HOLDINGS INC.

Per: 

Ziad Reda - President

I have authority to bind the Corporation

This is Exhibit “S” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

ServiceOntario

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Enquiry Result

File Currency: 26SEP 2024

◀ ◀ All Pages ▼ ▶ ▶

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Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730150461	1	4	1	31	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730150461		001	3		20170725 1002 1590 8899	P PPSA	25		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	C/O RICK MOSCONE				TORONTO	ON	M5K 1G8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L8P 2J7		
Secured Party	Secured Party / Lien Claimant								
	CANOPY RIVERS CORPORATION								
	Address				City	Province	Postal Code		
	1 HERSHEY DRIVE				SMITH FALLS	ON	K7A 0A8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3/KW)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	NOYA HOLDINGS INC.						
File Currency	26SEP 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	730150461	1	4	2	31	25JUL 2042	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
730150461		002	3		20170725 1002 1590 8899		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	77 KING ST. W., TD CENTRE NORTH TOWER			

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730150461	1	4	3	31	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730150461		003	3		20170725 1002 1590 8899				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	P.O. BOX 95, SUITE 3000								
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	NOYA HOLDINGS INC.						
File Currency	26SEP 2024						

File Number	Family	of Families	Page	of Pages					
730150461	1	4	4	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under				
	001	4		20210401 1238 9234 6591					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	730150461		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTORS TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO RIV CAPITAL CORPORATION PURSUANT TO ARTICLES OF								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name NOYA HOLDINGS INC.				Ontario Corporation Number				
	Address 90 BEACH ROAD		City HAMILTON	Province ON	Postal Code L8P 2J7				
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee RIV CAPITAL CORPORATION								
	Address 40 KING STREET WEST, SUITE 2504		City TORONTO	Province ON	Postal Code M5H 3Y2				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant CASSELS BROCK & BLACKWELL LLP (JT/52076-20)								
	Address SUITE 2100, 40 KING STREET WEST			City TORONTO	Province ON	Postal Code M5H 3C2			

CONTINUED

Type of Search	Business Debtor										
Search Conducted On	NOYA HOLDINGS INC.										
File Currency	26SEP 2024										
	File Number	Family	of Families	Page						of Pages	
	730150461	1	4	5						31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT											
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under			
		002	4		20210401 1238 9234 6591						
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period			
	730150461										
Reference Debtor/ Transferor	First Given Name			Initial	Surname						
	Business Debtor Name										
Other Change	Other Change										
Reason / Description	Reason / Description										
	AMENDMENT FILED FEBRUARY 12, 2021.										
Debtor/ Transferee	Date of Birth		First Given Name			Initial	Surname				
	Business Debtor Name							Ontario Corporation Number			
	NOYA HOLDINGS INC.										
	Address				City		Province	Postal Code			
	C/O RICK MOSCONE				TORONTO		ON	M5K 1G8			
Assignor Name	Assignor Name										
Secured Party	Secured party, lien claimant, assignee										
	Address				City		Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date		
Motor Vehicle Description	Year	Make			Model			V.I.N.			
General Collateral Description	General Collateral Description										
Registering Agent	Registering Agent or Secured Party/ Lien Claimant										

Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page					of Pages
	730150461	1	4	6					31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		003	4		20210401 1238 9234 6591				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	730150461								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
	77 KING ST. W., TD CENTRE NORTH TOWER								
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.	

General Collateral Description	General Collateral Description				
Registering Agent	Registering Agent or Secured Party/ Lien Claimant				
	Address	City	Province	Postal Code	

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA HOLDINGS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	730150461	1	4	7	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		004	4		20210401 1238 9234 6591
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	730150461				
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
Other Change	Other Change				
Reason / Description	Reason / Description				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				
	Address				City
	P.O. BOX 95, SUITE 3000				
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
				Motor Vehicle Included	Amount
					Date of Maturity or
					No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	NOYA HOLDINGS INC.					
File Currency	26SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	730150461	1	4	8	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20231220 1908 1902 3959	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730150461			D ASSGNMT		
Reference Debtor/ Transferor	First Given Name		Initial	Surname		
	Business Debtor Name		NOYA HOLDINGS INC.			
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name		Ontario Corporation Number			
	Address		City	Province	Postal Code	
Assignor Name	Assignor Name					
	RIV CAPITAL CORPORATION					
Secured Party	Secured party, lien claimant, assignee					
	LENDING STREAM INC.					
	Address		City	Province	Postal Code	
	3-35 STONE CHURCH ROAD WEST, SUITE 188		ANCASTER	ON	L9K 1S4	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make				Model	V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
	Address					City	Province	Postal Code	
	3000-77 KING STREET WEST, PO BOX 95					TORONTO	ON	M5K 1G8	

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	748600272	2	4	9	31	26FEB 2025			

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
748600272		001	1		20190226 1622 1590 0845	P PPSA	1

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	RADICLE CANNABIS HOLDINGS INC.			002585921	
	Address		City	Province	Postal Code
	77 KING STREET WEST, SUITE #3000		TORONTO	ON	M5K 1G8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant								
	1955185 ONTARIO INC.								
	Address					City	Province	Postal Code	
	19 THOROUGHbred BOULEVARD					ANCASTER	ON	L9K 1L2	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	27FEB2020	

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
	GENERAL SECURITY AGREEMENT			
Registering Agent	Registering Agent			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	NOYA HOLDINGS INC.					
File Currency	26SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	748600272	2	4	10	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20200127 1730 1590 5582	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	748600272			B RENEWAL	5	
Reference Debtor/ Transferor	First Given Name		Initial	Surname		
	Business Debtor Name					
	RADICLE CANNABIS HOLDINGS INC.					
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address			City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOREMAN, ROSENBLATT & LEWIS								
	Address				City		Province	Postal Code	
	101-425 YORK BLVD.				HAMILTON		ON	L8R 3M3	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	11	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20200306 1426 1590 8787			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	748600272	1		A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE MATURITY DATE TO FEBRUARY 27, 2025								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	RADICLE CANNABIS HOLDINGS INC.							002585921	
	Address				City		Province	Postal Code	
	77 KING STREET WEST, SUITE #3000				TORONTO		ON	M5K 1G8	
Assignor Name	Assignor Name								

Secured Party		Secured party, lien claimant, assignee							
		1955185 ONTARIO INC.							
		Address			City		Province	Postal Code	
		19 THOROUGHbred BOULEVARD			ANCASTER		ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	27FEB2025	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOREMAN, ROSENBLATT & LEWIS								
	Address			City		Province	Postal Code		
	101-425 YORK BLVD.			HAMILTON		ON	L8R 3M3		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	12	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20211217 1400 1590 0274				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	748600272		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC.PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	

Address		City	Province	Postal Code
Assignor Name Assignor Name				
Secured Party Secured party, lien claimant, assignee				
Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts
				Other
				Motor Vehicle Included
				Amount
				Date of Maturity or
				No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description General Collateral Description				
Registering Agent Registering Agent or Secured Party/ Lien Claimant FOREMAN, ROSENBLATT & LEWIS				
Address		City	Province	Postal Code
101-425 YORK BLVD.		HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor			
Search Conducted On	NOYA HOLDINGS INC.			
File Currency	26SEP 2024			
	File Number	Family	of Families	Page
	748600272	2	4	13
				of Pages
				31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT				
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached
		001	2	
				Registration Number
				20230818 1042 1590 6803
				Registered Under
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required
	748600272		X	A AMNDMNT
Reference Debtor/ Transferor	First Given Name		Initial	Surname
	Business Debtor Name			
	RADICLE CANNABIS HOLDINGS INC.			
Other Change	Other Change			
Reason / Description	Reason / Description			
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO 1000693573 ONTARIO INC. PURSUANT TO CERTIFICATE			

Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
		Business Debtor Name				Ontario Corporation Number				
		NOYA HOLDINGS INC.				2585921				
	Address			City	Province	Postal Code				
	90 BEACH ROAD			HAMILTON	ON	L8P 2J7				
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	1000593616 ONTARIO INC.									
	Address			City	Province	Postal Code				
	19 THOROUGHbred BOULEVARD			HAMILTON	ON	L9K 1L2				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOREMAN, ROSENBLATT & LEWIS									
	Address			City	Province	Postal Code				
	101-425 YORK BLVD.			HAMILTON	ON	L8R 3M3				

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	14	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		002	2		20230818 1042 1590 6803				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	748600272								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								

Reason / Description	Reason / Description OF AMALGAMATION FILED JULY 31, 2023.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	15	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under		
		001	2		20230821 1208 1590 7004				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	748600272		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				

Business Debtor Name	
RADICLE CANNABIS HOLDINGS INC.	
Other Change	Other Change
Reason / Description	Reason / Description
TO CORRECT THE REASON FOR AMENDMENT IN REGISTRATION NO. 20230818	
1042 1590 6803 TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC.	
PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND	
Debtor/ Transferee	Date of Birth First Given Name Initial Surname
Business Debtor Name	
NOYA HOLDINGS INC.	
Ontario Corporation Number	
2585921	
Address	City Province Postal Code
50 BEACH ROAD	HAMILTON ON L8P 2J7
Assignor Name	Assignor Name
Secured Party	Secured party, lien claimant, assignee
1000593616 ONTARIO INC.	
Address	City Province Postal Code
19 THOROUGHbred BOULEVARD	HAMILTON ON L9K 1L2
Collateral Classification	Consumer Goods Inventory Equipment Accounts Other Motor Vehicle Included Amount Date of Maturity or No Fixed Maturity Date
Motor Vehicle Description	Year Make Model V.I.N.
General Collateral Description	General Collateral Description
Registering Agent	Registering Agent or Secured Party/ Lien Claimant
FOREMAN, ROSENBLATT & LEWIS	
Address	City Province Postal Code
101-425 YORK BLVD.	HAMILTON ON L8R 3M3

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	NOYA HOLDINGS INC.					
File Currency	26SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	748600272	2	4	16	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		002	2		20230821 1208 1590 7004	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	748600272					
Reference Debtor/ Transferor	First Given Name	Initial	Surname			
	Business Debtor Name					
Other Change	Other Change					
Reason / Description	Reason / Description					
	THE NAME OF THE SECURED PARTY TO 1000593616 ONTARIO INC. PURSUANT TO CERTIFICATE OF AMALGAMATION FILED JULY 31, 2023.					
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname		
	Business Debtor Name					Ontario Corporation Number
	Address	City	Province	Postal Code		
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address	City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included
Motor Vehicle Description	Year	Make	Model	V.I.N.		
General Collateral Description	General Collateral Description					
Registering Agent	Registering Agent or Secured Party/ Lien Claimant					
	Address	City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	NOYA HOLDINGS INC.					
File Currency	26SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	748600272	2	4	17	31	

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under					
	001	1		20231220 1750 1902 3945						
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period				
	748600272			A AMNDMNT						
Reference Debtor/ Transferor	First Given Name	Initial	Surname							
	Business Debtor Name NOYA HOLDINGS INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	REMOVE SECURED PARTY 1000593616 ONTARIO INC. (19 THOROUGHbred BOULEVARD, HAMILTON, ON, L9K 1L2) ADD SECURED PARTY LENDING STREAM INC. (3-35 STONE CHURCH ROAD WEST, SUITE 188, ANCASTER, ON, L9K 1S4)									
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname						
	Business Debtor Name									
	Ontario Corporation Number									
	Address			City	Province	Postal Code				
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	LENDING STREAM INC.									
	Address			City	Province	Postal Code				
	3-35 STONE CHURCH ROAD WEST, SUITE 188			ANCASTER	ON	L9K 1S4				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOGLER, RUBINOFF LLP (THILL)									
	Address			City	Province	Postal Code				
	3000-77 KING STREET WEST, PO BOX 95			TORONTO	ON	M5K 1G8				

CONTINUED

Type of Search	Business Debtor
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Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page					of Pages
	748600272	2	4	18					31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20231221 1150 1901 5925				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	748600272			D ASSGNMT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name NOYA HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name LENDING STREAM INC.								
Secured Party	Secured party, lien claimant, assignee 1000593616 ONTARIO INC.								
	Address				City	Province	Postal Code		
	19 THOROUGHBRED BOULEVARD				HAMILTON	ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant FOGLER, RUBINOFF LLP (THILL)								
	Address				City	Province	Postal Code		

3000-77 KING STREET WEST, PO BOX 95	TORONTO	ON	M5K 1G8
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END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	751191768	3	4	19	31	14MAY 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
751191768		001	1		20190514 1225 1590 6616	P PPSA	1		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.					002585921			
	Address			City	Province	Postal Code			
	77 KING STREET WEST, SUITE #3000			TORONTO	ON	M5K 1G8			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	1955185 ONTARIO INC.								
	Address			City	Province	Postal Code			
	19 THOROUGHbred BOULEVARD			ANCASTER	ON	L9K 1L2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	26MAR2020	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	FOREMAN, ROSENBLATT & LEWIS								
	Address			City	Province	Postal Code			
	101-425 YORK BLVD.			HAMILTON	ON	L8R 3M3			

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	NOYA HOLDINGS INC.						

File Currency	26SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	751191768	3	4	20	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20200127 1730 1590 5583	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	751191768			B RENEWAL	5	
Reference Debtor/ Transferor	First Given Name		Initial	Surname		
	Business Debtor Name					
	RADICLE CANNABIS HOLDINGS INC.					
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address			City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included
Motor Vehicle Description	Year	Make			Model	V.I.N.
General Collateral Description	General Collateral Description					
Registering Agent	Registering Agent or Secured Party/ Lien Claimant					
	FOREMAN, ROSENBLATT & LEWIS					
	Address			City	Province	Postal Code
	101-425 YORK BLVD.			HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page					of Pages
	751191768	3	4	21					31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20200306 1425 1590 8786			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	751191768	1		A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE MATURITY DATE TO MARCH 26, 2025								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	RADICLE CANNABIS HOLDINGS INC.							002585921	
	Address				City	Province	Postal Code		
	77 KING STREET WEST, SUITE #3000				TORONTO	ON	M5K 1G8		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	1955185 ONTARIO INC.								
	Address				City	Province	Postal Code		
	19 THOROUGHbred BOULEVARD				ANCASTER	ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	26MAR2025	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA HOLDINGS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	22	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	1		20211217 1359 1590 0273
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768		X	A AMNDMNT	
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
	RADICLE CANNABIS HOLDINGS INC.				
Other Change	Other Change				
Reason / Description	Reason / Description				
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation Number
	Address		City	Province	Postal Code
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
				Motor Vehicle Included	Amount
					Date of Maturity or
					No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model	V.I.N.

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA HOLDINGS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	23	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	2		20230818 1041 1590 6802
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768		X	A AMNDMNT	
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
	RADICLE CANNABIS HOLDINGS INC.				
Other Change	Other Change				
Reason / Description	Reason / Description				
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO 1000693573 ONTARIO INC. PURSUANT TO CERTIFICATE				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation Number
	NOYA HOLDINGS INC.				2585921
	Address	City	Province	Postal Code	
	90 BEACH ROAD	HAMILTON	ON	L8P 2J7	
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	1000593616 ONTARIO INC.				
	Address	City	Province	Postal Code	
	19 THOROUGHbred BOULEVARD	ANCASTER	ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
				Motor Vehicle Included	Amount
				Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA HOLDINGS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	24	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		002	2		20230818 1041 1590 6802
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768				
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
Other Change	Other Change				
Reason / Description	Reason / Description				
	OF AMALGAMATION FILED JULY 31, 2023.				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation Number
	Address		City	Province	Postal Code
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address		City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make				Model			V.I.N.
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address					City	Province	Postal Code	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	25	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20230821 1208 1590 7003				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	751191768		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO CORRECT REASON FOR AMENDMENT IN REGISTRATION NO. 20230818 1041								
	1590 6802 TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC.								
	PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	NOYA HOLDINGS INC.						2585921		
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L9P 2J7		
Assignor Name	Assignor Name								

Secured Party		Secured party, lien claimant, assignee							
		1000593616 ONTARIO INC.							
		Address			City		Province	Postal Code	
		19 THOROUGHbred BOULEVARD			HAMILTON		ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOREMAN, ROSENBLATT & LEWIS								
	Address			City		Province	Postal Code		
	101-425 YORK BLVD.			HAMILTON		ON	L8R 3M3		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	26	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		002	2		20230821 1208 1590 7003				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	751191768								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								
	THE NAME OF THE SECURED PARTY TO 1000593616 ONTARIO INC. PURSUANT TO ARTICLES OF AMALGAMATION DATED JULY 31, 2023.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	

Address		City	Province	Postal Code
Assignor Name	Assignor Name			
Secured Party	Secured party, lien claimant, assignee			
Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts
			Other	Motor Vehicle Included
				Amount
				Date of Maturity or
				No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
Address		City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor			
Search Conducted On	NOYA HOLDINGS INC.			
File Currency	26SEP 2024			
	File Number	Family	of Families	Page of Pages
	751191768	3	4	27 31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT				
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached
		001	1	
				Registration Number
				20231220 1746 1901 5598
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required
	751191768			A AMNDMNT
Reference Debtor/ Transferor	First Given Name		Initial	Surname
	Business Debtor Name			
	NOYA HOLDINGS INC.			
Other Change	Other Change			
Reason / Description	Reason / Description			
	REMOVE SECURED PARTY 1000593616 ONTARIO INC. (19 THOROUGHbred BOULEVARD, HAMILTON, ON, L9K 1L2) ADD SECURED PARTY LENDING STREAM INC. (3-35 STONE CHURCH ROAD WEST, SUITE 188, ANCASTER, ON, L9K 1S4)			

Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	LENDING STREAM INC.									
	Address				City	Province	Postal Code			
	3-35 STONE CHURCH ROAD WEST, SUITE 188				ANCASTER	ON	L9K 1S4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOGLER, RUBINOFF LLP (THILL)									
	Address				City	Province	Postal Code			
	3000-77 KING STREET WEST, PO BOX 95				TORONTO	ON	M5K 1G8			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	NOYA HOLDINGS INC.									
File Currency	26SEP 2024									
	File Number	Family	of Families	Page	of Pages					
	751191768	3	4	28	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20231221 1152 1902 4216					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	751191768			D ASSGNMT						
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
	NOYA HOLDINGS INC.									
Other Change	Other Change									

Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
	LENDING STREAM INC.								
Secured Party	Secured party, lien claimant, assignee								
	1000593616 ONTARIO INC.								
	Address				City	Province	Postal Code		
	19 THOROUGHbred BOULEVARD				HAMILTON	ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
	Address				City	Province	Postal Code		
	3000-77 KING STREET WEST, PO BOX 95				TORONTO	ON	M5K 1G8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757874484	4	4	29	31	22NOV 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757874484		001	1		20191122 1612 1590 1029	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								

Address		City	Province	Postal Code					
90 BEACH ROAD		HAMILTON	ON	L8P 2J7					
Individual Debtor	Date of Birth	First Given Name	Initial	Surname					
Business Debtor	Business Debtor Name			Ontario Corporation Number					
Address		City	Province	Postal Code					
Secured Party	Secured Party / Lien Claimant								
WOLVERINE PARTNERS CORP.									
Address		City	Province	Postal Code					
77 KING STREET WEST, SUITE 400		TORONTO	ON	M5K 0A1					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make		Model	V.I.N.				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
DENTONS CANADA LLP (AF/KLOPPENBORG)									
Address		City	Province	Postal Code					
77 KING STREET WEST, SUITE 400		TORONTO	ON	M5K 0A1					

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	757874484	4	4	30	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under		
		001	2		20221122 1928 1590 9495		P PPSA		
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757874484		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								

Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO GAGE GROWTH CORP. PURSUANT TO ARTICLES OF								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name NOYA HOLDINGS INC.								Ontario Corporation Number
	Address 77 KING STREET W SUITE 3000			City TORONTO	Province ON	Postal Code M5K 1G8			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee GAGE GROWTH CORP.								
	Address 3610 MAVIS ROAD			City MISSISSAUGA	Province ON	Postal Code L5C 1W2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant NORTON ROSE FULBRIGHT CANADA LLP (AB/KH)								
	Address 1500-45 O'CONNOR STREET			City OTTAWA	Province ON	Postal Code K1P 1A4			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	NOYA HOLDINGS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	757874484	4	4	31	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		002	2		20221122 1928 1590 9495				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757874484								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								

Other Change		Other Change							
Reason / Description		Reason / Description AMENDMENT FILED OCTOBER 8, 2020.							
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
Business Debtor Name								Ontario Corporation Number	
Address				City		Province	Postal Code		
TD CENTRE N TOWER PO BOX 95									
Assignor Name		Assignor Name							
Secured Party		Secured party, lien claimant, assignee							
Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
Address				City		Province	Postal Code		

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Enquiry Result

File Currency: 26SEP 2024

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Type of Search	Business Debtor								
Search Conducted On	NOYA CANNABIS INC.								
File Currency	26SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730149462	1	1	1	4	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730149462		001	1		20170725 0954 1590 8897	P PPSA	25		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE MEDICAL MARIJUANA INC.								
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L8P 2J7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	CANOPY RIVERS CORPORATION								
	Address				City	Province	Postal Code		
	1 HERSHEY DRIVE				SMITH FALLS	ON	K7A 0A8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3/KW)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA CANNABIS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	730149462	1	1	2	4

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	2		20210401 1240 9234 6592	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730149462		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	RADICLE MEDICAL MARIJUANA INC.		

Other Change	Other Change

Reason / Description	Reason / Description
	TO AMEND THE NAME OF THE DEBTOR TO NOYA CANNABIS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO RIV CAPITAL CORPORATION PURSUANT TO ARTICLES OF

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	NOYA CANNABIS INC.			
	Address	City	Province	Postal Code
	90 BEACH ROAD	HAMILTON	ON	L8P 2J7

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	RIV CAPITAL CORPORATION			
	Address	City	Province	Postal Code
	40 KING STREET WEST, SUITE 2504	TORONTO	ON	M5H 3Y2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	CASSELS BROCK & BLACKWELL LLP (JT/52076-20)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	NOYA CANNABIS INC.				
File Currency	26SEP 2024				
	File Number	Family	of Families	Page	of Pages
	730149462	1	1	3	4

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		002	2		20210401 1240 9234 6592	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730149462					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	AMENDMENT FILED FEBRUARY 12, 2021.

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle	Amount	Date of Maturity or	No Fixed Maturity

					Included			Date
Motor Vehicle Description	Year	Make	Model		V.I.N.			
General Collateral Description								
General Collateral Description								
Registering Agent								
Registering Agent or Secured Party/ Lien Claimant								
Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							
Search Conducted On	NOYA CANNABIS INC.							
File Currency	26SEP 2024							
	File Number	Family	of Families	Page	of Pages			
	730149462	1	1	4	4			
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT								
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under	
		001	1		20231220 1844 1902 3957			
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period	
	730149462			D ASSGNMT				
Reference Debtor/ Transferor	First Given Name			Initial	Surname			
	Business Debtor Name							
	NOYA CANNABIS INC.							
Other Change	Other Change							
Reason / Description	Reason / Description							
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname		
	Business Debtor Name						Ontario Corporation Number	
	Address				City	Province	Postal Code	
Assignor Name	Assignor Name							
	RIV CAPITAL CORPORATION							
Secured Party	Secured party, lien claimant, assignee							
	LENDING STREAM INC.							

Address		City		Province	Postal Code				
3-35 STONE CHURCH ROAD WEST, SUITE 188		ANCASTER		ON	L9K 1S4				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
Address		City		Province	Postal Code				
3000-77 KING STREET WEST, PO BOX 95		TORONTO		ON	M5K 1G8				

LAST PAGE

Note: All pages have been returned.

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File Currency: 29SEP 2024

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Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730150461	1	4	1	31	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730150461		001	3		20170725 1002 1590 8899	P PPSA	25		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	C/O RICK MOSCONE				TORONTO	ON	M5K 1G8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L8P 2J7		
Secured Party	Secured Party / Lien Claimant								
	CANOPY RIVERS CORPORATION								
	Address				City	Province	Postal Code		
	1 HERSHEY DRIVE				SMITH FALLS	ON	K7A 0A8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3/KW)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.						
File Currency	29SEP 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	730150461	1	4	2	31	25JUL 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
730150461		002	3		20170725 1002 1590 8899		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	77 KING ST. W., TD CENTRE NORTH TOWER			

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730150461	1	4	3	31	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730150461		003	3		20170725 1002 1590 8899				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	P.O. BOX 95, SUITE 3000								
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.						
File Currency	29SEP 2024						

	File Number	Family	of Families	Page	of Pages				
	730150461	1	4	4	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		001	4		20210401 1238 9234 6591				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	730150461		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTORS TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO RIV CAPITAL CORPORATION PURSUANT TO ARTICLES OF								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name NOYA HOLDINGS INC.								
	Address 90 BEACH ROAD		City HAMILTON	Province ON	Postal Code L8P 2J7				
	Ontario Corporation Number								
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee RIV CAPITAL CORPORATION								
	Address 40 KING STREET WEST, SUITE 2504		City TORONTO	Province ON	Postal Code M5H 3Y2				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant CASSELS BROCK & BLACKWELL LLP (JT/52076-20)								
	Address SUITE 2100, 40 KING STREET WEST			City TORONTO	Province ON	Postal Code M5H 3C2			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.									
File Currency	29SEP 2024									
	File Number	Family	of Families	Page						of Pages
	730150461	1	4	5						31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		002	4		20210401 1238 9234 6591					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	730150461									
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
	AMENDMENT FILED FEBRUARY 12, 2021.									
Debtor/ Transferee	Date of Birth		First Given Name			Initial	Surname			
	Business Debtor Name								Ontario Corporation Number	
	NOYA HOLDINGS INC.									
	Address				City		Province	Postal Code		
	C/O RICK MOSCONE				TORONTO		ON	M5K 1G8		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									

Address		City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.				
File Currency	29SEP 2024				
	File Number	Family	of Families	Page	of Pages
	730150461	1	4	6	31

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		003	4		20210401 1238 9234 6591	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730150461					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			
				Ontario Corporation Number
	Address	City	Province	Postal Code
	77 KING ST. W., TD CENTRE NORTH TOWER			

Assignor Name	Assignor Name			
Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	730150461	1	4	7	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		004	4		20210401 1238 9234 6591				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	730150461								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname				
		Business Debtor Name			Ontario Corporation Number				
	Address			City	Province	Postal Code			
	P.O. BOX 95, SUITE 3000								
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.					
File Currency	29SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	730150461	1	4	8	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20231220 1908 1902 3959	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730150461			D ASSGNMT		
Reference Debtor/ Transferor	First Given Name			Initial	Surname	
	Business Debtor Name					
	NOYA HOLDINGS INC.					
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code
Assignor Name	Assignor Name					
	RIV CAPITAL CORPORATION					
Secured Party	Secured party, lien claimant, assignee					
	LENDING STREAM INC.					
	Address			City	Province	Postal Code
	3-35 STONE CHURCH ROAD WEST, SUITE 188			ANCASTER	ON	L9K 1S4

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make				Model	V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
	Address					City	Province	Postal Code	
	3000-77 KING STREET WEST, PO BOX 95					TORONTO	ON	M5K 1G8	

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	748600272	2	4	9	31	26FEB 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
748600272		001	1		20190226 1622 1590 0845	P PPSA	1		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.					002585921			
	Address				City	Province	Postal Code		
	77 KING STREET WEST, SUITE #3000				TORONTO	ON	M5K 1G8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	1955185 ONTARIO INC.								
	Address					City	Province	Postal Code	
	19 THOROUGHbred BOULEVARD					ANCASTER	ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	27FEB2020	

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description GENERAL SECURITY AGREEMENT			
Registering Agent	Registering Agent FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.					
File Currency	29SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	748600272	2	4	10	31	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20200127 1730 1590 5582	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	748600272			B RENEWAL	5	
Reference Debtor/ Transferor	First Given Name		Initial	Surname		
	Business Debtor Name RADICLE CANNABIS HOLDINGS INC.					
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name				Ontario Corporation Number	
	Address				City	Province Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address			City	Province Postal Code	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make				Model	V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOREMAN, ROSENBLATT & LEWIS								
	Address					City	Province	Postal Code	
	101-425 YORK BLVD.					HAMILTON	ON	L8R 3M3	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	11	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20200306 1426 1590 8787			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	748600272	1		A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE MATURITY DATE TO FEBRUARY 27, 2025								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	RADICLE CANNABIS HOLDINGS INC.							002585921	
	Address				City	Province	Postal Code		
	77 KING STREET WEST, SUITE #3000				TORONTO	ON	M5K 1G8		
Assignor Name	Assignor Name								

Secured Party	Secured party, lien claimant, assignee 1955185 ONTARIO INC.								
	Address				City		Province	Postal Code	
	19 THOROUGHbred BOULEVARD				ANCASTER		ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	27FEB2025	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant FOREMAN, ROSENBLATT & LEWIS								
	Address				City		Province	Postal Code	
	101-425 YORK BLVD.				HAMILTON		ON	L8R 3M3	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	12	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20211217 1400 1590 0274				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	748600272		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	

Address		City		Province	Postal Code				
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
Address		City		Province	Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
FOREMAN, ROSENBLATT & LEWIS									
Address		City		Province	Postal Code				
101-425 YORK BLVD.		HAMILTON		ON	L8R 3M3				

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	13	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under		
		001	2		20230818 1042 1590 6803				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	748600272		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO 1000693573 ONTARIO INC. PURSUANT TO CERTIFICATE								

Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name					Ontario Corporation Number				
	NOYA HOLDINGS INC.					2585921				
	Address				City	Province	Postal Code			
	90 BEACH ROAD				HAMILTON	ON	L8P 2J7			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	1000593616 ONTARIO INC.									
	Address				City	Province	Postal Code			
	19 THOROUGHbred BOULEVARD				HAMILTON	ON	L9K 1L2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOREMAN, ROSENBLATT & LEWIS									
	Address				City	Province	Postal Code			
	101-425 YORK BLVD.				HAMILTON	ON	L8R 3M3			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.									
File Currency	29SEP 2024									
	File Number	Family	of Families	Page	of Pages					
	748600272	2	4	14	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		002	2		20230818 1042 1590 6803					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	748600272									
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
Other Change	Other Change									

Reason / Description	Reason / Description OF AMALGAMATION FILED JULY 31, 2023.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	748600272	2	4	15	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under		
		001	2		20230821 1208 1590 7004				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	748600272		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				

Business Debtor Name	
RADICLE CANNABIS HOLDINGS INC.	
Other Change	Other Change
Reason / Description	Reason / Description
	TO CORRECT THE REASON FOR AMENDMENT IN REGISTRATION NO. 20230818 1042 1590 6803 TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND
Debtor/ Transferee	Date of Birth First Given Name Initial Surname
	Business Debtor Name Ontario Corporation Number
	NOYA HOLDINGS INC. 2585921
	Address City Province Postal Code
	50 BEACH ROAD HAMILTON ON L8P 2J7
Assignor Name	Assignor Name
Secured Party	Secured party, lien claimant, assignee
	1000593616 ONTARIO INC.
	Address City Province Postal Code
	19 THOROUGHbred BOULEVARD HAMILTON ON L9K 1L2
Collateral Classification	Consumer Goods Inventory Equipment Accounts Other Motor Vehicle Included Amount Date of Maturity or No Fixed Maturity Date
Motor Vehicle Description	Year Make Model V.I.N.
General Collateral Description	General Collateral Description
Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	FOREMAN, ROSENBLATT & LEWIS
	Address City Province Postal Code
	101-425 YORK BLVD. HAMILTON ON L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.				
File Currency	29SEP 2024				
	File Number	Family	of Families	Page	of Pages
	748600272	2	4	16	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		002	2		20230821 1208 1590 7004

Record Referenced	File Number 748600272	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
Reference Debtor/ Transferor	First Given Name		Initial	Surname		
	Business Debtor Name					
Other Change	Other Change					
Reason / Description	Reason / Description THE NAME OF THE SECURED PARTY TO 1000593616 ONTARIO INC. PURSUANT TO CERTIFICATE OF AMALGAMATION FILED JULY 31, 2023.					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					Ontario Corporation Number
	Address			City	Province	Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address			City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included
Motor Vehicle Description	Year	Make			Model	V.I.N.
General Collateral Description	General Collateral Description					
Registering Agent	Registering Agent or Secured Party/ Lien Claimant					
	Address			City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.					
File Currency	29SEP 2024					
	File Number	Family	of Families	Page	of Pages	
	748600272	2	4	17	31	

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under			
	001	1		20231220 1750 1902 3945						
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	748600272			A AMNDMNT						
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
	NOYA HOLDINGS INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	REMOVE SECURED PARTY 1000593616 ONTARIO INC. (19 THOROUGHbred BOULEVARD, HAMILTON, ON, L9K 1L2) ADD SECURED PARTY LENDING STREAM INC. (3-35 STONE CHURCH ROAD WEST, SUITE 188, ANCASTER, ON, L9K 1S4)									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name						Ontario Corporation Number			
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	LENDING STREAM INC.									
	Address				City	Province	Postal Code			
	3-35 STONE CHURCH ROAD WEST, SUITE 188				ANCASTER	ON	L9K 1S4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOGLER, RUBINOFF LLP (THILL)									
	Address				City	Province	Postal Code			
	3000-77 KING STREET WEST, PO BOX 95				TORONTO	ON	M5K 1G8			

CONTINUED

Type of Search	Business Debtor
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Search Conducted On	RADICLE CANNABIS HOLDINGS INC.									
File Currency	29SEP 2024									
	File Number	Family	of Families	Page	of Pages					
	748600272	2	4	18	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number				Registered Under	
		001	1		20231221 1150 1901 5925					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	748600272			D ASSGNMT						
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
	NOYA HOLDINGS INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name								Ontario Corporation Number	
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
	LENDING STREAM INC.									
Secured Party	Secured party, lien claimant, assignee									
	1000593616 ONTARIO INC.									
	Address				City	Province	Postal Code			
	19 THOROUGHbred BOULEVARD				HAMILTON	ON	L9K 1L2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOGLER, RUBINOFF LLP (THILL)									
	Address				City	Province	Postal Code			

3000-77 KING STREET WEST, PO BOX 95	TORONTO	ON	M5K 1G8
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END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.						
File Currency	29SEP 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	751191768	3	4	19	31	14MAY 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
751191768		001	1		20190514 1225 1590 6616	P PPSA	1

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	RADICLE CANNABIS HOLDINGS INC.	002585921		
	Address	City	Province	Postal Code
	77 KING STREET WEST, SUITE #3000	TORONTO	ON	M5K 1G8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	1955185 ONTARIO INC.			
	Address	City	Province	Postal Code
	19 THOROUGHbred BOULEVARD	ANCASTER	ON	L9K 1L2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	26MAR2020	

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	GENERAL SECURITY AGREEMENT

Registering Agent	Registering Agent			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.						

File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	20	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		01	001		20200127 1730 1590 5583				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	751191768			B RENEWAL	5				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname				
	Business Debtor Name				Ontario Corporation Number				
	Address			City	Province	Postal Code			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOREMAN, ROSENBLATT & LEWIS								
	Address			City	Province	Postal Code			
	101-425 YORK BLVD.			HAMILTON	ON	L8R 3M3			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	21	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20200306 1425 1590 8786			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	751191768	1		A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THE MATURITY DATE TO MARCH 26, 2025								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	RADICLE CANNABIS HOLDINGS INC.							002585921	
	Address				City	Province	Postal Code		
	77 KING STREET WEST, SUITE #3000				TORONTO	ON	M5K 1G8		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	1955185 ONTARIO INC.								
	Address				City	Province	Postal Code		
	19 THOROUGHbred BOULEVARD				ANCASTER	ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X		1000000	26MAR2025	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.				
File Currency	29SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	22	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	1		20211217 1359 1590 0273
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768		X	A AMNDMNT	
Reference Debtor/ Transferor	First Given Name	Initial	Surname		
	Business Debtor Name RADICLE CANNABIS HOLDINGS INC.				
Other Change	Other Change				
Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021				
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname	
	Business Debtor Name				Ontario Corporation Number
	Address	City	Province	Postal Code	
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address	City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
				Motor Vehicle Included	Amount
					Date of Maturity or
					No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.	

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.				
File Currency	29SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	23	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	2		20230818 1041 1590 6802
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768		X	A AMNDMNT	
Reference Debtor/ Transferor	First Given Name	Initial	Surname		
	Business Debtor Name	RADICLE CANNABIS HOLDINGS INC.			
Other Change	Other Change				
Reason / Description	Reason / Description				
	TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO 1000693573 ONTARIO INC. PURSUANT TO CERTIFICATE				
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname	
	Business Debtor Name	NOYA HOLDINGS INC.			Ontario Corporation Number
					2585921
	Address	City	Province	Postal Code	
	90 BEACH ROAD	HAMILTON	ON	L8P 2J7	
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	1000593616 ONTARIO INC.				
	Address	City	Province	Postal Code	
	19 THOROUGHbred BOULEVARD	ANCASTER	ON	L9K 1L2	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other
					Motor Vehicle Included
					Amount
					Date of Maturity or
					No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	FOREMAN, ROSENBLATT & LEWIS			
	Address	City	Province	Postal Code
	101-425 YORK BLVD.	HAMILTON	ON	L8R 3M3

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.				
File Currency	29SEP 2024				
	File Number	Family	of Families	Page	of Pages
	751191768	3	4	24	31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		002	2		20230818 1041 1590 6802
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	751191768				
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
Other Change	Other Change				
Reason / Description	Reason / Description				
	OF AMALGAMATION FILED JULY 31, 2023.				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation Number
	Address		City	Province	Postal Code
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address		City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address					City	Province	Postal Code	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	25	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20230821 1208 1590 7003				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	751191768		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO CORRECT REASON FOR AMENDMENT IN REGISTRATION NO. 20230818 1041								
	1590 6802 TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC.								
	PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	NOYA HOLDINGS INC.						2585921		
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L9P 2J7		
Assignor Name	Assignor Name								

Secured Party		Secured party, lien claimant, assignee 1000593616 ONTARIO INC.							
Address				City		Province	Postal Code		
19 THOROUGHbred BOULEVARD				HAMILTON		ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant FOREMAN, ROSENBLATT & LEWIS								
Address				City		Province	Postal Code		
101-425 YORK BLVD.				HAMILTON		ON	L8R 3M3		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	751191768	3	4	26	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		002	2		20230821 1208 1590 7003				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	751191768								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description THE NAME OF THE SECURED PARTY TO 1000593616 ONTARIO INC. PURSUANT TO ARTICLES OF AMALGAMATION DATED JULY 31, 2023.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		

Address		City	Province	Postal Code
Assignor Name	Assignor Name			
Secured Party	Secured party, lien claimant, assignee			
Address		City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts
			Other	Motor Vehicle Included
			Amount	Date of Maturity or
				No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
Address		City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor			
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.			
File Currency	29SEP 2024			
	File Number	Family	of Families	Page of Pages
	751191768	3	4	27 31
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT				
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached
		001	1	
				Registration Number
				20231220 1746 1901 5598
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required
	751191768			A AMNDMNT
Reference Debtor/ Transferor	First Given Name		Initial	Surname
	Business Debtor Name			
	NOYA HOLDINGS INC.			
Other Change	Other Change			
Reason / Description	Reason / Description			
	REMOVE SECURED PARTY 1000593616 ONTARIO INC. (19 THOROUGHBRED BOULEVARD, HAMILTON, ON, L9K 1L2) ADD SECURED PARTY LENDING STREAM INC. (3-35 STONE CHURCH ROAD WEST, SUITE 188, ANCASTER, ON, L9K 1S4)			

Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	LENDING STREAM INC.									
	Address				City	Province	Postal Code			
	3-35 STONE CHURCH ROAD WEST, SUITE 188				ANCASTER	ON	L9K 1S4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	FOGLER, RUBINOFF LLP (THILL)									
	Address				City	Province	Postal Code			
	3000-77 KING STREET WEST, PO BOX 95				TORONTO	ON	M5K 1G8			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.									
File Currency	29SEP 2024									
	File Number	Family	of Families	Page	of Pages					
	751191768	3	4	28	31					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20231221 1152 1902 4216					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	751191768			D ASSGNMT						
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
	NOYA HOLDINGS INC.									
Other Change	Other Change									

Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
	LENDING STREAM INC.								
Secured Party	Secured party, lien claimant, assignee								
	1000593616 ONTARIO INC.								
	Address				City	Province	Postal Code		
	19 THOROUGHbred BOULEVARD				HAMILTON	ON	L9K 1L2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
	Address				City	Province	Postal Code		
	3000-77 KING STREET WEST, PO BOX 95				TORONTO	ON	M5K 1G8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	757874484	4	4	29	31	22NOV 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
757874484		001	1		20191122 1612 1590 1029	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE CANNABIS HOLDINGS INC.								

Address		City	Province	Postal Code					
90 BEACH ROAD		HAMILTON	ON	L8P 2J7					
Individual Debtor	Date of Birth	First Given Name	Initial	Surname					
Business Debtor	Business Debtor Name			Ontario Corporation Number					
Address		City	Province	Postal Code					
Secured Party	Secured Party / Lien Claimant								
WOLVERINE PARTNERS CORP.									
Address		City	Province	Postal Code					
77 KING STREET WEST, SUITE 400		TORONTO	ON	M5K 0A1					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make		Model	V.I.N.				
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
DENTONS CANADA LLP (AF/KLOPPENBORG)									
Address		City	Province	Postal Code					
77 KING STREET WEST, SUITE 400		TORONTO	ON	M5K 0A1					

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	757874484	4	4	30	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20221122 1928 1590 9495			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757874484		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	RADICLE CANNABIS HOLDINGS INC.								
Other Change	Other Change								

Reason / Description	Reason / Description TO AMEND THE NAME OF THE DEBTOR TO NOYA HOLDINGS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO GAGE GROWTH CORP. PURSUANT TO ARTICLES OF								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name NOYA HOLDINGS INC.					Ontario Corporation Number			
	Address 77 KING STREET W SUITE 3000			City TORONTO	Province ON	Postal Code M5K 1G8			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee GAGE GROWTH CORP.								
	Address 3610 MAVIS ROAD			City MISSISSAUGA	Province ON	Postal Code L5C 1W2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant NORTON ROSE FULBRIGHT CANADA LLP (AB/KH)								
	Address 1500-45 O'CONNOR STREET			City OTTAWA	Province ON	Postal Code K1P 1A4			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	RADICLE CANNABIS HOLDINGS INC.								
File Currency	29SEP 2024								
	File Number	Family	of Families	Page	of Pages				
	757874484	4	4	31	31				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		002	2		20221122 1928 1590 9495				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	757874484								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								

Other Change	Other Change								
Reason / Description	Reason / Description AMENDMENT FILED OCTOBER 8, 2020.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name								Ontario Corporation Number
	Address				City	Province	Postal Code		
	TD CENTRE N TOWER PO BOX 95								
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address				City	Province	Postal Code		

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Enquiry Result

File Currency: 03OCT 2024

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Type of Search	Business Debtor								
Search Conducted On	RADICLE MEDICAL MARIJUANA INC.								
File Currency	03OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730149462	1	3	1	6	25JUL 2042			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730149462		001	1		20170725 0954 1590 8897	P PPSA	25		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE MEDICAL MARIJUANA INC.								
	Address				City	Province	Postal Code		
	90 BEACH ROAD				HAMILTON	ON	L8P 2J7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	CANOPY RIVERS CORPORATION								
	Address				City	Province	Postal Code		
	1 HERSHEY DRIVE				SMITH FALLS	ON	K7A 0A8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
	CASSELS BROCK & BLACKWELL LLP (FENDER/50214-3/KW)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE MEDICAL MARIJUANA INC.				
File Currency	03OCT 2024				
	File Number	Family	of Families	Page	of Pages
	730149462	1	3	2	6

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	2		20210401 1240 9234 6592	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730149462		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name	RADICLE MEDICAL MARIJUANA INC.	

Other Change	Other Change

Reason / Description	Reason / Description
	TO AMEND THE NAME OF THE DEBTOR TO NOYA CANNABIS INC. PURSUANT TO ARTICLES OF AMENDMENT FILED MARCH 25, 2021 AND TO AMEND THE NAME OF THE SECURED PARTY TO RIV CAPITAL CORPORATION PURSUANT TO ARTICLES OF

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name	NOYA CANNABIS INC.		
	Address	City	Province	Postal Code
	90 BEACH ROAD	HAMILTON	ON	L8P 2J7

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	RIV CAPITAL CORPORATION			
	Address	City	Province	Postal Code
	40 KING STREET WEST, SUITE 2504	TORONTO	ON	M5H 3Y2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	CASSELS BROCK & BLACKWELL LLP (JT/52076-20)			
	Address	City	Province	Postal Code
	SUITE 2100, 40 KING STREET WEST	TORONTO	ON	M5H 3C2

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	RADICLE MEDICAL MARIJUANA INC.				
File Currency	03OCT 2024				
	File Number	Family	of Families	Page	of Pages
	730149462	1	3	3	6

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		002	2		20210401 1240 9234 6592	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	730149462					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	AMENDMENT FILED FEBRUARY 12, 2021.

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle	Amount	Date of Maturity or	No Fixed Maturity

Address		City		Province	Postal Code				
3-35 STONE CHURCH ROAD WEST, SUITE 188		ANCASTER		ON	L9K 1S4				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	FOGLER, RUBINOFF LLP (THILL)								
	Address		City		Province	Postal Code			
	3000-77 KING STREET WEST, PO BOX 95		TORONTO		ON	M5K 1G8			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	RADICLE MEDICAL MARIJUANA INC.								
File Currency	03OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	758972196	2	3	5	6	31DEC 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
758972196		001	1		20191231 1449 1590 3893	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE MEDICAL MARIJUANA INC.								
	Address			City	Province	Postal Code			
	90 BEACH ROAD			HAMILTON	ON	L8P 2J7			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	WOLVERINE PARTNERS CORP.								
	Address			City	Province	Postal Code			
	77 KING STREET WEST, SUITE 400			TORONTO	ON	M5K 0A1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	DENTONS CANADA LLP (AF/KLOPPENBORG)			
	Address	City	Province	Postal Code
	77 KING STREET WEST, SUITE 400	TORONTO	ON	M5K 0A1

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	RADICLE MEDICAL MARIJUANA INC.								
File Currency	03OCT 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	793239372	3	3	6	6	11MAY 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
793239372		01	001		20230511 1646 1626 0562	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	RADICLE MEDICAL MARIJUANA INC								
	Address			City	Province	Postal Code			
	90 BEACH ROAD			HAMILTON	ON	L8L8K3			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	ALTERNA SAVINGS AND CREDIT UNION LIMITED								
	Address			City	Province	Postal Code			
	319 MCRAE AVENUE			OTTAWA	ON	K1Z0B9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X		34500		X
Motor Vehicle Description	Year	Make	Model	V.I.N.					

General Collateral Description	General Collateral Description			
	SECURED COPORATE VISA			
Registering Agent	Registering Agent			
	ALTERNA SAVINGS AND CREDIT UNION LIMITED			
Address		City	Province	Postal Code
319 MCRAE AVENUE		OTTAWA	ON	K1Z0B9

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Last Modified: July 14, 2024

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This is Exhibit "T" referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

IN THE MATTER OF AN ARBITRATION PURSUANT TO

**Production, Supply, and Revenue Sharing Agreement between Pure Sunfarms Corp.,
Radicle Medical Marijuana Inc. and Radicle Cannabis Holdings Inc., dated January 29,
2021 (the “Agreement”)**

AND

Arbitration Act, S.B.C. 2020, c. 2 (the “Act”)

Between:

Pure Sunfarms Corp.

Claimant

And:

**Noya Cannabis Inc.,
previously known as Radicle Medical Marijuana Inc.**

Respondent

**STATEMENT OF CLAIM
of PURE SUNFARMS CORP.**

Part 1: STATEMENT OF FACTS

Parties

1. The claimant, Pure Sunfarms Corp. (“**PSF**”) is a company incorporated in the province of British Columbia as a result of an amalgamation. PSF has an address for service for the purpose of this proceeding only care of 2500-700 West Georgia Street, Vancouver, BC.
2. PSF holds licenses from Health Canada, under the *Cannabis Act*, S.C. 2018, c. 16, for processing and cultivation of various cannabis products in connection with its facilities in Delta, BC. Since in or about the fall of 2020, PSF’s Health Canada licensing permits in-house extraction operations and the sale of cannabis derivative products directly to provincial boards and authorized retailers.
3. The respondent, Noya Cannabis Inc., was previously known as Radicle Medical Marijuana Inc. (“**Noya**”) and was incorporated pursuant to the laws of Ontario. Noya has a registered or head office address of 19 Thoroughbred Boulevard, Ancaster, Ontario.
4. Noya is also a licensed producer of cannabis products under the *Cannabis Act*, S.C. 2018, c. 16.

The Agreement

5. In or about August 2020, the parties began discussing and negotiating a potential agreement for PSF to produce cannabis products using one or more proprietary strains of cannabis plant clones supplied by Noya or related entities.
6. The parties executed the Production, Supply & Revenue Sharing Agreement, effective as of January 29, 2021 (the "**Agreement**").
7. In general terms, the Agreement contemplated that:
 - (a) Noya would supply certain proprietary strains of Cannabis plant clones (defined as the "**Material**") and grant to PSF a non-exclusive sublicense to the intellectual property rights associated with related cannabis brands – specifically the "Gage" and "Cookies" brands;
 - (b) PSF would produce cannabis products (as defined, the "**Products**") using the Material, which Products would be sold under the above Brands to third parties licensed by Health Canada to acquire cannabis (as defined, "**Licensed Third Parties**");
 - (c) The parties would share the "**Net Profit**", as defined in the Agreement from the sale of Products, 60/40 in favour of Noya; and
 - (d) Noya would pay PSF for its costs of producing cannabis Products, regardless of whether the Products were not sold (such Products defined as "**Surplus Biomass**") or did not meet the defined "**Specifications**".

Material Terms of the Agreement

8. Material terms of the Agreement for the purposes of this dispute are as follows.

Production of Cannabis Products

9. Section 3.1 (Production) provides that production of Product derived from Material supplied by Noya would be in phases at PSF's Facility, commencing February 2021, with the intent to achieve a target yield of approximately 3,000 kg by the fourth quarter of 2021 (s. 3.1(a)). Noya had the right, pursuant to s. 3.1(b) to visit and inspect the PSF Facility and perform quality control audits "to ensure continuing quality standards consistent with [Noya's] position as a supplier of premium cannabis ...".
10. Section 3.3 (Acceptance of Products) required PSF to deliver a sample of Product to a third-party licensed analytical service provider for testing after batches of Product were grown, harvested, dried and packaged. PSF was required to pay the upfront costs of third-party testing, but this was a deducted expense for the purpose of calculating Net Profit, under section 4.1 (s. 3.3 (a)).
11. Section 3.3(c) states that: "Provided that the Products pass all third-party testing requirements under Applicable Laws and meet the quality specifications (the "Specifications") as outlined in the Quality Agreement, PSF shall proceed to sell such Products to Licensed Third Parties. [Noya] may, in its sole discretion, accept or reject Products which do not meet the Specifications" (underlining added).

12. The "Quality Agreement" is defined in section 1.1(cc) as "the quality agreement entered into by the Parties dated of even date herewith".
13. PSF and Noya did not ever enter into a "Quality Agreement" as provided for in the Agreement and no "quality specifications" for Product – THC content, for example – were ever agreed upon.
14. As the parties did not enter a Quality Agreement or agree on Specifications, Noya did not have any objective basis on which to "reject" Product under section 3.3(c) of the Agreement.
15. Accordingly, pursuant to section 3.3(c), PSF was, provided that "the Products pass all third-party testing requirements under Applicable Laws" directed to "proceed to sell such Products to Licensed Third Parties".
16. Under section 3.3(e), Noya was responsible for marketing and arranging sales of Product produced by PSF to Licensed Third Parties and was required to provide sales forecasts to PSF on a quarterly basis. PSF was required to maintain an adequate safety stock of raw materials and associated Products.
17. Under section 3.3(g)-(h), PSF and Noya were mutually responsible for setting the market price for Products. Purchase orders for Product from Licensed Third Parties were to be in PSF's name and PSF was required to share Net Profit with Noya as set out in section 4.1.

Revenue Sharing and Fees

18. Under section 4.1(a), PSF was required to provide Noya with the following, *inter alia*, within 15 Business Days of the end of each month:
 - (a) An "Inventory Report" listing Products in PSF's inventory at beginning and end of the month;
 - (b) A reconciliation of Products sold during the month, including *inter alia*, buyer, selling price, excise duties and provincial fees, date of purchase and date of expected payment;
 - (c) A "Refund, Recall and Adjustment Report", detailing Product refunds, recalls, and price adjustments; and
 - (d) A "PSF Expense Report" providing a reconciliation of expenses incurred by PSF with respect to Products produced and Products sold, estimates of which were provided in Schedule E to the Agreement.
19. Under section 4.1(b), PSF was also required, within 15 Business Days of the end of each month to calculate the Net Profit for the preceding month from sales of the Products, calculated as follows: "NET PROFIT = Gross sales revenues of the Products LESS (i) **all expenses of PSF for Products sold as detailed in the PSF Expense Report**; and (ii) all expenses detailed in the Refund Recall and Adjustment Report" (bolding added).

20. Section 4.1(c) set out the 60/40 profit split and required PSF to make a payment of 60% of the Net Profit, "if any", to Noya within twenty Business Days of the end of each month.
21. Schedule E of the Agreement set out PSF's cost estimates for production of Products as follows:

Cost Estimates	
Cannabis Cost Per Gram	\$0.85
Packaging and Labour 1G	\$1.25
Packaging and Labour 3.5G	\$1.50
Packaging and Labour 7G	\$2.00
Tax Stamp	\$1.25
Vape Pen	\$7.50

Noya's Obligation to Pay PSF's Production Costs for "Surplus Biomass" and "Rejected" Products

22. Section 3.6 (Surplus Biomass) provided that PSF and Noya would jointly discuss and agree in writing to other formats or brands that Surplus Biomass can be sold under.
23. "Surplus Biomass" was defined in section 1.1(hh) as: "any Products produced in accordance with a Sales Forecast that have not been sold and remain in PSF's inventory following the end of the applicable quarter".
24. Noya was entitled to 60% of the Net Profit resulting from PSF's sale of Surplus Biomass in accordance with section 4.1. If the parties jointly agreed in writing, acting reasonably, that there were no other formats or brands that Surplus Biomass could be sold under, PSF was required to ship the Surplus Biomass, at PSF's expense, to Noya "for [Noya's] sole benefit".
25. Section 4.1(d) addresses Noya's responsibility to pay PSF's expenses for "Products produced but not sold". It states: "**[Noya] is responsible for all expenses identified in the PSF Expense Report with respect to Products produced but not sold.** Such expenses shall become payable following the Products, to which such expenses relate, passing all third-party testing requirements under Applicable Laws and meeting the Specifications, on the date that PSF and [Noya] jointly agree in writing, acting reasonably, that there are no other formats or brands that such Products may be sold under" (bolding added).
26. Section 3.4 (Rejection of Products) provided that the parties would jointly discuss and agree in writing to other formats or brands that Products rejected by Noya under section 3.3(c) could be sold under.
27. Noya was entitled to 60% of the Net Profit resulting from PSF's sale of any rejected Products in accordance with section 4.1.
28. Section 3.4 further provides that: "**[Noya] is responsible for all expenses identified in the PSF Expense Report with respect to rejected Products.** Such expenses shall become payable on the date (the "Unsellable Rejected Product Date") that PSF and

[Noya] jointly agree in writing, acting reasonably, that there are no other formats or brands that such rejected Products may be sold under” (bolding added).

Inspection and Audit

29. Section 8 of the Agreement provided the parties with mutual audit rights over their respective records as they relate to compliance with the Agreement. Noya was only entitled to audit PSF’s records “in the event that the costs charged by PSF in connection with the sale of any Products pursuant to this Agreement are at least 5% greater than the costs indicated on Schedule E.”

Term and Termination

30. The “Initial Term” of the Agreement was 36 months and would automatically renew for an additional 36 months if not terminated earlier (section 9.1). Section 9.2 granted each party the right to terminate the Agreement on 180 calendar days’ written notice.
31. Section 9.8 (Effect of Termination) provides that, “Even after termination or expiration of this Agreement, each Party shall ... (i) pay any amounts it owes to the other Parties, including payment obligations for services already rendered, work already performed, good already delivered, or expenses already incurred ...”

Conduct of the Agreement

32. The Agreement was in effect from January 29, 2021 to January 29, 2024.
33. PSF’s production commenced in accordance with the Agreement with initial production of over 2,000 KGs of Product completed in December 2021.
34. PSF grew and produced Product under the Agreement in accordance with Noya’s sales forecasts and growing requests. Noya decided upon and communicated to PSF the volume and strains of Product to grow by month.
35. A sample of each batch of cannabis Product that PSF produced under the Agreement was subject to testing by a third-party analytical service provider. Such third-party testing demonstrated, *inter alia*, that the Product conformed with all Health Canada testing requirements for contaminants and phytocannabinoids established in the sections 90 to 92 of the *Cannabis Regulations*, SOR/2018-144, the Government of Canada enacted under the *Cannabis Act*.
36. As contemplated by the Agreement, PSF entered into purchase orders with Licensed Third Parties for the sale of Product at sales prices set in consultation with Noya.
37. Starting in or about 2022, PSF provided Noya with monthly reports detailing, among other things, all sales transactions of Product during the prior month, PSF’s costs for the Products sold, as well remaining unsold Products in inventory and their associated costs.
38. As contemplated by the Agreement, PSF calculated the Net Profit for Product sold in accordance with section 4.1(b) of the Agreement, deducted its expenses for Products

sold in a given month, including, among other things, excise tax, freight, biomass costs, and packaging, and remitted to Noya 60% of the Net Profit, if any.

39. Over the course of the Agreement, PSF produced a total of 12.1 tons of Product based on Noya's sales forecasts and growing requests.
40. Of the Product that PSF produced pursuant to the Agreement:
 - (a) A total of 7,099.4135 KGs of Product were sold to Licensed Third Parties in 1 KG bags consisting of cannabis flower and trim ("**Bulk**" or "**Wholesale Product**"), generating total gross revenue of \$3,799,192.83; and
 - (b) A total of 127,081.1196 units of Product (1,107.52 KGs) were sold to Licensed Third Parties packaged in consumer pouches ranging in sizes, such as 7 or 14 grams, or as cannabis extracts in 1 gram denomination ("**Secondary**" or "**Retail Product**") generating total gross revenue of \$5,027,745.54.
41. PSF made royalty payments to Noya in respect of its 60% portion of Net Profit, totalling \$1,159,289 between June 2022 and January 2023.

The Unpaid PSF Invoice

42. In or about June 2023, PSF and Noya agreed that PSF would sell a certain quantity of Bulk Product to Noya, which Noya intended to sell itself to a third-party.
43. On or about June 1, 2023, Noya issued a Purchase Order, PO Number PSF12, to PSF for over 1250 KGs of Product at a price of \$577.00 per KG.
44. On or about June 8, 2023, PSF issued an Invoice to Noya, Ref. No. 0006960 (the "**Invoice**"), for the Bulk Product identified in Noya's Purchase Order. The total amount owing under the Invoice was \$826,334.00, including taxes. The Invoice amount incorrectly included HST, rather than GST. The total amount owing on the Invoice, with GST, was \$767,832.00, which was communicated to Noya in subsequent financial reports from PSF.
45. PSF shipped the Bulk Product identified in the Invoice Noya, or as Noya directed. Noya resold this Bulk Product to a third-party purchaser.
46. Noya has not, despite demand, paid PSF for the Bulk Product cannabis it received pursuant to the Invoice.
47. As of June 2023, PSF owed Noya a royalty amount of \$304,662 for its 60% portion of Net Profit under the Agreement. PSF therefore off-set this royalty amount and sought payment from Noya for the balance of the Invoice. Noya has yet to pay this amount.
48. As of the final PSF financial report on the termination date of the Agreement, January 29, 2024, the royalty amount owing from PSF to Noya for Net Profit was \$247,646, including taxes. When this amount, plus an additional credit amount of \$7,579.11 for a prior overpayment, are set-off against the amount owing under the Invoice, including GST, Noya owes PSF **\$512,607.00**, including taxes on the Invoice.

Unsold Product

49. Noya was not able to arrange sales of all Product that PSF produced in accordance with Noya's growing requests and sales forecasts. This Product became Surplus Biomass within the terms of the Agreement.
50. Due to the declining market price and market share of the Product over time, the Surplus Biomass that accumulated was not able to be sold at a profit. As of the termination date of the Agreement at the end of January 2024, the following quantities of Product remained unsold in PSF's inventory (the "Unsold Product"):
- (a) 3,806 KGs of Bulk/Wholesale Product; and
 - (b) 131,032.15 grams of Secondary/Retail Product.
51. PSF reported on the Unsold Product in inventory to Noya on a monthly basis, including PSF's associated production costs in respect of such Product.
52. All of the Unsold Product was tested by a licensed third-party analytical service provider and passed all testing requirements under the *Cannabis Act* and *Cannabis Regulation* for the Product to be sold to Licensed Third Parties.
53. Despite making efforts to do so, the parties could not agree on other formats or brands under which to sell the Unsold Product during the term of the Agreement.
54. PSF's production costs for the Unsold Product accumulated over the course of the Agreement and totaled **\$2,276,342.00** at the conclusion of the Agreement. PSF included these production costs and sought payment for them pursuant to its monthly reports delivered to Noya. PSF's Final Report to Noya, for January 2024, provided the following reconciliation:

Expenses of Remaining Inventory:

Secondary (Retail)	\$	(438,988)
Primary (bulk)	\$	(1,837,354)
Total expense (production)	\$	(2,276,342)

NET current receivable	Gross Amount	Tax	After Tax
Receivable net of credits [fr Bulk Sale to Valens Inv 696]	\$ 731,269	5%	\$ 767,832
Less Net Royalty Outstanding	\$ (235,853)	5%	\$ (247,646)
Less Credit from above			\$ (7,579)
Receivable Net of Royalty, excluding remaining inventory expenses			\$ 512,607

55. Based on the volumes of Unsold Product, PSF's average production costs claimed are **\$0.57** per gram, excluding trim. These actual costs are significantly below the estimated costs provided in Schedule E to the Agreement (\$0.85 cannabis cost per gram).
56. In breach of the Agreement, and despite demand, Noya has failed or refused to pay PSF for its costs to produce the Unsold Product.

Termination of the Agreement and PSF's Efforts to Mitigate

57. On January 29, 2024, the Agreement terminated pursuant to notice PSF provided to Noya in accordance with section 9.2 of the Agreement, noted above.
58. Since the termination of the Agreement, PSF has made diligent commercial efforts to sell the Unsold Product remaining in its inventory.
59. Since the end of January 2024 to August 31, 2024, PSF has sold a total of:
 - (a) 2,230 KGs of Bulk Product, generating gross revenue of \$ 646,011; and
 - (b) 1,764 units of Retail Product, generating gross revenue of \$108,810.
60. PSF is ready and willing to ship the remaining Unsold Product to Noya upon payment of PSF's outstanding costs of production, as contemplated by the Agreement, as well as the unpaid Invoice amount.
61. In the absence of Noya's payment of PSF's production costs for the Unsold Product, PSF will continue to use reasonable commercial efforts to sell the remaining Unsold Product pending the outcome of this proceeding.

Part 2: RELIEF SOUGHT

1. PSF seeks an award of:
 - (a) Damages in respect of (i) its costs for the Unsold Product; (ii) the unpaid balance owing by Noya pursuant to the Invoice;
 - (b) Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and
 - (c) Costs of the arbitration pursuant to section 50 of the *Arbitration Act*, S.B.C. 2020, c. 2.

Part 3: LEGAL BASIS

1. Noya's failure or refusal to pay the outstanding balance owing pursuant to the Invoice is a breach of contract.
2. Noya was required to pay PSF's production costs of the Unsold Product pursuant to section 4.1(d) and section 9.8(a)(i) of the Agreement.
3. In the alternative, if any of the Unsold Product did not meet the Specifications, which is not admitted, but expressly denied, then Noya was required to pay PSF's production costs of such Unsold Product pursuant to section 3.4 of the Agreement.
4. Noya's failure or refusal to pay PSF's production costs of the Unsold Product, despite demand, is a breach of contract.
5. Noya's breaches of contract have caused PSF loss and damages.

Claimant's address for service:

Farris LLP
Barristers & Solicitors
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Vancouver, British Columbia V7Y 1B3

E-mail address for service (if any): nhooge@farris.com

Dated: 9/September/2024



Lawyer for claimant, Pure Sunfarms Corp.
Nicholas T. Hooge

IN THE MATTER OF AN ARBITRATION PURSUANT TO

**Production, Supply, and Revenue Sharing Agreement between Pure Sunfarms Corp.,
Radicle Medical Marijuana Inc. and Radicle Cannabis Holdings, dated January 29, 2021
(the "Agreement")**

AND

Arbitration Act, S.B.C. 2020, c. 2 (the "Act")

B E T W E E N:

PURE SUNFARMS CORP.

Claimant

and

**NOYA CANNABIS INC., previously known as RADICLE MEDICAL
MARIJUANA INC.**

Respondent

STATEMENT OF DEFENCE AND COUNTERCLAIM

1. Unless expressly stated below, the Respondent, Noya Cannabis Inc., previously known as Radicle Medical Marijuana Inc. ("**Noya**") deny all of the allegations made in the Statement of Claim and puts the Claimant, Pure Sunfarms Corp. ("**PSF**") to the strict proof thereof.
2. Noya specifically denies that PSF is entitled to the relief sought in Part 2 of the Claim or that PSF has incurred any damages in relation to the Production, Supply, and Revenue Sharing Agreement between the parties.

The Parties

3. The Claimant, PSF, is a company incorporated pursuant to the laws of the Province of British Columbia and is located in Vancouver. PSF is a licensed producer of cannabis products under the *Cannabis Act*, S.C., 2018, c. 16 (the "*Act*").
4. The Respondent, Noya, is a company incorporated pursuant to the laws of Ontario with its head office located in Hamilton, ON. Noya is also a licensed producer of cannabis products under the *Act*.

Background and the 'Cookies' License

5. Noya works with the biggest and most reputable cannabis brands in the world. Its commitment to producing high-quality products is a central tenet in its business. Noya's production process involves growing its plants under optimal conditions in a tightly controlled indoor environment, then hand-drying and hand-curing the trimmings, before using them to produce cannabis products.
6. In or about September 2019, Noya obtained the right to act as the exclusive licensee in Canada for 'Cookies', a globally recognized and highly regarded cannabis brand. Before agreeing to grant Noya its exclusive license to sell the Cookies brand, Noya was required to sign Licensing and Packaging Agreements with Cookies' parent company (Cookies Creative Consulting & Promotions, LLC).
7. These Licensing and Packaging Agreements set out specific requirements to satisfy Cookies' quality standards.
8. The Noya and Cookies partnership was a success. However, as the demand for Cookies' products increased, Noya did not have the space to produce the volume of Cookies-branded

products required. So, in or about the Summer of 2020, Noya began negotiating with PSF for PSF to act as a secondary producer for Cookies' products.

9. Cookies' rigorous quality specifications were a key factor in Noya's discussions with PSF. PSF's production process was different than Noya's, because its plants were grown in a greenhouse instead of in a more controlled indoor facility. Noya and PSF discussed whether PSF would be able to adhere to Cookies' standards as a result. Representatives of PSF assured Noya that it would.

The Agreement

10. On or about January 29, 2021, Noya and PSF entered into the Production, Supply, and Revenue Sharing Agreement (the "**Agreement**"). Under the Agreement, Noya would provide PSF with proprietary strains of cannabis plant clones, to allow PSF to propagate those plants and produce dried flower cannabis under the Cookies brand (the "**Product**"). In turn, Noya and PSF agreed to share the profits of PSF's sales to third parties of Product generated from Noya plants.
11. The term of the Agreement was 36 months. It would automatically renew for a further 36 months provided that no party was in breach. However, either party could terminate the Agreement upon 180 calendar days' written notice to the other.
12. Noya states that PSF was then to sell the Product to licensed third parties, but only upon prior approval by Noya as required under the Agreement.
13. Pursuant to section 4.1 of the Agreement, Noya and PSF agreed to share the profits of PSF's sales to third parties of Product generated from Noya plants. Section 4.1(d) of the Agreement specifically provides that any expenses for Product produced but not sold were only payable by Noya to PSF after the Product passed "*all third-party testing requirements*

under Applicable Laws and [met] the specifications, on the date that Noya and PSF jointly agreed, in writing, that there are no other formats or brands that such Products may be sold under."

14. The Agreement further required PSF to provide detailed inventory reports listing Product in PSF's inventory and all Product refunds, recalls and price adjustments. The Agreement required PSF to deliver these reports at the beginning and end of the month, within fifteen business days of the end of each month.
15. Noya specifically denies that it was to pay PSF for its costs of producing the Product regardless of whether the Product was sold or met the specifications as agreed upon by the parties, as alleged at paragraph 7(d) of the Claim.
16. PSF purported to terminate the Agreement by way of a Notice of Termination dated June 27, 2023.

Quality Specifications and Requirements Under the Agreement

17. Quality control was a central feature of the Agreement. At all material times, the parties understood that the quality specifications were set out in the Agreement and the Schedules thereto, as further set out above and below.
18. The Agreement contained the following relevant terms with respect to quality standards:
 - a. **Section 2.2(d) – Limitations on Use of Material** – the proprietary strains of cannabis plant clones provided by Noya to PSF were to be used only to produce Product under the "Licensed Brands" (Cookies and Gage);
 - b. **Section 6.2(a) – Head License** – The Agreement incorporated the Cookies Head License and its corresponding quality specifications. Noya represented to PSF that it would remain in compliance with the Cookies Head License, except to the extent

that such non-compliance arose from a failure of PSF to comply with the terms of the Agreement.

- c. **Section 3.1 – Production** – Noya had the right on notice to *"visit and inspect the PSF Facility and its operations and perform quality control audits on the PSF Facility, the Cultivation Space, the processing facility, equipment, personnel, all input materials and final products, solely as they relate to the production of the Product, to ensure continuing quality standards consistent with [Noya's] position as a supplier of premium cannabis and cannabis related products."*
- d. **Section 3.3(a) – Product Quality and Testing** – After PSF grew, harvested, dried, and packaged a batch of Product, it was obligated to deliver a sample of the Product to a third-party licensed analytical service provider for testing. PSF was then obligated to provide a Certificate of Analysis ("**Certificate**") to Noya for the Product within two business days of receipt;
- e. **Section 3.3(d) – Time for Acceptance** – Noya had five business days from receipt of a Certificate to indicate in writing to PSF whether they wished to accept or reject the associated batch of Product;
- f. **Section 3.3(c) – Criteria for Acceptance** – PSF was only to proceed with the sale of the Product to licensed third parties if they passed all third-party testing requirements under applicable laws and met the quality specifications as outlined in the Agreement and Exhibit D of the Cookies' Head License (the "**Specifications**"). Noya, in its sole discretion, had the option to accept or reject Product that did not meet the Specifications;

- g. **Section 9.5 – Termination upon Termination of Head License** – Noya had the immediate right to terminate the Agreement if Cookies terminated their Head License with Noya.
19. Noya states that it was an express or implied term of the Agreement that PSF was to produce Product with, among other things, a specified THC content, which was agreed upon by the parties and extensively documented in correspondence. At all times, PSF understood and agreed to the detailed specifications and requirements that had to be met for the Product to satisfy Cookies' and Noya's standards.
20. Further, Noya states that the Cookies Head License was appended as Schedule B to the Agreement. Section 14.20 confirmed that the schedules form part of the Agreement. Exhibit D to the Cookies Head License and Packing Agreement contains the following definition of "Product Specifications":
- Product Specifications.** "Product Specifications" shall mean dried cannabis flower that (i) is trimmed to reduce crow's feet, visible stem protruding from the flower bud and minimal leaf beyond exterior of calyx; (ii) be dried to a moisture content of no less than eight percent (8%) and no greater than twelve percent (12%); Licensed Products that are of merchantable quality under Applicable Law; and (iv) be fit and safe for use under Applicable Law.*
21. The Agreement specifically required PSF to provide Product that passed all third-party testing requirements and met the Specifications. To that end, PSF was required to provide to Noya with Certificates with respect to all Product that was produced. To this day, it has not done so.
22. At all times, Noya retained the right to reject any Product that was not up to specifications. For any Product that Noya rejected, the parties could discuss and agree on an alternative format to sell the rejected Product. To the extent any rejected Product was sold, Noya was entitled to 60% of the net sale on the profit.

23. The same process applied for any surplus Product created by PSF that had not been sold and remained in PSF's inventory at the end of the applicable quarter.
24. For any Product that was either rejected by Noya or was surplus inventory that could not be sold, Noya states that it was not obligated to pay for the costs of the Product unless PSF worked with Noya to find a buyer for the product or PSF provided the Product to Noya, so it could find its own buyer.
25. Noya states that in no circumstances was it responsible for production costs or losses associated with rejected or surplus Product if that Product did not meet the Specifications and quality requirements under the Agreement.
26. Noya states that, if there is no Quality Agreement found to exist as between the parties (which is specifically denied), it was an express or implied term of the Agreement that PSF was to cultivate and grow Product in accordance with Cookies' rigorous quality standards and that PSF understood this expectation at the time the Agreement was entered into.
27. Noya pleads and relies upon the provisions of the Agreement and the Cookies Head License.

PSF's Consistent Breaches of the Quality Agreement and Disclosure Requirements

28. Noya states that PSF consistently breached the Agreement by:
 - a. failing to adhere to the quality standards and specifications as agreed to by the parties; and,
 - b. failing to adhere to the reporting requirements pursuant to the Agreement.
Inventory reports were often received late, if at all.
29. PSF has consistently experienced quality control issues with the Cookies Product it has produced. In many instances, Product failed third-party analytical testing due to the

presence of mold and microbials. The majority of Product produced by PSF had to be converted into alternative forms, such as oil cartridges for vaporizer pens, to be deemed safe for consumption and sold.

30. Noya states that the quantities of unsellable Product were much higher than the quantities of sellable Product.

31. To date, PSF has failed to produce the necessary disclosure to substantiate its claim for damages arising out of the allegedly Unsold Product and alleged unpaid invoice. Noya states that PSF's lack of disclosure about its inventory and sales has prevented Noya from understanding what amounts, if any, are truly owing to PSF under the Agreement.

32. Noya states that PSF has breached numerous provisions requiring it to report to Noya with respect to its accounting for profit-sharing and cost-sharing purposes, including providing proper and full inventory counts. PSF has breached at least the following reporting provisions:

- a. **Section 3.2(b) – Growing, Supply Chain and Demand Strategy** – on the fifteenth business day of each month, PSF was obligated to provide Noya with an accurate report accounting for the proprietary strains provided by Noya, any additional strains propagated therefrom, and an inventory of all Product, including their movement outside the PSF facility; and,
- b. **Section 8 – Inspection and Audit** – Upon fifteen business days prior written notice from either of the parties, the applicable party was to provide the other party and their

representatives, reasonable access to its records as they relate to its compliance with the terms of the Agreement.

33. Further, PSF has breached section 3.8 of the Agreement, entitled "Other Products", which prevented PSF from developing, procuring, processing, storing, producing, packaging, shipping, or distributing "additional Products" in any way, directly or indirectly, by utilizing Noya's plants to produce and distribute PSF's own branded product without accounting to Noya for that Product under the Agreement.
34. Despite repeated requests for the information required pursuant to the Agreement, PSF has consistently failed or refused to provide full disclosure under sections 8, 4.1, and 3.2(b) of the Agreement.

No Obligation to Pay PSF's Production Costs for Unsold Product

35. Noya specifically denies that it has an obligation to pay PSF's expenses for Products produced but not sold (the "**Unsold Product**") because:
- a. Despite repeated requests for same, PSF has failed to provide Noya with Certificates pertaining to the Unsold Product to date.
 - b. The Unsold Product did not meet the standards and specifications required by the express and/or implied terms of the Agreement.
 - c. PSF has never consulted with Noya with respect to the Unsold Product, nor allowed Noya to sell the Unsold Product, as required under the Agreement. In fact, PSF has rejected Noya's good faith offers to sell the Unsold Product and has instead engaged in unapproved sales of the Unsold Product.
36. Noya pleads and relies on the contractual provisions granting it a right to reject any product not up to quality standards and the provisions relating to surplus of Product.

The Invoice

37. As a result of PSF's consistent breaches of the quality standards and disclosure requirements required pursuant to the Agreement, Noya does not have enough information to make a determination regarding what, if anything, is owed on PSF's June 8, 2023, invoice (the "**Invoice**").
38. On obtaining full production, it may well be that Noya is entitled to profits for which PSF has not accounted, which would reduce the amount of its claim.

No Mitigation

39. If PSF has sustained any of the damages as alleged in the Claim (which is denied), Noya states that it has failed to mitigate same. PSF has provided no evidence surrounding any mitigation efforts. In particular, PSF:
- a. Failed to make efforts to sell any Unsold Product and in addition/in the alternative, acted unreasonably in attempting to sell the Unsold Product; and,
 - b. Failed to involve Noya in the process or accept Noya's involvement as required by the Agreement, so that any costs could be appropriately mitigated;
 - c. Appears to have intentionally inflated its claim for Unsold Product and continued to sell Products to Third Parties on an undervalued basis without Noya's approval in breach of the Agreement;
40. Noya states that PSF refused large sales of the Product that Noya had arranged until after the January 29, 2024 termination date because there was no incentive for PSF to accept any of the sales if the price did not recapture all of their costs. Instead, PSF has deemed the Product as surplus and is attempting to obtain all of its costs from Noya by way of its claim.

41. Noya pleads and relies upon the doctrine of equitable set-off. If any amounts are found to be owing to PSF, which is not admitted but specifically denied, Noya states that such amounts ought to be set-off by amounts owing to it as a result of PSF's breaches of the Agreement and the amounts set out in the counterclaim.
42. Noya asks that the Claim be dismissed as against them, with costs.

COUNTERCLAIM

43. Noya claims against PSF for:
- a. Damages in an amount to be determined for loss of profit as a result of PSF's failure to produce product in accordance with the sales forecasts provided to PSF by Noya on a quarterly basis, full particulars of which will be provided prior to the hearing of this Arbitration;
 - a) Set-off for any amounts found to be owing by Noya to PSF;
 - b) Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and
 - c) Costs of the arbitration pursuant to section 50 of the *Arbitration Act*, S.B.C. 2020, c. 2.
44. Noya repeats and relies upon the allegations contained in the Statement of Defence, as if pleaded herein.
45. PSF's consistent failure to deliver product in accordance with the sales forecasts provided to PSF by Noya is directly related to the accumulation of inventory that PSF complains of in its claim. Further, PSF's refusal to sell the accumulated product has resulted in lost profits for Noya.
46. Noya states that it missed crucial product launches that were contemplated by the sales forecasts, including a key product launch in Ontario in August 2022, solely due to PSF's

failure to produce product that met the Specifications within the time required under the Agreement.

47. Noya proposes that this Counterclaim be arbitrated together with or immediately following the arbitration of the main claim.

September 23, 2024

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PURE SUNFARMS CORP.

Claimant

-and- NOYA CANNABIS INC., previously known as RADICLE
MEDICAL MARIJUANA INC.

Respondent

**IN THE MATTER OF AN ARBITRATION PURSUANT TO
Production, Supply, and Revenue Sharing Agreement between
Pure Sunfarms Corp., Radicle Medical Marijuana Inc. and
Radicle Cannabis Holdings, dated January 29, 2021**

ARBITRATION ACT, S.B.C. 2020, c. 2

STATEMENT OF DEFENCE AND COUNTERCLAIM

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IN THE MATTER OF AN ARBITRATION PURSUANT TO

Production, Supply, and Revenue Sharing Agreement between Pure Sunfarms Corp.,
Radicle Medical Marijuana Inc. and Radicle Cannabis Holdings., dated January 29, 2021
(the "Agreement")

AND

Arbitration Act, S.B.C. 2020, c. 2 (the "Act")

BETWEEN

Pure Sunfarms Corp.

CLAIMANT

AND

Noya Cannabis Inc., previously known as Radicle Medical Marijuana Inc.

RESPONDENT

PROCEDURAL ORDER NO. 1 – PROCEDURAL TIMETABLE

This Order records the Procedural Timetable set at a Procedural Conference conducted by telephone on September 3, 2024 in which Nicholas T. Hooge participated as counsel for the Claimant, Pure Sunfarms Corp. ("PSF") and Hailey Abramsky and Anja Perc participated as counsel for the Respondent, Noya Cannabis Inc., previously known as Radicle Medical Marijuana Inc. ("Noya" and, together with PSF, the "Parties").

THE ARBITRATOR HEREBY ORDERS:**A. GENERAL MATTERS AND PLACE OF ARBITRATION**

1. The Arbitration is subject to the *Arbitration Act*, S.B.C. 2020, c. 2 (the "Act").
2. The Arbitration shall be conducted in accordance with the provisions of the Act, this Procedural Order No. 1, and any other subsequent Procedural Orders.

3. The place of the arbitration is Vancouver, BC.

4. The Parties have agreed to the pre-hearing procedural steps, including the dates for each of those steps, as set out in **Schedule "A"**. Each of the Memorials referred to in Schedule "A" shall comprise: (a) written argument; (b) expert reports, if any; (c) witness statements; and (d) supporting documents.

5. The timeline for these Arbitration proceedings is set out in Schedule "A" to this Procedural Order. These timelines may be shortened, lengthened, or modified by agreement of the Parties or further order of the Arbitrator, subject to the parties' agreement at 13.5(b) of the Agreement that "the arbitration must be completed and an award rendered by the arbitrator no later than ninety (90) calendar days from the appointment of an arbitrator". PSF has consented to the timeline in Schedule "A" in variation of this agreement.

B. WRITTEN ARGUMENT

6. The Parties' written arguments will form part of their Memorials.

7. For the purpose of complying with a deadline, an e-mail attaching the main body of the written argument followed by a secure link to download a full set of materials electronically sent by the deadline shall suffice. Any issues arising from delay or late delivery shall be resolved by the Arbitrator.

8. The paragraphs of all written argument shall be numbered consecutively and the written argument shall include a table of contents.

9. For each of their written arguments, the Parties will clearly indicate the evidence they invoke in support of each of their cases in the arbitration: documents, expert reports, fact witness statements, etc. (referring to page and paragraph numbers as appropriate), and refer to relevant legal authorities.

10. Written arguments, exhibits, facts witness statements, expert reports and any other documents shall be in readable and, where possible, searchable PDF format, or if necessary native format (i.e., MS Excel documents). A hyperlinked version of the written argument shall be provided as soon as is practicable after initial delivery of written arguments.

11. A Party may amend their written arguments by consent or upon application to and leave of the Arbitrator on such terms as the Arbitrator considers just and reasonable in the circumstances.

C. EVIDENCE

(1) Documentary Evidence Submitted with Written Submissions

12. As noted, the written arguments shall be accompanied by any supporting documentary evidence. No new documentary evidence may be presented at the hearing unless agreed by the Parties or authorized by the Arbitrator.

13. The documents shall be submitted in the following form:

- (a) Each document submitted will be labelled as an "Exhibit";
- (b) the Exhibits will be numbered consecutively, an Exhibit submitted by Claimant preceded by the letter "C", e.g., "C-1" and an Exhibit submitted by Respondent preceded by the letter "R";
- (c) the Exhibits will be accompanied by a complete list of the Exhibits, setting forth for each one: the Exhibit number, its date and a brief description of it; and
- (d) the lists of Exhibits will be updated with each new submission in the arbitration which includes Exhibits not previously submitted.

14. Any Document referred to by a witness should not be attached to the witness' statement but should be referred to in the witness' statement by its assigned Exhibit number. Once a document has been submitted, it does not need to be re-submitted, i.e., to the extent possible, identical documents should only have one Exhibit number in the proceedings.

(2) Witnesses' Evidence Submitted with Written Submissions

15. Any person may present evidence as a witness, including a Party, a Party's officer, employee or other representative, or a third party.

16. Factual witness evidence will be submitted in written witness statements together with the Parties' submissions, as provided in the Schedule "A" and shall subject to any timely objection constitute the evidence of the witness in this Arbitration. Each witness statement shall:

- (a) contain the name of the witness and his or her relationship to any of the Parties (past and present, if any);
- (b) contain a full and detailed description of the facts, and the source of the witness' information as to those facts, sufficient to serve as that witness' evidence in chief;
- (c) contain an affirmation of the truth of the statement;
- (d) be signed by the witness and give the date and place of signature; and
- (e) identify with specificity any document or other material relied on, which will be submitted as an Exhibit.

17. Originally signed versions of the witness statements need not be provided.

18. If a Party wishes to cross-examine a witness whose statement has been filed by the other Party, it will request the presence of this witness at the hearing referred to in the Schedule "A" for cross-examination.

19. If a Party elects not to cross-examine a fact witness, this shall not be considered to reflect consent as to the correctness of the content of the witness statement(s) of that fact witness, but the Arbitrator shall be entitled to attribute such weight to the evidence of that witness as it deems appropriate in light of any submissions of the Parties.

20. On or before the date set out in the Schedule "A", each Party will notify the other Parties, with a copy to the Arbitrator, of the names of the witnesses to be cross-examined at the hearing.

(3) Expert Evidence

21. The Parties hereby agree that subject to further agreement by the Parties or order of the Arbitrator, neither Party shall be required to disclose drafts of expert reports or communications between expert and counsel. All experts shall be required to disclose all materials on which they relied in formulating their opinion, including any communications with third parties.

(4) Production of Documents

22. The Parties shall exchange any requests for documents at a date set out in Schedule "A".

23. The Parties shall record each request and the rationale for each request in Redfern Schedule format, substantially in the form attached as Schedule "B". A response to a request for documents shall identify whether each request for production is accepted, accepted in part or objected to, together with the reasons for any objection.

24. The Arbitrator shall determine any objections and may order a Party to produce any documents at the date set out in Schedule "A". In determining objections to the production of documents, the Arbitrator must be satisfied that the documents requested are relevant to an issue in the arbitration and material to the outcome of the arbitration. The Arbitrator shall not order production of the requested documents if satisfied that:

- (a) production of the requested documents would impose an unreasonable burden on the responding Party;
- (b) the documents are protected by any applicable privilege; or
- (c) there are compelling considerations of confidentiality, procedural economy, proportionality, fairness or equality of the Parties upon which production should be refused.

25. The Arbitrator may make ancillary orders with respect to the means and methods of production of documents and may direct any other steps necessary to safeguard the efficiency of the arbitration.

D. PRE-HEARING MEETING

26. Before the scheduled hearing, the Arbitrator may, in consultation with the Parties, convene a pre-hearing meeting, at a time and date to be determined, by remote video or teleconference with the Parties to confirm the logistical details and procedures for the hearing (the "Pre-Hearing Meeting"), including but not limited to (where applicable):

- (a) logistical details related to the venue and mode of hearing: videoconference or in-person;

- (b) persons attending the hearing for each Party;
- (c) Hearing start and end times, with expected schedule of breaks;
- (d) allocation of time to each Party based on an equitable allocation in light of the number of witnesses called by each Party;
- (e) each Party's expected order of presentation of its witnesses;
- (f) in the event that the hearing will be conducted by remote video conference, arrangements for a court reporter (real time transcription) and whether it is desirable to engage a third-party hearing services provider;
- (g) use of any visual aids (e.g., projector) or document management system; and
- (h) any other matters.

27. The Parties will discuss these issues in advance of any Pre-Hearing Meeting and be prepared to advise the Arbitrator of any agreed details and procedures and to discuss their positions as to any that require direction. In the discretion of the Arbitrator, the matters set out in paragraph 26 above may be addressed in writing without the need of a Pre-Hearing Meeting.

E. HEARING

28. The witness hearing (the "**Hearing**") shall take place in Vancouver, British Columbia. The Parties also reserve the right, with the Arbitrator's permission, to make arrangements for virtual or video-conferenced attendance at any hearing for the sake of efficiency.

29. The Parties shall agree on and reserve suitable facilities for the witness hearing (including the hearing room, "break-out" rooms and other logistical facilities) with the Claimant taking lead responsibility, in consultation with the Respondent. The costs shall be borne equally by the Parties pending the Arbitrator's final award in respect of costs, if any. The Parties shall arrange and bear the costs of their own accommodations, pending the Arbitrator's final award in respect of costs, if any.

(1) Presentation of Evidence at Hearing

30. Each Party shall be entitled to make a brief opening statement at the beginning of the Hearing, the precise time limit to be set by the Parties' agreement or, failing that, the Arbitrator.

31. The order of presentation of witnesses will be determined at the Pre-Hearing Meeting.

32. Each fact witness shall adopt under oath the evidence set out in their witness statements, after being permitted to make corrections to that evidence. Witnesses shall be given the opportunity for a brief examination-in-chief, including to address any points raised for the first time in the last round of Memorials presented by the other Parties or during the Hearing itself. Witnesses may not otherwise add to the evidence set out in their fact witness evidence without leave of the Arbitrator. Thereafter, the witness shall be subjected to cross-examination.

33. Each expert witness shall adopt under oath the evidence set out in their Expert Report, after being permitted to make corrections to that evidence and to make a brief presentation. Each expert witness may provide a brief presentation, with the precise time limit to be set by the Parties' agreement or, failing that, the Arbitrator. Thereafter, the expert witness shall be subjected to cross-examination.

34. The Arbitrator may question any witness at any time, but if the Arbitrator questions the witness after re-examination, the Party calling the witness shall have the right to further re-examine the witness.

35. Except for good cause shown, as determined by the Arbitrator, or upon direction of the Arbitrator, witnesses who have not provided fact evidence in accordance with this Procedural Order, shall not be permitted to testify at the Hearing.

36. * Each Party calling a witness shall be entitled to conduct such re-examination as may be proper immediately following the cross-examination of the witness. Subject to agreement at the pre-hearing conference or order of the Arbitrator, to the extent a Party wishes to utilize public domain documents not already produced to the other Parties, such documents shall be provided to the other Parties at least 24 hours prior to the cross-examination of the witness for such Party.

37. The hearing will be transcribed by a court reporter, the costs of which are to be borne by each Party in equal shares, without prejudice to any decision of the Arbitrator as to which Party may ultimately bear these costs, if any. The hiring and payment of the court reporters will be done by the Parties.

F. POST-HEARING BRIEFS

38. The Arbitrator may issue questions to the Parties following the Hearing and, with leave of the Arbitrator, the Parties may tender brief post-hearing written submissions.

G. TIMING

39. The timing of the various steps to be taken prior to, during, and after the Hearing will be as set forth in the timetable attached as Schedule "A".

40. The Parties agree to use their best efforts to ensure that the Arbitration proceeds in accordance with Schedule "A", subject to any direction that the Arbitrator may make. If a Party fails to meet the time limits set out herein or in any direction from the Arbitrator, the Arbitrator shall determine what, if any, consequences shall arise as a result.

41. The timelines set out in Schedule "A" may be varied by the Parties on application with notice to the Arbitrator or by agreement, but subject to the time limitation for completion of the arbitration contemplated by section 13.5(b) of the Agreement.

H. THE AWARD

42. Unless otherwise agreed by the parties or directed by the Arbitrator, the Arbitrator will seek to issue an award by January 15, 2024, or as soon thereafter is reasonably practicable.

43. The Award of the Arbitrator shall be delivered with written reasons to the Parties. This Award shall be final and binding, subject to applicable law, with the Arbitrator retaining jurisdiction over any application for costs brought in accordance with this Procedural Order.

I. COSTS

44. In exercising its discretion as to costs, the Arbitrator shall take into account the actual amount paid by each Party for legal representation, the actual costs of the arbitration, the outcome of the arbitration and the conduct of the parties in the arbitration and such other matter or matters as the arbitration Arbitrator considers appropriate. The Parties' will be entitled to make

written submissions regarding costs following the issuance of the Award, at dates to be set by the Arbitrator, and the Arbitrator shall deliver reasons for its costs award thereafter.

J. PRIVATE ARBITRATION

45. The Arbitration is private and all documents, evidence, transcripts and Award shall be kept confidential by the Parties, and all advisers (including legal and financial), experts and witnesses, except to the extent required by applicable law or authorized by a competent court.

46. If a Party receives a demand from a government authority or is otherwise required by law to disclose any documents, evidence, transcripts or award to a person not a Party to this Arbitration, the receiving Party shall give prompt written notice to the other Parties so that they may seek a protective Order or other appropriate remedy.

47. Following conclusion of the arbitral proceedings, upon any of the other Parties' request, all Parties shall destroy or return all records of the other Parties produced in the arbitral proceedings or in connection with the arbitral proceedings.

48. Any Party may apply to the Arbitrator for an additional confidentiality order.

DATED at Vancouver, British Columbia as of this 8th day of October 2024.



Michael Carroll, K.C.
Arbitrator

SCHEDULE "A" – PROCEDURAL TIMETABLE

	DATE	PARTY	DESCRIPTION
1.	September 9, 2024	PSF	Statement of Claim
2.	September 20, 2024	Noya	Statement of Defence and Counterclaim
3.	September 30, 2024	PSF	Reply (if any)
4.	October 4, 2024	PSF & Noya	Both parties exchange requests for production of documents (in Redfern format)
5.	October 11, 2024	PSF & Noya	Both parties deliver any objections to requests for document production
6.	October 15, 2024	PSF & Noya	Parties submit any disputed document requests to arbitrator for ruling
7.	October 22, 2024	Arbitrator	Ruling on disputed document production requests
8.	October 25, 2024	Noya	Respondent to give notice of intention to file expert witness statement(s), if any, together with name of expert and subject matter of statement.
9.	November 5, 2024	PSF & Noya	Both parties complete outstanding document production
10.	November 8, 2024	PSF	Claimant's Memorial containing a statement of fact, law and argument in support of its claim, together with exhibits, legal authorities, witness statements and expert reports (if any)
11.	November 22, 2024	Noya	Respondent's Memorial containing a statement of fact, law and argument in support of its response, together with exhibits, legal authorities, witness statements and expert reports (if any)

	DATE	PARTY	DESCRIPTION
12.	November 29, 2024	PSF & Noya	Both parties provide notice of witnesses required to attend hearing for cross-examination.
13.	December 2, 2024	PSF	Claimant's Reply Memorial containing a statement of fact, law and argument in reply to the response, together with rebuttal exhibits, rebuttal legal authorities, rebuttal witness statements and expert reports (if any) to the Respondent's Memorial
14.	Week of Dec. 16-20	All	Hearing (5 days reserved)
15.	January 15, 2025 (Tentative)	Arbitrator	Award

IN THE MATTER OF AN ARBITRATION PURSUANT TO

**Production, Supply, and Revenue Sharing Agreement between Pure Sunfarms Corp., Radicle Medical Marijuana Inc. and
Radicle Cannabis Holdings., dated January 29, 2021 (the "Agreement")**

AND

Arbitration Act, S.B.C. 2020, c. 2 (the "Act")

Request for Documents Schedule

Requesting Party: _____

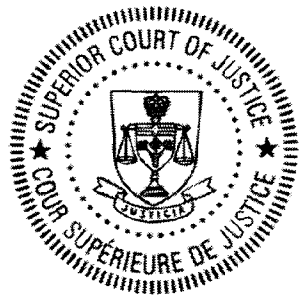
#	Document or Category of Document Requested	Reason for Request	[Party] Position on Request	Arbitrator Decision
1.				
2.				
3.				

This is Exhibit “U” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 02-Dec-2021
Délivré par voie électronique : 02-Dec-2021
Toronto

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff

and

NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a RADICAL MEDICAL MARIJUANA INC.

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

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TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar

Address of court office: **Superior Court of Justice**
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc.
90 Beach Rd
Hamilton ON
L8L 8K3

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CLAIM

1. The Plaintiff Ignite International Brands (Canada), Ltd. ("**Ignite**"), claims:
 - (a) damages against Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a Radical Medical Marijuana Inc. ("**Radicle**") for breach of contract, breach of honest and good faith performance of contract, conversion and/or unjust enrichment in the amount of \$957,537.39, representing the Advance Payment made by Radicle to Ignite pursuant to s. 4(c) of the November 5, 2020 Sales and Distribution Agreement between Ignite and Radicle and for which Radicle was unjustly enriched (the "**Sales and Distribution Agreement**");
 - (b) damages against Radicle for breach of contract and breach of the honest and good faith performance of contract in the amount of \$537,000, which Radicle failed to pay to Ignite in breach of s. 4(d) of the Sales and Distribution Agreement;
 - (c) a declaration that Ignite has an interest in the property municipally known as 90 Beach Road, Hamilton, ON L8L 8K3 and legally described as LT 37-45 PL 410 BARTON; HAMILTON, being PIN 17218-0080 ("**Radicle's Hydroponic Facility**");
 - (d) leave to issue a Certificate of Pending Litigation ("**CPL**") against title to Radicle's Hydroponic Facility;
 - (e) punitive, exemplary and/or aggravated damages in the amount of \$500,000;
 - (f) additional damages to be determined at trial;

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- (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) post judgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (i) the costs of this proceeding, plus all applicable taxes; and
- (j) Such further and other relief as this Honourable Court may deem just.

Parties:

2. Ignite is a consumer goods company incorporated pursuant to the laws of the Province of British Columbia with its head office in Vaughan, Ontario. Ignite operated in the cannabis industry, collecting royalties from the sales of tetrahydrocannabinol (“THC”) and cannabidiol (“CBD”) products produced by partners through select distributors, retailers, and online. Ignite is a wholly owned subsidiary of Ignite International Brands, Ltd., which is a publicly traded company engaged in the sale of consumer products globally. Shares of Ignite International Brands, Ltd. are listed on the Canadian Securities Exchange (“CSE”) under the symbol “BILZ” and quoted in the United States on the OTCQX under the symbol “BILZF”.

3. Ignite’s business includes branding, marketing, licensing, sales, and distribution of premier products, including cannabis, in permissible cannabis sectors across Canada, the United States and other jurisdictions. The Ignite brand is established internationally and recognized for its premium products. To achieve its business objectives, Ignite leverages strategic licensing and supply chain partnerships with quality partners in each of its target markets.

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4. The Defendant, Radicle, is a corporation incorporated under the laws of Ontario with its head office in Hamilton, Ontario. Radicle is a licensed producer of cannabis products under the *Cannabis Act*, including THC and CBD products. Radicle received its licensing from Health Canada in 2017 (cultivation) and 2018 (grow and sales). Radicle's Hydroponic Facility is a 40,000 square foot agricultural facility it uses to produce cannabis products in Hamilton, Ontario. On March 25, 2021, Radicle changed its name to Noya Cannabis Inc. This corporate entity is referred to as Radicle herein.

Background: Ignite's Business in the Canadian Cannabis Market:

5. Ignite was founded as a premium global cannabis brand. Ignite selectively partners with the most experienced cultivators, manufacturers and processors to deliver premium cannabis and CBD products worldwide.

6. In October 2018, Canada legalized the use of cannabis by adults. Canada was the second nationally legal cannabis market and the first in North America. The Canadian cannabis market developed and expanded rapidly after cannabis was legalized in the fall of 2018.

7. Ignite decided to enter the Canadian cannabis market to distribute and sell its products. Ignite's shares were listed and traded on the CSE. Ignite assembled a team of experienced industry-leading professionals focused on leveraging strategic partnerships and building the Ignite brand in Canada.

8. In late 2018 and early 2019, Ignite began looking for a Canadian partner to produce and sell its products in Canada. In selecting a partner, Ignite considered potential partners' reputation in the Canadian marketplace. Ignite also considered potential partners' internal capabilities

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including indoor and outdoor cultivation, dealing with regulation and regulators, access to capital funding, the strength of their leadership team, and the ability to successfully market Ignite's brands in the Canadian cannabis marketplace.

9. Under the Canadian Cannabis regime, Ignite was required to sell and distribute its products through a licensed producer under the *Cannabis Act*. By the fall of 2020, Ignite sought a new licensed producer and identified Radicle as a candidate to sell and distribute Ignite's cannabis and CBD products in Canada.

Ignite's Sales and Distribution Agreement with Radicle:

10. Ignite and Radicle entered into the Sales and Distribution Agreement on November 5, 2020, pursuant to which Ignite granted Radicle the non-exclusive right to market and solicit orders for Ignite products, namely dried cannabis, cannabis and/or hemp extracts, distillates, cannabis-containing edibles, cannabis-containing topicals, and other products as agreed (the "**Branded Cannabis Products**").

11. Radicle agreed to market and promote the Branded Cannabis Products and work with third party processors to manufacture and distribute the Branded Cannabis Products. The Branded Cannabis Products would be sold by Radicle using Ignite's trademarks in the Canadian retail market.

12. On November 5, 2020, Ignite and Radicle entered into the Sales and Distribution Agreement, which had a term of 2 years. On November 18, 2020, Ignite issued a press release announcing its national distribution agreement with Radicle.

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13. In choosing to partner with Radicle, Ignite was assured that its branded products would be at the forefront of “Cannabis 2.0” products in Canada as Radicle had received approval from the British Columbia Liquor Distribution Branch (“**BCLDB**”), the Alberta Gaming, Liquor & Cannabis Commission (“**AGLC**”) and the Ontario Cannabis Retail Corporation operating as the Ontario Cannabis Store (“**OCS**”) to offer these products, which included cannabis edibles, cannabis-infused beverages and extracts, among others.

14. In the months that followed after the parties entered into the Sales and Distribution Agreement, Ignite experienced difficulties with Radicle holding back funds that it was not entitled to. Ignite expressed its frustration on several occasions.

15. Ignite made an advance payment to Radicle of \$1,000,000 on November 17, 2020 upon the execution of the Sales and Distribution Agreement (the “**Advance Payment**”) pursuant to 4(c) of the Sales and Distribution Agreement. The commission fees under s. 4(a), as well as payments owing from any other services provided by Radicle, were to be applied to the Advance Payment until it was paid in full.

Radicle’s Breach of the Sales and Distribution Agreement:

16. Radicle breached section 4(d) of the Sales and Distribution Agreement by failing to pay Ignite cash it received in June and July of 2021 from sales of Branded Cannabis Products to the BCLDB.

17. Pursuant to s. 4(a) of the Sales and Distribution Agreement, Ignite was to pay to Radicle a commission fee equal to 5% of net revenues received from Canadian customers obtained through Radicle’s efforts (the “**Commission Fees**”). Net revenues included invoices less returns, sales

would deem the Sales and Distribution Agreement terminated for material breach pursuant to s. 6(b).

23. Radicle knew or ought to have known that some Branded Cannabis Products from its June and July 2021 sale would be returned by the BCLDB as a result of Radicle's delay, given the fact that the Branded Cannabis Products had aged significantly prior to the sale. Radicle failed to inform Ignite that it suspected the BCLDB would return some of the Branded Cannabis Products. Ignite was not aware of the risk to its products that had been caused by Radicle.

24. The BCLDB in fact notified Radicle that a portion of Branded Cannabis Products that it had sold earlier in 2021 would be returned in May of 2021. Radicle obtained an extension to delay the return of the Branded Cannabis Products until October. Radicle waited five months, until October 14, 2021, to advise Ignite that the BCLDB had determined that it would return some of the Branded Cannabis Products it had been sold.

25. On October 13, 2021, Ignite announced that it would be discontinuing its cannabis business in Canada, in part due to the Canadian government's restrictions of the marketing, sales and distribution of cannabis.

26. The BCLDB subsequently informed Radicle that it would be returning approximately \$350,000 worth of Branded Cannabis Products, which represented the entirety of its inventory relating to Ignite (the "**Returned Product**"). Radicle proposed a price reduction for the Branded Cannabis Products through to the end of October 2021, but this was rejected by the BCLDB. Ignite was very surprised at this development.

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32. Radicle converted Ignite's funds from the Advance Payment and used the funds to renovate Radicle's 40,000 square foot Radicle Hydroponic Facility in Hamilton, Ontario. Ignite has an interest in the Radicle Hydroponic Facility by way of constructive trust.

The Defendants are Unjustly Enriched

33. By virtue of the facts set out above, the Defendants have been unjustly enriched by their wrongful acts. The Plaintiffs suffered a corresponding deprivation as a result of the Defendants' wrongful acts. There was no juristic reason for Defendants' enrichment and the Plaintiffs are entitled to a constructive trust with respect to such enrichment.

Damages:

34. By reason of the facts pleaded herein, Radicle is liable to Ignite for breach of contract. Ignite committed substantial time, money and resources to the marketing and distribution plan contemplated by the Restated Agreement. Radicle demonstrated that it was completely incapable of distributing the Branded Cannabis Products and delivering what it had represented and warranted it was able to do.

35. Ignite proposes that this action be heard in Toronto, Ontario.

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.**-and-****NOYA CANNABIS INC., formerly RADICLE MEDICAL
MARIJUANA INC. a.k.a RADICAL MEDICAL MARIJUANA
INC.**

Plaintiff

Defendant

**ONTARIO
SUPERIOR COURT OF JUSTICE**PROCEEDING COMMENCED AT
TORONTO**STATEMENT OF CLAIM****WEINTRAUB ERSKINE HUANG LLP**

Barristers

365 Bay Street, Suite 501

Toronto, ON M5H 2V1

Fax: 416.306.8451

Sara J. Erskine (LSO# 46856G)

sara.erskine@wehLitigation.com

Tel: 416-597-5408

Vincent DeMarco (LSO# 72851D)

vincent.demarco@wehLitigation.com

Tel: 416-306-8453

Lawyers for the Plaintiff

RULE/LA RÈGLE 26.02 (B)

THE ORDER OF _____
L'ORDONNANCE DU _____
DATED/FAIT LE _____

Court File No. CV-21-00673047-0000

M. Godwin Michelle Godwin
REGISTRAR / GREFFIER
SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff

and

**NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a RADICAL MEDICAL MARIJUANA INC.**

Defendant

AMENDED STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

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-2-

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date : 02-Dec-2021 Issued by "issued electronically"
Local Registrar

Address of court office: **Superior Court of Justice**
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: **Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc.**
90 Beach Rd
Hamilton ON
L8L 8K3

CLAIM

1. The Plaintiff Ignite International Brands (Canada), Ltd. (“**Ignite**”), claims:
 - (a) damages against Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a Radical Medical Marijuana Inc. (“**Noya**”) for breach of contract, breach of honest and good faith performance of contract, conversion and/or unjust enrichment in the amount of \$957,537.39, representing the Advance Payment made by Noya to Ignite pursuant to s. 4(c) of the November 5, 2020 Sales and Distribution Agreement between Ignite and Noya and for which Noya was unjustly enriched (the “**Sales and Distribution Agreement**”);
 - (b) damages against Noya for breach of contract and breach of the honest and good faith performance of contract in the amount of \$537,000, which Noya failed to pay to Ignite in breach of s. 4(d) of the Sales and Distribution Agreement;
 - (bb) recession of the Sales and Distribution Agreement and restoration of the parties to the status quo ante including the return of the Advance Payment in the amount of \$1,000,000 and payment for the sale of Ignite product in the amount of \$537,000;
 - (c) a declaration that Ignite has an interest in the property municipally known as 90 Beach Road, Hamilton, ON L8L 8K3 and legally described as LT 37-45 PL 410 BARTON; HAMILTON, being PIN 17218-0080 (“**Noya’s Hydroponic Facility**”);
 - (d) leave to issue a Certificate of Pending Litigation (“**CPL**”) against title to Noya’s Hydroponic Facility;

-4-

- (e) punitive, exemplary and/or aggravated damages in the amount of \$500,000;
- (f) additional damages to be determined at trial;
- (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) post judgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (i) the costs of this proceeding, plus all applicable taxes; and
- (j) Such further and other relief as this Honourable Court may deem just.

Parties:

2. Ignite is a consumer goods company incorporated pursuant to the laws of the Province of British Columbia with its head office in Vaughan, Ontario. Ignite operated in the cannabis industry, collecting royalties from the sales of tetrahydrocannabinol (“THC”) and cannabidiol (“CBD”) products produced by partners through select distributors, retailers, and online. Ignite is a wholly owned subsidiary of Ignite International Brands, Ltd., which is a publicly traded company engaged in the sale of consumer products globally. Shares of Ignite International Brands, Ltd. are listed on the Canadian Securities Exchange (“CSE”) under the symbol “BILZ” and quoted in the United States on the OTCQX under the symbol “BILZF”.

3. Ignite’s business includes branding, marketing, licensing, sales, and distribution of premier products, including cannabis, in permissible cannabis sectors across Canada, the United States and other jurisdictions. The Ignite brand is established internationally and recognized for its premium

products. To achieve its business objectives, Ignite leverages strategic licensing and supply chain partnerships with quality partners in each of its target markets.

4. The Defendant, Noya, is a corporation incorporated under the laws of Ontario with its head office in Hamilton, Ontario. Noya is a licensed producer of cannabis products under the *Cannabis Act*, including THC and CBD products. Noya received its licensing from Health Canada in 2017 (cultivation) and 2018 (grow and sales). Noya's Hydroponic Facility is a 40,000 square foot agricultural facility it uses to produce cannabis products in Hamilton, Ontario. On March 25, 2021, Noya changed its name to Noya Cannabis Inc. This corporate entity is referred to as Noya herein.

Background: Ignite's Business in the Canadian Cannabis Market:

5. Ignite was founded as a premium global cannabis brand. Ignite selectively partners with the most experienced cultivators, manufacturers and processors to deliver premium cannabis and CBD products worldwide.

6. In October 2018, Canada legalized the use of cannabis by adults. Canada was the second nationally legal cannabis market and the first in North America. The Canadian cannabis market developed and expanded rapidly after cannabis was legalized in the fall of 2018.

7. Ignite decided to enter the Canadian cannabis market to distribute and sell its products. Ignite's shares were listed and traded on the CSE. Ignite assembled a team of experienced industry-leading professionals focused on leveraging strategic partnerships and building the Ignite brand in Canada.

8. In late 2018 and early 2019, Ignite began looking for a Canadian partner to produce and sell its products in Canada. In selecting a partner, Ignite considered potential partners' reputation

13. In choosing to partner with Noya, Ignite was assured that its branded products would be at the forefront of “Cannabis 2.0” products in Canada as Noya had received approval from the British Columbia Liquor Distribution Branch (“**BCLDB**”), the Alberta Gaming, Liquor & Cannabis Commission (“**AGLC**”) and the Ontario Cannabis Retail Corporation operating as the Ontario Cannabis Store (“**OCS**”) to offer these products, which included cannabis edibles, cannabis-infused beverages and extracts, among others.

14. In the months that followed after the parties entered into the Sales and Distribution Agreement, Ignite experienced difficulties with Noya holding back funds that it was not entitled to. Ignite expressed its frustration on several occasions.

15. Ignite made an advance payment to Noya of \$1,000,000 on November 17, 2020 upon the execution of the Sales and Distribution Agreement (the “**Advance Payment**”) pursuant to 4(c) of the Sales and Distribution Agreement. The commission fees under s. 4(a), as well as payments owing from any other services provided by Noya, were to be applied to the Advance Payment until it was paid in full.

15.(i) Ignite agreed to make the Advance Payment because Noya alleged that they had insufficient working capital and significant debt that could be called as a result of Noya working with Ignite. Ignite wanted to ensure that Noya was able to make excise payments and other payments that would allow Noya to fulfill its obligations under the Sales and Distribution Agreement as sales ramped up.

15.(ii) For the first time, in its statement of defence, Noya claimed that in fact the Advance Payment was to be compensation for work done by Noya.

15.(iii) Ignite pleads that Noya misrepresented what the Advance Payment was for and how it was to be used and that this was a material and substantial misrepresentation which entitles Ignite to rescission of the Sales and Distribution Agreement and the return of the Advance Payment.

15.(iv) Ignite pleads that the Sales and Distribution Agreement was void *ab initio*.

Noya's Breach of the Sales and Distribution Agreement:

16. Noya breached section 4(d) of the Sales and Distribution Agreement by failing to pay Ignite cash it received in June and July of 2021 from sales of Branded Cannabis Products to the BCLDB.

17. Pursuant to s. 4(a) of the Sales and Distribution Agreement, Ignite was to pay to Noya a commission fee equal to 5% of net revenues received from Canadian customers obtained through Noya's efforts (the "**Commission Fees**"). Net revenues included invoices less returns, sales taxes, excise taxes and other regulatory fees related to the sale of Branded Cannabis Products (the "**Net Revenues**").

18. Noya was to provide Ignite with payment of cash it received for Net Revenues less its Commission Fees on the 10th day of the month for funds received from customers in the previous month pursuant to s. 4(d) of the Sales and Distribution Agreement.

19. In or about June and July of 2021, Noya sold Branded Cannabis Products to the BCLDB in the amount of \$537,000 and received payment from the BCLDB. Noya did not file the requisite paperwork with the BCLDB in a timely fashion and delayed its sale of the Branded Cannabis Products to the BCLDB. Noya failed to respond to action item requests given by the BCLDB.

20. Despite receiving payment from the BCLDB, Noya failed to make the payment it received for Net Revenues less Commission Fees to Ignite pursuant to s. 4(d) of the Sales and Distribution Agreement, which amounted to \$537,000 (the “**Outstanding Cash Payment**”). For months, Ignite made repeated demands for the Outstanding Cash Payment.

21. Pursuant to s. 6(b) of the Sales and Distribution Agreement, either party may terminate the agreement in the event the other party has materially breached or defaulted in the performance of any of its obligations, where such default or breach is not remedied within ten (10) business days after receipt of written notice thereof by the other party.

22. On October 5, 2021, Ignite wrote to Noya regarding the Outstanding Cash Payment and provided notice of material breach of section 4(d) of the Sales and Distribution Agreement. Ignite indicated that if Noya did not provide the Outstanding Cash Payment within 10 days, that Ignite would deem the Sales and Distribution Agreement terminated for material breach pursuant to s. 6(b).

23. Noya knew or ought to have known that some Branded Cannabis Products from its June and July 2021 sale would be returned by the BCLDB as a result of Noya's delay, given the fact that the Branded Cannabis Products had aged significantly prior to the sale. Noya failed to inform Ignite that it suspected the BCLDB would return some of the Branded Cannabis Products. Ignite was not aware of the risk to its products that had been caused by Noya.

24. The BCLDB in fact notified Noya that a portion of Branded Cannabis Products that it had sold earlier in 2021 would be returned in May of 2021. Noya obtained an extension to delay the return of the Branded Cannabis Products until October. Noya waited five months, until October

breach of the Sales and Distribution Agreement despite the termination of the Sales and Distribution Agreement.

30. It is not clear whether Ignite will be able to repack and/or resell the Branded Cannabis Products that were returned by the BCLDB. Noya is liable to Ignite for causing the BCLDB to return the Branded Cannabis Products.

The Return of the Advance Payment and Noya's Hamilton Hydroponic Facility:

31.(i) Ignite pleads that the Sales and Distribution Agreement is subject to rescission. This entitles Ignite to be restored to its position *status quo ante*. This would entitle Ignite to payment of \$537,000 for the sale of the Ignite product and the return of the Advance Payment.

31. In addition to the alternative, Ignite is owed \$537,000 owed for breach of s. 4(d) of the Sales and Distribution Agreement, and Noya owes Ignite \$957,537.39, being the remaining balance of the Advance Payment made by Ignite to Noya under s. 4(c).

32. Noya converted Ignite's funds from the Advance Payment and used the funds to renovate Noya's 40,000 square foot Noya Hydroponic Facility in Hamilton, Ontario. Ignite has an interest in the Noya Hydroponic Facility by way of constructive trust.

The Defendants are Unjustly Enriched

33. By virtue of the facts set out above, the Defendants have been unjustly enriched by their wrongful acts. The Plaintiffs suffered a corresponding deprivation as a result of the Defendants' wrongful acts. There was no juristic reason for Defendants' enrichment and the Plaintiffs are entitled to a constructive trust with respect to such enrichment.

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

-and-

**NOYA CANNABIS INC., formerly RADICLE MEDICAL
MARIJUANA INC. a.k.a RADICAL MEDICAL MARIJUANA**

Plaintiff

**IN
Defenda**

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

AMENDED STATEMENT OF CLAIM

ORMSTON LIST FRAWLEY LLP

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Lawyers for the Plaintiff

SCHEDULE "A"

Court File No. CV-21-00673047-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff

and

NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a RADICAL MEDICAL MARIJUANA INC. and
NOYA HOLDINGS INC., FORMERLY RADICLE CANNABIS HOLDINGS INC.

Defendants

AMENDED AMENDED STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, **WITHIN TWENTY DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL

FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar

Address of **Superior Court of Justice**
court office: 330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: **Noya Cannabis Inc.,**
formerly Radicle Medical Marijuana Inc.
a.k.a Radical Medical Marijuana Inc.
90 Beach Rd
Hamilton ON L8L 8K3

AND
TO: **Noya Holdings Inc.**
formerly Radicle Cannabis Holdings Inc.
90 Beach Rd
Hamilton ON L8L 8K3

CLAIM

1. The Plaintiff Ignite International Brands (Canada), Ltd. ("**Ignite**"), claims:
 - (a) damages against Noya Cannabis Inc. ("**Noya Cannabis**"), formerly Radicle Medical Marijuana Inc. a.k.a Radical Medical Marijuana Inc. and Noya Holdings Inc., formerly Radicle Cannabis Holdings Inc. ("**Noya Holdings**") (**collectively "Noya"**) for breach of contract, breach of honest and good faith performance of contract, conversion and/or unjust enrichment in the amount of \$957,537.39, representing the Advance Payment made by ~~Noya~~ to Ignite to Noya pursuant to s. 4(c) of the November 5, 2020 Sales and Distribution Agreement between Ignite and Noya and for which Noya was unjustly enriched (the "**Sales and Distribution Agreement**");
 - (b) damages against Noya for breach of contract and breach of the honest and good faith performance of contract in the amount of \$537,000, which Noya failed to pay to Ignite in breach of s. 4(d) of the Sales and Distribution Agreement;
 - (bb) rescission of the Sales and Distribution Agreement and restoration of the parties to the *status quo ante* including the return of the Advance Payment in the amount of \$1,000,000 and payment for the sale of Ignite product in the amount of \$537,000;
 - (c) a declaration that Ignite has an interest in the property municipally known as 90 Beach Road, Hamilton, ON L8L 8K3 and legally described

-4-

as LT 37-45 PL 410 BARTON; HAMILTON, being PIN 17218-0080
(**Noya's Hydroponic Facility**);

- (d) ~~leave to issue a Certificate of Pending Litigation (“CPL”) against title to Noya's Hydroponic Facility;~~
- (e) punitive, exemplary and/or aggravated damages in the amount of \$500,000;
- (f) additional damages to be determined at trial;
- (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) post judgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (i) the costs of this proceeding, plus all applicable taxes; and
- (j) Such further and other relief as this Honourable Court may deem just.

Parties:

2. Ignite is a consumer goods company incorporated pursuant to the laws of the Province of British Columbia with its head office in Vaughan, Ontario. Ignite operated in the cannabis industry, collecting royalties from the sales of tetrahydrocannabinol (“**THC**”) and cannabidiol (“**CBD**”) products produced by partners through select distributors, retailers, and online. Ignite is a wholly owned subsidiary of Ignite International Brands, Ltd., which is a publicly traded company engaged in the sale of consumer products globally. Shares of Ignite International Brands, Ltd. are listed on the Canadian Securities

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Exchange (“CSE”) under the symbol “BILZ” and quoted in the United States on the OTCQX under the symbol “BILZF”.

3. Ignite’s business includes branding, marketing, licensing, sales, and distribution of premier products, including cannabis, in permissible cannabis sectors across Canada, the United States and other jurisdictions. The Ignite brand is established internationally and recognized for its premium products. To achieve its business objectives, Ignite leverages strategic licensing and supply chain partnerships with quality partners in each of its target markets.

4. The Defendant, Noya Cannabis, is a corporation incorporated under the laws of Ontario with its head office in Hamilton, Ontario. Noya is a licensed producer of cannabis products under the *Cannabis Act*. Noya received its licensing from Health Canada in 2017 (cultivation) and 2018 2019 (growth and sales). Noya’s Hydroponic Facility is a 40,000 square foot agricultural facility it uses to produce cannabis products in Hamilton, Ontario. On March 25, 2021, Noya changed its name to Noya Cannabis Inc. ~~This corporate entity is referred to as Noya herein. Noya Cannabis is a wholly owned subsidiary of Noya Holdings, a corporation incorporated under the laws of Ontario with its registered office in Toronto, Ontario.~~

Background: Ignite’s Business in the Canadian Cannabis Market:

5. Ignite was founded as a premium global cannabis brand. Ignite selectively partners with the most experienced cultivators, manufacturers and processors to deliver premium cannabis and CBD products worldwide.

6. In October 2018, Canada legalized the use of cannabis by adults. Canada was the second nationally legal cannabis market and the first in North America. The Canadian cannabis market developed and expanded rapidly after cannabis was legalized in the fall of 2018.

7. Ignite decided to enter the Canadian cannabis market to distribute and sell its products. Ignite's shares were listed and traded on the CSE. Ignite assembled a team of experienced industry-leading professionals focused on leveraging strategic partnerships and building the Ignite brand in Canada.

8. In late 2018 and early 2019, Ignite began looking for a Canadian partner to produce and sell its products in Canada. In selecting a partner, Ignite considered potential partners' reputation in the Canadian marketplace. Ignite also considered potential partners' internal capabilities including indoor and outdoor cultivation, dealing with regulation and regulators, access to capital funding, the strength of their leadership team, and the ability to successfully market Ignite's brands in the Canadian cannabis marketplace.

9. Under the Canadian Cannabis regime, Ignite was required to sell and distribute its products through a licensed producer under the *Cannabis Act*. By the fall of 2020, Ignite sought a new licensed producer and identified Noya as a candidate to sell and distribute Ignite's cannabis and CBD products in Canada.

Ignite's Sales and Distribution Agreement with Noya:

10. Ignite and Noya entered into the Sales and Distribution Agreement on November 5, 2020, pursuant to which Ignite granted Noya the non-exclusive right to market and solicit orders for Ignite products, namely dried cannabis, cannabis and/or hemp extracts, distillates, cannabis-containing edibles, cannabis-containing topicals, and other products as agreed (the "**Branded Cannabis Products**").

11. Noya agreed to market and promote the Branded Cannabis Products and work with third party processors to manufacture and distribute the Branded Cannabis Products. The Branded Cannabis Products would be sold by Noya using Ignite's trademarks in the Canadian retail market.

12. On November 5, 2020, Ignite and Noya entered into the Sales and Distribution Agreement, which had a term of 2 years. On November 18, 2020, Ignite issued a press release announcing its national distribution agreement with Noya.

13. In choosing to partner with Noya, Ignite was assured that its branded products would be at the forefront of "Cannabis 2.0" products in Canada as Noya had received approval from the British Columbia Liquor Distribution Branch ("**BCLDB**"), the Alberta Gaming, Liquor & Cannabis Commission ("**AGLC**") and the Ontario Cannabis Retail Corporation operating as the Ontario Cannabis Store ("**OCS**") to offer these products. ~~which included cannabis edibles, cannabis-infused beverages and extracts, among~~
~~others.~~

14. In the months that followed after the parties entered into the Sales and Distribution Agreement, Ignite experienced difficulties with Noya holding back funds that it was not entitled to. Ignite expressed its frustration on several occasions.

15. Ignite made an advance payment to Noya of \$1,000,000 on November 17, 2020 upon the execution of the Sales and Distribution Agreement (the "**Advance Payment**") pursuant to 4(c) of the Sales and Distribution Agreement. The commission fees under s. 4(a), as well as payments owing from any other services provided by Noya, were to be applied to the Advance Payment until it was paid in full.

15.(i) Ignite agreed to make the Advance Payment because Noya alleged that they had insufficient working capital and significant debt that could be called as a result of Noya working with Ignite. Ignite wanted to ensure that Noya was able to make excise payments and other payments that would allow Noya to fulfill its obligations under the Sales and Distribution Agreement as sales ramped up.

15.(ii) For the first time, in its statement of defence, Noya claimed that in fact the Advance Payment was to be compensation for work done by Noya.

15.(iii) Ignite pleads that Noya misrepresented what the Advance Payment was for and how it was to be used and that this was a material and substantial misrepresentation which entitles Ignite to rescission of the Sales and Distribution Agreement and the return of the Advance Payment.

15.(iv) Ignite pleads that the Sales and Distribution Agreement was void *ab initio*.

Noya's Breach of the Sales and Distribution Agreement:

16. Noya breached section 4(d) of the Sales and Distribution Agreement by failing to pay Ignite cash it received in June and July of 2021 from sales of Branded Cannabis Products to the BCLDB.

17. Pursuant to s. 4(a) of the Sales and Distribution Agreement, Ignite was to pay to Noya a commission fee equal to 5% of net revenues received from Canadian customers obtained through Noya's efforts (the "**Commission Fees**"). Net revenues included invoices less returns, sales taxes, excise taxes and other regulatory fees related to the sale of Branded Cannabis Products (the "**Net Revenues**").

18. Noya was to provide Ignite with payment of cash it received for Net Revenues less its Commission Fees on the 10th day of ~~the~~ each calendar month for funds received from customers in the previous month pursuant to s. 4(d) of the Sales and Distribution Agreement.

19. In or about June and July of 2021, Noya sold a portion of the Branded Cannabis Products to the BCLDB in the amount of \$537,000 and received payment from the BCLDB. Noya did not file the requisite paperwork with the BCLDB in a timely fashion and unnecessarily delayed ~~its~~ this sale of the Branded Cannabis Products to the BCLDB. Noya failed to respond to action item requests given by the BCLDB.

20. Despite receiving payment from the BCLDB, Noya failed to make the payment it received for Net Revenues less Commission Fees to Ignite pursuant to s. 4(d) of the Sales and Distribution Agreement, which amounted to \$537,000 (the "**Outstanding Cash**

Payment”). For months, Ignite made repeated demands for the Outstanding Cash Payment.

21. Pursuant to s. 6(b) of the Sales and Distribution Agreement, either party may terminate the agreement in the event the other party has materially breached or defaulted in the performance of any of its obligations, where such default or breach is not remedied within ten (10) business days after receipt of written notice thereof by the other party.

22. On October 5, 2021, Ignite wrote to Noya regarding the Outstanding Cash Payment and provided notice of material breach of section 4(d) of the Sales and Distribution Agreement. Ignite indicated that if Noya did not provide the Outstanding Cash Payment within 10 days, ~~that~~ Ignite would deem the Sales and Distribution Agreement terminated for material breach pursuant to s. 6(b).

23. Noya knew or ought to have known that some Branded Cannabis Products from its June and July 2021 sale would be returned by the BCLDB as a result of Noya's delay, given the fact that the Branded Cannabis Products had aged significantly prior to the sale. Noya failed to inform Ignite that it suspected the BCLDB would return some of the Branded Cannabis Products. Ignite was not aware of the risk to its products that had been caused by Noya.

24. The BCLDB in fact notified Noya that a portion of Branded Cannabis Products that it had sold earlier in 2021 would be returned in May of 2021. Noya obtained an extension to delay the return of the Branded Cannabis Products until October. Noya waited five months, until October 14, 2021, to advise Ignite that the BCLDB had determined that it would return some of the Branded Cannabis Products it had been sold.

25. On October 13, 2021, Ignite announced that it would be discontinuing its cannabis business in Canada, in part due to the Canadian government's restrictions of the marketing, sales and distribution of cannabis.

26. The BCLDB subsequently informed Noya that it would be returning approximately \$350,000 worth of Branded Cannabis Products, which represented the entirety of its inventory relating to Ignite (the "**Returned Product**"). Noya proposed a price reduction for the Branded Cannabis Products through to the end of October 2021, but this was rejected by the BCLDB. Ignite was very surprised at this development.

27. Ignite estimates that the current fair market value of the Returned Product is now only \$50,000 – \$75,000 given its age. It is not known whether or not the Returned Product can be resold.

28. The Sales and Distribution Agreement was terminated by Ignite on October 25, 2021 due to Noya's breach. In correspondence dated October 25, 2021, counsel for Ignite advised Noya that it had failed to remedy its breach of s. 4(d) by October 20, 2021, 10 business days after Ignite's October 5, 2021 correspondence wherein Ignite had advised Noya of its material breach for failure to provide the Outstanding Cash Payment.

29. Pursuant to s. 6(c) of the Sales and Distribution Agreement, the termination of the agreement does not release any party from liability which at the time of such termination had already accrued to the other party, including under any payments owing pursuant to Section 4, or which is attributable to a period prior to such expiry or termination. Noya is

liable to Ignite for its breach of the Sales and Distribution Agreement despite the termination of the Sales and Distribution Agreement.

30. It is not clear whether Ignite will be able to repackage and/or resell the Branded Cannabis Products that were returned by the BCLDB. Noya is liable to Ignite for causing the BCLDB to return the Branded Cannabis Products.

The Return of the Advance Payment and Noya's Hamilton Hydroponic Facility:

31.(i) Ignite pleads that the Sales and Distribution Agreement is subject to rescission. This entitles Ignite to be restored to its position *status quo ante*. This would entitle Ignite to payment of \$537,000 for the sale of the Ignite product and the return of the Advance Payment.

31. In addition to the alternative, Ignite is owed \$537,000 owed for breach of s. 4(d) of the Sales and Distribution Agreement, and Noya owes Ignite \$957,537.39, being the remaining balance of the Advance Payment made by Ignite to Noya under s. 4(c).

32. Noya converted Ignite's funds from the Advance Payment and used the funds to renovate Noya's 40,000 square foot Noya Hydroponic Facility in Hamilton, Ontario. Ignite has an interest in the Noya Hydroponic Facility by way of constructive trust.

The Defendants are Unjustly Enriched

33. By virtue of the facts set out above, the Defendants have been unjustly enriched by their wrongful acts. The Plaintiffs suffered a corresponding deprivation as a result of

the Defendants' wrongful acts. There was no juristic reason for Defendants' enrichment and the Plaintiffs are entitled to a constructive trust with respect to such enrichment.

Damages:

34. By reason of the facts pleaded herein, Noya is liable to Ignite for breach of contract. Ignite committed substantial time, money and resources to the marketing and distribution plan contemplated by the ~~Restated~~ Sales and Distribution Agreement. Noya demonstrated that it was completely incapable of distributing the Branded Cannabis Products and delivering what it had represented and warranted it was able to do.

35. Ignite proposes that this action be heard in Toronto, Ontario.

October 17, 2023

Tyr LLP

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Lawyers for the Plaintiff

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.
Plaintiff

-and-

NOYA CANNABIS INC., et al
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

AMENDED AMENDED STATEMENT OF CLAIM

Tyr LLP

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Lawyers for the Plaintiff

Court File No. CV-21-00673047-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff/
Defendant by Counterclaim

and

NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a. RADICAL MEDICAL MARIJUANA INC.

Defendant/
Plaintiff by Counterclaim

STATEMENT OF DEFENCE AND COUNTERCLAIM

1. The Defendant, Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a. Radical Medical Marijuana Inc. ("Noya") admits the allegations contained in paragraphs 4, 6, 10, 12, and 35 of the Statement of Claim.
2. Noya denies the allegations contained paragraphs 9, 11, 13, 14, 15, 16, 19, 20, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, and 34.
3. Noya is otherwise unable to admit or has no knowledge of the remainder of the allegations contained in the Statement of Claim.

Background

4. The Plaintiff, Ignite International Brands (Canada), is a consumer packaged goods company incorporated pursuant to the laws of British Columbia and Ontario.

- 2 -

5. Noya is a licensed producer under the *Cannabis Act*, S.C. 2018, c. 16. Noya operates from a Health Canada licensed premises which it leases at 90 Beach Road in Hamilton, Ontario. The leased property is owned by an arm's length company, 1540874 Ontario Ltd.

6. Since obtaining its cultivation and sales licenses from Health Canada in 2017 and 2018, respectively, Noya has forged strong relationships with many provincial government bodies responsible for the distribution of cannabis products in several provinces Canada-wide.

7. In or around late 2019, Noya was introduced to Gene Bernaudo, then Global Head of Cannabis (and subsequent Chief Executive Officer) of Ignite's parent company, Ignite International Brands, Ltd. At that time, Ignite sought to purchase bulk cannabis products from Noya in anticipation of Ignite entering into a licencing agreement for its products with CannMart Inc. ("**CannMart**" and the "**CannMart Agreement**"), a licensed producer to whom the bulk cannabis products were ultimately sold.

8. Beginning in or around June or July 2020, however, Ignite experienced difficulties in its contractual relationship with CannMart, and sought Noya's assistance to distribute their products in Canada. Without the assistance of a licensed producer, such as CannMart or Noya, Ignite could not offer its cannabis products for sale in Canada as it was not licensed to do so.

9. On or around October 2, 2020, Ignite terminated the CannMart Agreement. Notwithstanding Ignite's termination of the CannMart Agreement, a significant amount of Ignite's products remained in the market with provincial retail boards in Ontario and British Columbia under CannMart's stock-keeping units (SKUs).

- 3 -

10. Following Ignite's termination of the CannMart Agreement, and at Ignite's request, Ignite and Noya engaged in negotiations to enter into an agreement whereby Noya would distribute Ignite's products to provincial retail boards in Canada.

11. Ignite represented to Noya that Ignite would generate approximately \$56 million in sales in 2021, and provided assurances to Noya that it would meet this sales target. In order to induce Noya to enter into an agreement, Ignite further offered to provide Noya with a \$1 million advance payment upon entering into an agreement with Ignite, which would be credited against future commissions to be paid to Noya.

12. Given Ignite's checkered history in Canada, the \$1 million advance payment would also ensure Noya would be compensated for the time and effort Noya would exert to repair deteriorated relationships with the provincial retail boards and list Ignite's products, as well as the potential risks to Noya's reputation in the event Ignite terminated the agreement. Based on Ignite's projected sales and a proposed 5% commission to be paid Noya, the advance payment to Noya represented approximately 4 months of Ignite's projected sales in 2021.

13. Noya and Ignite subsequently entered into a Sales and Distribution Agreement on November 5, 2020 ("**Agreement**") for a two-year term. Pursuant to the Agreement, Noya was granted the non-exclusive right to market and solicit orders for Ignite's products.

14. In accordance with Ignite's pre-contractual representations, section 4(c) of the Agreement further provided that Noya would receive a \$1 million advance payment upon execution of the Agreement ("**Advance Payment**"), which Noya received on or around November 17, 2020. Under the Agreement, the Advance Payment would only need to be repaid by Noya if Noya terminated the Agreement.

- 4 -

15. Noya spent a significant amount of time assisting Ignite with regulatory issues arising from its termination of the CannMart Agreement, as Ignite's branded products remained for sale under CannMart's SKUs but were now to be sold by Noya as per the Agreement. This delayed the listing of Ignite's products with provincial retail boards by Noya.

16. In fact, in mid-November 2020, Mr. Bernaudo advised Noya that Ignite had been delisted altogether from Ontario's online cannabis retailer, the Ontario Cannabis Store ("**OCS**"), because of the issues arising from its prior unsuccessful relationship with CannMart. The British Columbia Liquor Distribution Board ("**BCLDB**") expressed the same concerns as the OCS regarding CannMart SKUs remaining in the market.

Ignite's Operational Difficulties

17. Notwithstanding the issues Noya encountered following Ignite's termination of the CannMart Agreement, and after months of continued work and engagement by Noya with provincial retail boards, product listings in Ontario and British Columbia were obtained by April 2021 as per Ignite's direction.

18. However, Ignite's products were not competitively priced in either Ontario or British Columbia, and did not differ from brands already listed for sale in these provinces. This negatively affected Ignite's sales.

19. When purchase orders were placed by a provincial board retailer, Ignite repeatedly failed to fulfill these orders. This occurred on several occasions, and led provincial retail boards to seek assurances from Noya that Ignite's orders would be fulfilled as Ignite could not otherwise be trusted to fulfill orders. This, in turn, negatively affected Noya's relationship with provincial retail boards.

- 5 -

20. Noya repeatedly attempted to assist Ignite to stimulate product sales by recommending that Ignite hire dedicated sales representatives to liaise with retailers and provide price drops for their products, as well as ensure that product purchase orders were fulfilled promptly. Rarely did Ignite heed to Noya's advice. In fact, Ignite repeatedly refused to lower its prices for their products notwithstanding Noya's suggestions to do so which were based on, among other things, feedback Noya received from provincial retail boards as well as Noya's experience as a licenced producer, all of which was communicated to Ignite.

21. In or around June or July, 2021, the BCLDB warned Noya that certain of Ignite's products remained unsold, and would be returned to Noya by the applicable month unsellable dates established by the BCLDB. This was communicated to Ignite. Noya was nevertheless able to negotiate an extension of time for Ignite's products to remain listed with the BCLDB in order to provide retailers in British Columbia with additional time to purchase products from the BCLDB.

22. In or around mid-July, 2021, Ignite received complaints from Health Canada regarding Ignite's website and its marketing practices. Thereafter, and as a result, Ignite attempted to renegotiate the Agreement and Ignite wanted Noya to assume the role of maintaining Ignite's website to promote and market their products, among other things.

23. Ignite subsequently attempted to engage World Wide Brands, Inc. ("**World Wide**"), an online company that connects wholesalers with online retailers for various products, as a sales agent for Ignite's cannabis products. In doing so, Ignite requested Noya provide written approval authorizing World Wide to speak on Ignite's behalf with provincial board retailers. However, World Wide did not have a cannabis marketing license in order to legally promote Ignite's

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products, which Ignite and World Wide alike were unaware was required in order to legally market cannabis.

24. On or around August 11, 2021, Noya and Ignite participated in a telephone discussion with the OCS, whereby the OCS advised Ignite that it would not list Ignite's products due to poor performance and a lack of product variety. The OCS advised Ignite that Ignite's products were generally of the same strains of cannabis as more than 50 other brands listed with the OCS, and at a higher price point. The OCS also expressed concerns regarding Ignite's misogynistic branding, and the overall negative public perception of its brand.

25. On or around September 15, 2021, Noya's wholesaler partner in Saskatchewan issued a purchase order for Ignite's products in the amount of \$34,272.00. However, this purchase order was never fulfilled by Ignite.

26. On or around September 27, 2021, the OCS participated in another telephone call with Ignite, during which it was reiterated to Ignite that the OCS would not list Ignite's products for sale for the same reasons as indicated during the August 11th call.

27. On or around October 12, 2021, Ignite advised Noya that Ignite was ceasing its cannabis operations in Canada altogether. This came as a surprise to Noya, as Ignite never made any mention of its intention to leave the Canadian cannabis market to Noya beforehand.

28. In a news release dated October 13, 2021, Ignite International Brands, Ltd.'s CEO, Dan Bilzerian, cited Canada's many barriers to building a successful cannabis business as the reason for Ignite's exit from the Canadian cannabis market. Mr. Bilzerian stated that the Canadian government's excessive restrictions of the marketing, sales and distribution of products had

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diminished Ignite's business opportunity while simultaneously making the consumer experience less than optimal. Mr. Bilzerian further stated that Ignite would consider returning to the Canadian cannabis market when the Canadian government decided to remove and/or reduce the restrictions in marketing, sales and distribution, and allow the business community to properly serve consumers.

29. Shortly thereafter, the BCLDB advised Noya that it was returning Ignite's products to Noya ("**Returned Products**"). This was communicated to Ignite by Noya the following day on October 14, 2021. As a result, Noya was obligated to, and did, provide a refund to the BCLDB on account of the Returned Products.

30. Following Ignite's announced departure from Canada, Ignite terminated the Agreement by way of letter dated October 25, 2021, asserting Noya had committed a material breach of the Agreement which it failed to rectify by not making payment to Ignite for the Returned Products, notwithstanding that Noya was under an obligation to refund these amounts to the BCLDB, and the Agreement stipulated that any payments to Ignite would be less returns, sales taxes, excise taxes, and other similar regulatory fees related to the sales of Ignite's products.

31. Subsequent to Ignite's termination of the Agreement, Noya made repeated efforts in order to facilitate the release and retrieval of Ignite's products in Canada, including the Returned Products. However, and notwithstanding these efforts, Ignite has been non-responsive to Noya's repeated requests, which has further delayed the release and sale of Ignite's products.

Noya is not liable to Ignite

32. Noya denies that it breached any obligation to Ignite, in contract or otherwise. At all material times, Noya acted in good faith and in accordance with the Agreement to market and solicit orders for Ignite's products, and remitted all payments to Ignite in compliance with the Agreement.

33. Through no fault of Noya, Ignite failed to fulfill purchase orders from provincial retail boards to the detriment of Noya's relationship with provincial retail boards. Noya further pleads that Ignite's termination of the Agreement was precipitated by Ignite's business decision to exit the Canadian cannabis market, and was in no way related to Noya's performance of the Agreement, or alleged breach thereto.

34. Noya denies Ignite's interpretation of the terms of the Agreement as referenced in the Statement of Claim, and pleads that the terms of the Agreement speak for themselves.

35. Noya denies that Ignite is entitled to damages on account of the Advance Payment or the Outstanding Cash Payment (as that term is defined in the Statement of Claim), or any other amounts from Noya. Noya further denies that it is in any way responsible for any alleged diminished value of Ignite's products, given Ignite's failure to provide timely responses to Noya's requests to facilitate the delivery of the products to Ignite.

36. Noya further denies that Ignite has any interest whatsoever in Noya's leased premises, by way of constructive trust, or otherwise. Noya pleads that this Honourable Court should not grant Ignite leave to issue a Certificate of Pending Litigation against the leased premises.

- 9 -

37. Noya further denies that it has been unjustly enriched. Noya was not enriched to Ignite's corresponding deprivation. Noya pleads that the Agreement constitutes a juristic reason for all amounts received by Noya.

38. Noya further denies that Ignite has sustained any damages, and that Ignite is entitled to punitive, exemplary, or aggravated damages. If Ignite has sustained damages, those damages are excessive, unmitigated, too remote or are otherwise not recoverable at law.

39. In the further alternative, and if Ignite has sustained damages, which is denied, Noya pleads that it is entitled to set off the full amount of damages suffered in relation to the costs and expenses incurred for the work Noya performed under the Agreement, the harm to its business reputation, and for the promised sales commissions Noya would receive during the term of the Agreement against the amount otherwise alleged to be owing to Ignite under the Agreement. After set-off, no amount remains owing to Ignite. Noya pleads and relies upon the equitable doctrine of set-off, as well as section 111 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

40. Noya asks that this action be dismissed with costs.

COUNTERCLAIM

41. The Defendant/Plaintiff by Counterclaim, Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a. Radical Medical Marijuana Inc. ("**Noya**") claims:

- (a) a declaration that Noya is entitled to retain the balance of the Advance Payment (as that term is defined in the Statement of Defence);
- (b) in addition, damages in the sum of \$4,600,000.00 for breach of contract;
- (c) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (d) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*;
- (e) the costs of this proceeding, plus all applicable taxes; and,
- (f) such further and other Relief as to this Honourable Court may deem just.

42. Noya repeats and relies upon the allegations in the Statement of Defence in support of the Counterclaim.

43. Noya further pleads that in addition to the balance of the Advance Payment, Noya is entitled to damages on account of the promised sales commissions Noya would receive during the term of the Agreement. Noya requests that this Counterclaim be tried with the main action.

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February 28, 2022

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Lawyers for the Plaintiff

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff

-and-

NOYA CANNABIS INC., formerly RADICLE MEDICAL
MARIJUANA INC. a.k.a. RADICAL MEDICAL MARIJUANA
INC.

Defendant

Court File No. CV-21-00673047-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF DEFENCE AND COUNTERCLAIM

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AMENDED THIS Sep 4, 2023 PURSUANT TO
MODIFIÉ CE CONFORMÉMENT À

RULE/LA RÈGLE 26.02 (B)

Court File No. CV-21-00673047-0000

THE ORDER OF _____
L'ORDONNANCE DU _____
DATED / FAIT LE _____

ONTARIO

SUPERIOR COURT OF JUSTICE

REGISTRAR / CLERK OF COURT
C. J. T. W. BOE / CLERK OF COURT
SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff/
Defendant by Counterclaim

and

NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a. RADICAL MEDICAL MARIJUANA INC.

Defendant/
Plaintiff by Counterclaim

AMENDED STATEMENT OF DEFENCE AND COUNTERCLAIM

1. The Defendant, Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a. Radical Medical Marijuana Inc. ("Noya") admits the allegations contained in paragraphs 4, 6, 10, 12, and 35 of the Statement of Claim.

2. Noya denies the allegations contained paragraphs 9, 11, 13, 14, 15, 15(i), 15(ii), 15(iii), 15(iv), 16, 19, 20, 22, 23, 24, 25, 26, 27, 28, 30, 31, 31(i), 32, 33, and 34.

3. Noya is otherwise unable to admit or has no knowledge of the remainder of the allegations contained in the Statement of Claim.

Background

4. The Plaintiff, Ignite International Brands (Canada), is a consumer packaged goods company incorporated pursuant to the laws of British Columbia and Ontario.

5. Noya is a licensed producer under the *Cannabis Act*, S.C. 2018, c. 16. Noya operates from a Health Canada licensed premises which it leases at 90 Beach Road in Hamilton, Ontario. The leased property is owned by an arm's length company, 1540874 Ontario Ltd.

6. Since obtaining its cultivation and sales licenses from Health Canada in 2017 and 2018, respectively, Noya has forged strong relationships with many provincial government bodies responsible for the distribution of cannabis products in several provinces Canada-wide, as well as multiple reputable cannabis brands.

7. In or around late 2019, Noya was introduced to Gene Bernaudo, then Global Head of Cannabis (and subsequent President ~~Chief Executive Officer~~) of Ignite's parent company, Ignite International Brands, Ltd. At that time, Ignite sought to purchase bulk cannabis products from Noya in anticipation of Ignite entering into a licencing agreement for its products with CannMart Inc. ("**CannMart**" and the "**CannMart Agreement**"), a licensed producer to whom the bulk cannabis products were ultimately sold.

8. Beginning in or around June or July 2020, however, Ignite experienced difficulties in its contractual relationship with CannMart, and sought Noya's assistance to distribute their products in Canada. Without the assistance of a licensed producer, such as CannMart or Noya, Ignite could not offer its cannabis products for sale in Canada as it was not licensed to do so.

9. On or around October 2, 2020, Ignite terminated the CannMart Agreement. Notwithstanding Ignite's termination of the CannMart Agreement, a significant amount of Ignite's products remained in the market with provincial retail boards in Ontario and British Columbia under CannMart's stock-keeping units (SKUs).

10. Following Ignite's termination of the CannMart Agreement, and at Ignite's request, Ignite and Noya engaged in negotiations to enter into an agreement whereby Noya would distribute Ignite's products to provincial retail boards in Canada.

11. Ignite represented to Noya that Ignite would generate approximately \$56 million in sales in 2021, and provided assurances to Noya that it would meet this sales target. Noya was initially reluctant to enter into an agreement with Ignite, because of Ignite's previous history with other licensed producer(s) and the brand's negative market perception. In order to induce Noya to enter into an agreement, Ignite further offered to provide Noya with a \$1 million advance payment upon entering into an agreement with Ignite, which would be credited against future commissions to be paid to Noya.

12. Given Ignite's checkered history in Canada, the \$1 million advance payment would also ensure Noya would be compensated for the time and effort Noya would exert to repair deteriorated relationships with the provincial retail boards and list Ignite's products, as well as the potential risks to Noya's reputation in the event Ignite terminated the agreement. Based on Ignite's projected sales and a proposed 5% commission to be paid Noya, the advance payment to Noya represented approximately 4 months of Ignite's projected sales in 2021.

13. Noya and Ignite subsequently entered into a Sales and Distribution Agreement on November 5, 2020 ("**Agreement**") for a two-year term. Pursuant to the Agreement, Noya was granted the non-exclusive right to market and solicit orders for Ignite's products.

14. In accordance with Ignite's pre-contractual representations, section 4(c) of the Agreement further provided that Noya would receive a \$1 million advance payment upon execution of the Agreement ("**Advance Payment**"), which Noya received on or around November 17, 2020. Under

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the Agreement, the Advance Payment would only need to be repaid by Noya if Noya terminated the Agreement. In fact, this was communicated to Ignite by Noya prior to contract execution, which is why in the final iteration of the Agreement, which Ignite had revised, Ignite did not include a reciprocal right that Ignite be entitled to a return of the Advance Payment in the event Ignite terminated the Agreement.

15. Noya spent a significant amount of time assisting Ignite with regulatory issues arising from its termination of the CannMart Agreement, as Ignite's branded products remained for sale under CannMart's SKUs but were now to be sold by Noya as per the Agreement. This delayed the listing of Ignite's products with provincial retail boards by Noya.

16. In fact, in mid-November 2020, Mr. Bernaudo advised Noya that Ignite had been delisted altogether from Ontario's online cannabis retailer, the Ontario Cannabis Store ("OCS"), because of the issues arising from its prior unsuccessful relationship with CannMart. The British Columbia Liquor Distribution Brand ("BCLDB") expressed the same concerns as the OCS regarding CannMart SKUs remaining in the market.

Ignite's Operational Difficulties

17. Notwithstanding the issues Noya encountered following Ignite's termination of the CannMart Agreement, and after months of continued work and engagement by Noya with provincial retail boards, product listings in Ontario and British Columbia were obtained by April 2021 as per Ignite's direction.

18. However, Ignite's products were not competitively priced in either Ontario or British Columbia, and did not differ from brands already listed for sale in these provinces. This negatively affected Ignite's sales.

19. When purchase orders were placed by a provincial board retailer, Ignite repeatedly failed to fulfill ~~and/or delayed~~ these orders. This occurred on several occasions, and led provincial retail boards to seek assurances from Noya that Ignite's orders would be fulfilled as Ignite could not otherwise be trusted to fulfill orders. This, in turn, negatively affected Noya's relationship with provincial retail boards.

20. Noya repeatedly attempted to assist Ignite to stimulate product sales by recommending that Ignite hire dedicated sales representatives to liaise with retailers and provide price drops for their products, as well as ensure that product purchase orders were fulfilled promptly. Rarely did Ignite heed to Noya's advice. In fact, Ignite repeatedly refused to lower its prices for their products notwithstanding Noya's suggestions to do so which were based on, among other things, feedback Noya received from provincial retail boards as well as Noya's experience as a licenced producer, all of which was communicated to Ignite.

21. In or around June or July, 2021, the BCLDB warned Noya that certain of Ignite's products remained unsold, and would be returned to Noya by the applicable month unsellable dates established by the BCLDB. This was communicated to Ignite. Noya was nevertheless able to negotiate an extension of time for Ignite's products to remain listed with the BCLDB in order to provide retailers in British Columbia with additional time to purchase products from the BCLDB.

22. In or around mid-July, 2021, Ignite received complaints from Health Canada regarding Ignite's website and its marketing practices. Thereafter, and as a result, Ignite attempted to

renegotiate the Agreement and Ignite wanted Noya to assume the role of maintaining Ignite's website to promote and market their products, among other things.

23. Ignite subsequently attempted to engage World Wide Brands, Inc. ("**World Wide**"), an online company that connects wholesalers with online retailers for various products, as a sales agent for Ignite's cannabis products. In doing so, Ignite requested Noya provide written approval authorizing World Wide to speak on Ignite's behalf with provincial board retailers. However, World Wide did not have a cannabis marketing license in order to legally promote Ignite's products, which Ignite and World Wide alike were unaware was required in order to legally market cannabis.

24. On or around August 11, 2021, Noya and Ignite participated in a telephone discussion with the OCS, whereby the OCS advised Ignite that it would not list Ignite's products due to poor performance and a lack of product variety. The OCS advised Ignite that Ignite's products were generally of the same strains of cannabis as more than 50 other brands listed with the OCS, and at a higher price point. The OCS also expressed concerns regarding Ignite's misogynistic branding, and the overall negative public perception of its brand.

25. As of August 15, 2021, Ignite had four products identified as possible return to vendor (RTV) products by the BCLDB. The potential monetary impact of the RTV products was approximately \$505,000. Given that the receipts collected by Noya for June and July, 2021 totaled \$537,000.00, and approximately \$57,606.95 of those receipts were due to be paid by September 10, 2021 to Ignite, Noya advised Ignite that the remainder of the June and July receivables were going to be held back to be applied against RTV products as they occurred, as there were no future anticipated sales with the BCLDB.

26. Nevertheless, the BCLDB issued another purchase order for Ignite's products on or around August 26, 2021 in the amount of \$62,700.00, although this purchase order was never fulfilled by Ignite through no fault of Noya.

27. 25. In addition, On or around September 15, 2021, Noya's wholesaler partner in Saskatchewan issued a purchase order for Ignite's products in the amount of \$34,272.00. However, this purchase order was never fulfilled by Ignite, again through no fault of Noya.

28. 26. On or around September 27, 2021, the OCS participated in another telephone call with Ignite facilitated by Noya, during which it was reiterated to Ignite that the OCS would not list Ignite's products for sale for the same reasons as indicated during the August 11th call.

29. On or around October 5, 2021, Ignite delivered a Notice of Material Breach in which Ignite alleged that Noya contravened Section 6(b) of the Agreement for not having remitted the \$537,000.00 Ignite received for the BCLDB RTV products.

30. 27. On or around October 12, 2021, Ignite advised Noya that Ignite was ceasing its cannabis operations in Canada altogether. This came as a surprise to Noya, as Ignite never made any mention of its intention to leave the Canadian cannabis market to Noya beforehand.

31. 28. In a news release dated October 13, 2021, Ignite International Brands, Ltd.'s CEO, Dan Bilzerian, cited Canada's many barriers to building a successful cannabis business as the reason for Ignite's exit from the Canadian cannabis market. Mr. Bilzerian stated that the Canadian government's excessive restrictions of the marketing, sales and distribution of products had diminished Ignite's business opportunity while simultaneously making the consumer experience less than optimal. Mr. Bilzerian further stated that Ignite would consider returning to the Canadian

- 8 -

cannabis market when the Canadian government decided to remove and/or reduce the restrictions in marketing, sales and distribution, and allow the business community to properly serve consumers.

32. ~~29.~~ Shortly thereafter, the BCLDB advised Noya that it was returning Ignite's products to Noya ("**Returned Products**"). This was communicated to Ignite by Noya the following day on October 14, 2021, the same day Noya disputed Ignite's Notice of Material Breach, and after Noya had previously warned Ignite that the June and July 2021 receivables would be held back to be applied against the Returned Products as they occurred. As a result, Noya was obligated to, and did, provide a refund to the BCLDB on account of the Returned Products.

33. ~~30.~~ Following Ignite's announced departure from Canada, Ignite terminated the Agreement by way of letter dated October 25, 2021, asserting Noya had committed a material breach of the Agreement which it failed to rectify by not making payment to Ignite for the Returned Products, notwithstanding that Noya was under an obligation to refund these amounts to the BCLDB, and the Agreement stipulated that any payments to Ignite would be less returns, sales taxes, excise taxes, and other similar regulatory fees related to the sales of Ignite's products.

34. ~~31.~~ Subsequent to Ignite's termination of the Agreement, Noya made repeated efforts in order to facilitate the release and retrieval of Ignite's products in Canada, including the Returned Products. However, and notwithstanding these efforts, Ignite has been non-responsive to Noya's repeated requests, which has further delayed the release and sale of Ignite's products.

Noya is not liable to Ignite

~~32.~~ Noya denies that it breached any obligation to Ignite, in contract or otherwise. At all material times, Noya acted in good faith and in accordance with the Agreement to market and solicit orders for Ignite's products, and remitted all payments to Ignite in compliance with the Agreement.

~~35.~~ ~~33.~~ Through no fault of Noya, Ignite failed to fulfill purchase orders from provincial retail boards in the approximate amount of \$97,000, to the detriment of Noya's relationship with provincial retail boards. Noya further pleads that Ignite's termination of the Agreement was precipitated by Ignite's business decision to exit the Canadian cannabis market, and was in no way related to Noya's performance of the Agreement, or alleged breach thereto.

~~36.~~ ~~34.~~ Noya denies Ignite's interpretation of the terms of the Agreement as referenced in the Statement of Claim, and pleads that the terms of the Agreement speak for themselves.

~~37.~~ ~~35.~~ Noya denies that Ignite is entitled to damages on account of the Advance Payment or the Outstanding Cash Payment (as that term is defined in the Statement of Claim), or any other amounts from Noya. Noya further denies that it is in any way responsible for any alleged diminished value of Ignite's products, given Ignite's failure to provide timely responses to Noya's requests to facilitate the delivery of the products to Ignite.

~~38.~~ Noya denies it ever alleged that it had insufficient working capital and significant debt that could be called as a result of Noya working with Ignite. Noya further denies that the Advance Payment was made by Ignite to ensure that Noya was able to make payments as is alleged, and in

particular, excise payments, which were outside of the scope of Noya's contractual responsibility under the Agreement.

39. Noya further denies that (i) it ever misrepresented what the Advance Payment was for and how the Advance Payment was to be used; (ii) that there exists a basis in law upon which Ignite is entitled to rescission of the Agreement, and (iii) that Ignite is entitled to a finding that the Agreement is void *ab initio*. As pleaded herein, it was Ignite that induced Noya to enter into the Agreement by way of the Advance Payment. The Advanced Payment represented additional consideration for Noya to enter into the Agreement with Ignite, as doing so required a significant expenditure of time and effort on Noya's part to, among other things, repair Ignite's deteriorated relationships with provincial retail boards, and obtain listings for Ignite's products as pleaded herein. Doing so detracted from Noya's other operational activities and opportunities to work with other brands.

40. 36. Noya further denies that Ignite has any interest whatsoever in Noya's leased premises, by way of constructive trust, or otherwise. Noya pleads that this Honourable Court should not grant Ignite leave to issue a Certificate of Pending Litigation against the leased premises.

41. 37. Noya further denies that it has been unjustly enriched. Noya was not enriched to Ignite's corresponding deprivation. Noya pleads that the Agreement constitutes a juristic reason for all amounts received by Noya.

42. 38. Noya further denies that Ignite has sustained any damages, and that Ignite is entitled to punitive, exemplary, or aggravated damages. If Ignite has sustained damages, those damages are excessive, unmitigated, too remote or are otherwise not recoverable at law.

43. ~~39.~~ In the further alternative, and if Ignite has sustained damages, which is denied, Noya pleads that it is entitled to set off the full amount of damages suffered in relation to the costs and expenses incurred for the work Noya performed under the Agreement, the harm to its business reputation, and for the promised sales commissions Noya would receive during the term of the Agreement against the amount otherwise alleged to be owing to Ignite under the Agreement. After set-off, no amount remains owing to Ignite. Noya pleads and relies upon the equitable doctrine of set-off, as well as section 111 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

44. ~~40.~~ Noya asks that this action be dismissed with costs.

COUNTERCLAIM

45. ~~41.~~ The Defendant/Plaintiff by Counterclaim, Noya Cannabis Inc., formerly Radicle Medical Marijuana Inc. a.k.a. Radical Medical Marijuana Inc. ("Noya") claims:

- (a) a declaration that Noya is entitled to retain the balance of the Advance Payment (as that term is defined in the Statement of Defence);
- (b) in addition, damages in the sum of \$4,600,000.00 for breach of contract;
- (c) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (d) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*;
- (e) the costs of this proceeding, plus all applicable taxes; and,
- (f) such further and other Relief as to this Honourable Court may deem just.

46. ~~42.~~ Noya repeats and relies upon the allegations in the Statement of Defence in support of the Counterclaim.

47. ~~43.~~ Noya further pleads that in addition to the balance of the Advance Payment, Noya is entitled to damages on account of the promised sales commissions Noya would receive during the term of the Agreement. Noya requests that this Counterclaim be tried with the main action.

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~~February 28, 2022~~
February 28, 2023

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IGNITE INTERNATIONAL BRANDS (CANADA) LTD.
Plaintiff

-and- NOYA CANNABIS INC., formerly RADICLE MEDICAL MARIJUANA INC.
a.k.a. RADICAL MEDICAL MARIJUANA INC.
Defendant

Court File No. CV-21-00673047-0000

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

Plaintiff
(Defendant by Counterclaim)

-and-

**NOYA CANNABIS INC., formerly RADICLE MEDICAL
MARIJUANA INC. a.k.a RADICAL MEDICAL MARIJUANA INC.**

Defendant
(Plaintiff by Counterclaim)

REPLY AND DEFENCE TO COUNTERCLAIM

1. The plaintiff/defendant by counterclaim (“Ignite”) admits the allegations contained in paragraphs 4 and 13 of the statement of defence and counterclaim.
2. Ignite denies the balance of the allegations contained in the statement of defence and counterclaim.
3. Ignite repeats and relies on the allegations in the statement of claim.
4. Ignite states that Gene Bernaudo was never the CEO of Ignite’s parent company.
5. Noya was aware of the relationship between Ignite and CannMart from the time of its inception in late 2019 until its termination in October 2020.
6. Noya was fully aware of Ignite’s prior relationships and brief history in the Canadian cannabis marketplace prior to executing the Sales and Distribution Agreement with Ignite on November 5, 2020.

7. Ignite denies the allegation in paragraph 12 of the statement of defence that it had a “checkered history” in Canada. In fact, it had almost no history in Canada, having only been a vendor in the Canadian cannabis marketplace for approximately 10 months when the Sales and Distribution Agreement was executed.

8. Noya was aware that Ignite was represented by CannMart in the Canadian marketplace and any issues with the various provincial retail boards were the result of actions of CannMart, not Ignite.

9. Ignite denies that the \$1 million advance payment from Ignite to Noya was for the time and effort Noya would expend to “repair deteriorated relationships”. This is not true. Ignite agreed to make a \$1 million advance payment because Noya alleged that they had insufficient working capital and significant debt that could be called by virtue of Noya working with Ignite. Ignite wanted to ensure that Noya was able to make excise payments and other payments that would allow it to fulfill its obligations pursuant to the Sales and Distribution Agreement while sales ramped up.

10. Ignite relied on Noya’s alleged knowledge and expertise with respect to the retail distribution of its products in the Canadian cannabis marketplace and it was very poorly served by Noya in this regard.

11. Ignite pleads that contrary to the assertions by Noya in the statement of defence and counterclaim, it was Noya’s failure to perform that resulted in a lack of sales of the Ignite products, not any failure on the part of Ignite. Noya has been unable to make a success of its own brands, Cookies and Gage and its regulatory incompetence resulted in the delisting of the celebrity brand Run the Jewels. Ignite pleads that Noya simply lacked the ability to successfully distribute and sell Ignite’s brands and that was the primary cause for the poor sales.

12. Ignite states that throughout the period that the Sales and Distribution Agreement was in force, all of the provinces and the country were in the grips of the COVID pandemic. For

inexplicable reasons this caused the provincial retail boards to continually change their purchasing habits and decisions. This caused havoc in the ordering of product for Ignite.

13. Noya was aware that Ignite had an agreement with Cannapiece to produce its products. Cannapiece was a producer for other brands as well. As a result, Ignite's production schedule was impacted by other customers of Cannapiece. As a result of the uncertainty with the purchasing decisions of the provincial retail boards there were instances where Ignite could not produce product in the time frames requested by the provincial retail boards.

14. Ignite denies that it represented to Noya that it would generate sales of \$53 million in 2021 or that it provided assurances that this level of sales would be achieved.

15. No sales requirements were included in the Sales and Distribution Agreement and section 14(j) of the Sales and Distribution Agreement provides that the written agreement is the entire agreement.

16. Therefore, Noya is not entitled to the damages claimed in the counterclaim.

17. Ignite requests that the counterclaim be dismissed with costs payable to Ignite.

May 2, 2022

ORMSTON LIST FRAWLEY LLP
Barristers & Solicitors
6 Adelaide Street East, Suite 500
Toronto, Ontario M5C 1H6

John P. Ormston - LSO No.: 37251V

telephone: (416) 594-0791 x. 111
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Lawyers for the plaintiff/defendant by
counterclaim

TO: FOGLER, RUBINOFF LLP
Lawyers
77 King Street West
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P.O. Box 95, TD Centre North Tower
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Marko Petrovic (LSO# 77778F)
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email: mpetrovic@foglers.com
facsimile: (416) 941-8852

Lawyers for the defendant/plaintiff by Counterclaim

Court File No.: CV-21-00673047-0000

IGNITE INTERNATIONAL BRANDS (CANADA) LTD.

– Plaintiff –

v.

NOYA CANNABIS INC.

- Defendant -

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(PROCEEDING COMMENCED AT TORONTO)

**REPLY AND DEFENCE TO
COUNTERCLAIM****ORMSTON LIST FRAWLEY LLP**
Barristers & Solicitors
6 Adelaide Street East, Suite 500
Toronto, Ontario M5C 1H6

John P. Ormston - LSO No.: 37251V

Telephone: (416) 594-0791 x. 111

Email: jormston@olflaw.com

Facsimile: (416) 594-9690

**LAWYERS FOR THE PLAINTIFF/DEFENDANT
BY COUNTERCLAIM**

This is Exhibit “V” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

IN THE MATTER OF: an Arbitration under the *Arbitration Act, 1991* SO 1991 c 17
AND IN THE MATTER OF: amounts owing to 108056696 Canada Inc., as detailed in Invoice 192, for product delivered to NOYA Cannabis Inc. pursuant to Production, Supply & Revenue Sharing Agreement, dated February 11, 2021

BETWEEN:

10805696 CANADA INC. o/a MAUVE & HERBES

-and-

NOYA CANNABIS INC.

NOTICE OF ARBITRATION

TAKE NOTICE THAT pursuant to a Production, Supply & Revenue Sharing Agreement, dated January 11, 2022 (the "**Agreement**"), 10805696 Canada Inc. o/a Mauve & Herbes ("**Mauve**") hereby provides notice to NOYA Cannabis Inc. ("**Noya**") of its intention to arbitrate and submits the following issues to be arbitrated:

FACTS

1. On or about January 11, 2022, the parties entered into the Agreement;
2. Under the Agreement, Noya supplied cannabis genetics to Mauve that Mauve cultivated, which were then delivered to Noya to be packaged and sold by Noya;
3. Pursuant to sections 4.1 and 4.2, and Schedule "E" of the Agreement, Noya was required to pay Mauve a fee of \$2.50 per gram of cannabis delivered to Noya within ten (10) days of the delivery of the first crop to Noya;

4. For the second and third crops, the sum of \$100,000.00 was to be paid by Noya to Mauve at the end of each month, until Mauve had received full reimbursement for the cannabis delivered to Noya at a cost of \$2.50 per gram;
5. In addition to the above-noted production costs to be paid by Noya to Mauve for the first three (3) crops as detailed in sections 4.1 and 4.2, and Schedule “E”, Noya was also required pursuant to section 4.1(d) to pay to Mauve 40% of the net profit for sales in which payment has been received by Noya;
6. As detailed in Invoice 192, Mauve supplied Noya with 53,218 grams of Georgia Pie – Dried Flowers in batch 005 on or about June 13, 2023, and 99,483 grams of Georgia Pie – Dried Flowers in batch 006 on or about July 6, 2023, at a total value of \$431,380.33 (inclusive of HST);
7. Pursuant to section 3.3 of the Agreement, upon receipt of the products (ie. the cannabis), Noya had five (5) business days to indicate whether Noya wished to accept or reject the associated batch of products, failing which Noya was deemed to accept the product pursuant to section 3.3(e) of the Agreement;
8. Noya did not deliver a notice of deficiency or rejection in writing within five (5) business days as contemplated by the Agreement and was deemed to accept the products;
9. Moreover, Noya in fact proposed a payment schedule for the products and did not raise any alleged issues with the batch of products delivered by Mauve until months later, which is denied by Mauve;
10. Noya has only advanced payment of \$75,000.00 to date, leaving a balance owing of \$356,380.33 (the “**Amount Owing**”) and has neglected and/or refused to pay the

remaining balance due to alleged defects with the product, which are denied by Mauve;

11. Furthermore, Mauve understands that Noya has in fact made sales of the cannabis delivered by Mauve to Noya, but has neglected and/or refused to advance payment of its net profit to Mauve as provided for in the Agreement, in breach of its payment obligations under the Agreement;
12. Therefore, Mauve terminated the Agreement on or about September 9, 2022, and demanded payment of the Amount Owing at the same time;
13. On or about October 20, 2022, the parties formally began negotiations pursuant to section 13.3 of the Agreement;
14. The parties were unable to resolve the dispute through negotiation and on or about February 2, 2023, they agreed to mediate the dispute pursuant to section 13.4 of the Agreement;
15. The parties attended a mediation with Jonathan Jacobs acting as mediator on or about May 15, 2023;
16. The parties were again unable to resolve the dispute and Mauve attempted to schedule an arbitration and obtained prospective arbitrators from Mr. Jacobs, but did not receive a response from Noya.

ARBITRAL JURISDICTION

17. The parties agreed in section 13.5 of the Agreement that if they were unable to resolve issues through mediation, then the matter would be submitted to arbitration upon receipt of the mediator's report;

18. While there was no mediator's report delivered following the arbitration as contemplated by section 13.5 of the Agreement, Mauve attempted to schedule an arbitration after the mediation, but has not received a response from Noya;
19. Mauve submits that the parties have now negotiated and mediated the dispute, and that the matter is now properly referable to arbitration pursuant to the Agreement and that an arbitrator should be appointed in accordance with the Agreement and *Arbitration Act*.

CLAIM BEING MADE

20. Mauve claims the following relief in this arbitration:
 - a. an order requiring Noya to pay Mauve the Amount Owing plus 40% of its net profit from the sale of the cannabis product delivered to Noya by Mauve and a declaration that Noya has breached the Agreement, including but not limited to sections 4.1 and 4.2 thereof;
 - b. pre- and post arbitration award interest;
 - c. costs on a substantial indemnity basis; and
 - d. such other relief as Mauve requests and the arbitrator deems just.

Date: September 23, 2024

BRAZEAU SELLER LLP
100 Queen Street, Suite 700
Ottawa, Ontario K1P 1J9

ERIC DWYER
LSO# 79413V
Email: edwyer@brazeauseller.com

Tel: (613) 237-4000

Lawyers for 10805696 Canada Inc.
o/a Mauve & Herbe

10805696 CANADA INC. o/a
MAUVE & HERBES

and

NOYA CANNABIS INC.

IN THE MATTER OF: an Arbitration under the
Arbitration Act, 1991 SO 1991 c 17

AND IN THE MATTER OF: amounts owing to
108056696 Canada Inc., as detailed in Invoice 192, for
product delivered to NOYA Cannabis Inc. pursuant to
Production, Supply & Revenue Sharing Agreement,
dated February 11, 2021

NOTICE OF ARBITRATION

BRAZEAU SELLER LLP

700-100 Queen Street
Ottawa, ON K1P 1J9

ERIC DWYER

LSO: 79413V

Email: edwyer@brazeauseller.com

Tel : (613) 237-4000

Fax : (613) 237-4001

Lawyers for 108056696 Canada Inc.
o/a Mauve & Herbes

This is Exhibit “W” referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**

Court File No.

**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

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

Applicants

CONSENT

BDO Canada Limited, hereby consents to act as Court-appointed Monitor in these proceedings should such an Initial Order be granted by the Court.

DATED AT KITCHENER, ONTARIO this 17 day of October, 2024.

BDO CANADA LIMITED

Per: _____

Name: Robyn Duwyn, CA, CPA, CIRP, LIT

Title: Senior Vice-President

(I have the authority to bind the corporation)

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MONITOR'S CONSENT

FOGLER, RUBINOFF LLP

Lawyers

77 King Street West

Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842

Fax: 416.941.8852

vdare@foglars.com

Lawyers for the Applicants

This is Exhibit "X" referred to in the Affidavit of Ziad Reda sworn by Ziad Reda of the Town of Ancaster, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on October 28, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**Katelin Zoe Parker, a Commissioner, etc.,
Province of Ontario, for Fogler, Rubinoff LLP,
Barristers and Solicitors. Expires April 23, 2026.**



Victor Canada
500-1400 Blair Towers Place
Ottawa, Ontario K1J 9B8
Telephone 613-786-2000
Facsimile 613-786-2001
Toll Free 800-267-6684
www.victorinsurance.ca

Binder

Private Entity Management Liability Insurance

22 August 2024

RHIANNA MACLEAY
HUGH WOOD CANADA LTD.
2300-25 KING ST W
TORONTO ON M5L 2A1

RE: NOYA HOLDINGS INC.
CLIENT NUMBER: 378117

In compliance with your instructions, we confirm coverage is bound as follows:

** All amounts shown in CDN dollars*

POLICY NUMBER:	PV-643719	replacing policy number PV-622958
POLICY WORDING:	EIM-PV-2013	
LIMITS:	\$1,000,000 per claim	
	\$1,000,000 per POLICY PERIOD	
DEDUCTIBLE:	\$75,000	
PREMIUM:	\$56,000	
POLICY FEE:	\$150 (100% fully earned)	
POLICY PERIOD:	23 August 2024 to 23 August 2025	
CONTINUITY DATE:	1 August 2020	
COMMISSION:	17.50%	
PAYMENT TERMS:	30 days	
POLICY CONDITIONS:	In accordance with the terms and conditions stated in our quote letter of 26 July 2024	
SCHEDULE OF INSURERS:	Aviva Insurance Company of Canada	25.00%
	Temple Insurance Company	20.00%
	Everest Insurance Company of Canada	20.00%
	Arch Insurance Canada Ltd.	17.50%
	XL Reinsurance America Inc.	17.50%

We remind you that the premium is net of any applicable sales tax. The responsibility for collection and payment of the tax rests with the broker.

Please advise us of any discrepancies immediately as the policy document is being processed.

For further information, please contact:

Anthony Gallo, CIP
Senior Vice-President
Directors and Officers
613-786-2204
anthony.gallo@victorinsurance.com

A handwritten signature in black ink, appearing to read "D. Cook". The signature is fluid and cursive, with a long horizontal stroke at the end.

David G. Cook, President
Authorized Representative

GALL

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

AFFIDAVIT OF ZIAD REDA

FOGLER, RUBINOFF LLP

Lawyers

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Suite 3000, P.O. Box 95

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Vern W. DaRe (LSO# 32591E)

Tel: 416.941.8842

Fax: 416.941.8852

vdare@foglers.com

Lawyers for the Applicants

TAB 3

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

THE HONOURABLE) WEDNESDAY, THE 6TH
)
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

INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Ziad Reda sworn October 28, 2024 and the Exhibits thereto (the "**Reda Affidavit**"), the consent of BDO Canada Limited ("**BDO**") to act as the Monitor (in such capacity, the "**Monitor**"), and the Pre-Filing Report of BDO in its capacity as the proposed Monitor dated October 29, 2024 (the "**Pre-Filing Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the proposed 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 October 29, 2024.

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Additionally, although not one of the Applicants but a related party, 2675383 Ontario Limited (the “**Non-Applicant Stay Party**” and together with the Applicants, the “**Noya Entities**”) shall enjoy certain benefits of the protections provided under the terms of this Order.

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to

- 3 -

further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- 4 -

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

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

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) payment for goods or services actually supplied to the Applicants following the date of this Order.

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

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

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under

real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

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

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) Permanently or temporarily cease, downsize or shut down any of their Business or operations and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and

- (c) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

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

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claims to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice, and (b)

at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE NOYA ENTITIES OR THEIR RESPECTIVE PROPERTY

14. **THIS COURT ORDERS** that until and including November 15, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal and no arbitration or mediation (each, a “**Proceeding**”) shall be commenced or continued against or in respect of any of the Noya Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the Noya Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Noya Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Noya Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, arbitrator, mediator, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any of the Noya Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Noya Entities and the

Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Noya Entities to carry on any business which the Noya Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

are paid by the applicable Noya Entities in accordance with normal payment practices of the applicable Noya Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable Noya Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 32 and 34 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Applicants’ directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that BDO is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Noya

Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Noya Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (d) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

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- Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
 - (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other

law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada) the *Controlled Drugs and Substances Act* (Canada), the *Excise Tax Act* (Canada), the *Cannabis Control Act* (Ontario), or other such applicable federal or provincial legislation (“**Cannabis Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation or the Cannabis Legislation, unless it is actually in possession.

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

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors’ Charge (collectively, the “**Charges**”), as between them with respect to any Property to which they apply, shall be as follows:

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First – Administration Charge (to the maximum amount of \$200,000); and

Second – Directors’ Charge (to the maximum amount of \$100,000).

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

34. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

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

36. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made

pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner

prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

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

40. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

STATUS QUO OF THE CANNABIS LICENCES

42. **THIS COURT ORDERS** that (a) the status quo in respect of the Health Canada and cannabis excise licences held by Noya Cannabis Inc. ("**NCI**"), one of the Applicants, and 2675383 Ontario Limited, the Non-Applicant Stay Party (collectively, the "**Licences**"), shall be preserved and maintained during the pendency of the Stay Period, including NCI's ability to sell cannabis inventory in the ordinary course under the respective Licence; and (b) to the extent any Licence may expire during the Stay Period, the term of such Licence shall be deemed to be extended by a period equal to the Stay Period.

COMEBACK HEARING

43. **THIS COURT ORDERS** that the balance of the relief sought by the Applicants in the Notice of Application dated October 28, 2024 be and is hereby reserved to be heard by this Court on November 15, 2024, along with any additional relief sought at that date, or such other date as determined by this Court (the "**Comeback Hearing**").

44. **THIS COURT ORDERS** that the Applicants are authorized to serve their motion materials with respect to the Comeback Hearing by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Hearing by electronic transmission, where available, or by courier to the parties likely to be affected by the relief at such parties' respective addresses as soon as practicable.

45. **THIS COURT ORDERS** that, prior to the Comeback Hearing, any interested party (including the Applicants and the Monitor) may apply to this Court to amend or vary this Order on not less than three (3) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that notwithstanding any amendment, variation or stay of this Order, the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 32 and 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

GENERAL

46. **THIS COURT ORDERS** that, except with respect to any motion to be heard at the Comeback Hearing, and subject to further Order of this Court in respect of urgent motions, any interested party intending to respond or object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials stating its response or objection to the motion and the grounds for such response or objection by no later than 5:00 p.m. (Eastern Time) on the date that is three (3) days prior to the date such motion is returnable (the

“**Responding Deadline**”). The Monitor shall have the ability to extend the Responding Deadline after consulting with the Applicants.

47. **THIS COURT ORDERS** that following the expiry of the Responding Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including, without limitation, by way of a 9:30 a.m. (Eastern Time) appointment, of the absence or the status of any responses or objections to the applicable motion and the judge having carriage of such motion may determine: (i) whether a hearing in respect of the motion is necessary; (ii) if a hearing is necessary, the date and time of such hearing; (iii) whether such hearing will be in person, by telephone or videoconference, or by written submissions only; and (iv) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the applicable notice of motion.

48. **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.

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

50. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, 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.

51. **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 any jurisdiction outside Canada.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

53. **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, provided that counsel to the Applicants shall have issued and entered this Order with the Court Office and circulate a copy of the issued and entered Order to the Service List.

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

INITIAL ORDER

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TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

<u>THE HONOURABLE</u>)	<u>WEDNESDAY, THE 6TH</u>
)	
THE HONOURABLE)	WEEKDAY, THE #
JUSTICE ——— <u>CAVANAGH</u>)	DAY OF MONTH <u>NOVEMBER, 20YR2024</u>
)	

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
~~[APPLICANT'S NAME] (the "Applicant")~~
NOYA HOLDINGS INC. AND NOYA CANNABIS INC.

Applicants

INITIAL ORDER

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

ON READING the affidavit of ~~[NAME]~~ Ziad Reda sworn ~~[DATE]~~ October 28, 2024 and the Exhibits thereto (the "Reda Affidavit"), the consent of BDO Canada Limited ("BDO") to act as the Monitor (in such capacity, the "Monitor"), and the Pre-Filing Report of BDO in its capacity as the proposed Monitor dated October 29, 2024 (the "Pre-Filing Report"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES], no one~~

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~~appearing for [NAME]¹ the Applicants, the proposed 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 [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor,~~ Affidavit of Service of Michelle Pham sworn October 29, 2024.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~ Applicants are companies to which the CCAA applies. Additionally, although not one of the Applicants but a related party, 2675383 Ontario Limited (the “Non-Applicant Stay Party” and together with the Applicants, the “Noya Entities”) shall enjoy certain benefits of the protections provided under the terms of this Order.

¹~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

²~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court ~~a plan~~one or more plans of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

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

5. **{THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE] or~~or, with the consent of the Monitor, replace it with another

³~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

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substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.†

6. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~Applicants shall be entitled but not required to pay all reasonable expenses incurred by

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the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; ~~and~~
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) ~~(b)~~ payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, ~~;~~ (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "Sales & Excise Taxes") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales & Excise Taxes are accrued or

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- collected after the date of this Order, or where such Sales & Excise Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;³ and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~[or resiliated]~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~Applicants are hereby directed, until further Order of this Court: (a) to make no payments of

⁴~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

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principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) ~~permanently~~Permanently or temporarily cease, downsize or shut down any of ~~its~~businesstheir Business or operations,~~†~~ and to dispose of redundant or non-material assets not exceeding \$~~•~~50,000 in any one transaction or \$~~•~~100,000 in the aggregate~~‡~~⁵;
- (b) ~~†~~terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as it deems appropriate~~‡~~; and
- (c) pursue all avenues of refinancing ~~of its~~or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

~~⁵Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Applicants, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant disclaims [or resiliates]~~Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the ~~Applicant's claim~~Applicants' claims to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~[or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~[or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises

without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

**NO PROCEEDINGS AGAINST THE ~~APPLICANT~~NOYA ENTITIES OR ~~THE~~THEIR
RESPECTIVE PROPERTY**

14. **THIS COURT ORDERS** that until and including ~~{DATE—MAX. 30 DAYS}~~November 15, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal and no arbitration or mediation (each, a "Proceeding") shall be commenced or continued against or in respect of any of the ~~Applicant~~Noya Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Noya Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the ~~Applicant~~Noya Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Noya Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, arbitrator, mediator, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of any of the ~~Applicant~~Noya Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Noya Entities and the Monitor, or leave of this Court, provided that nothing in this

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Order shall (i) empower the ~~Applicant~~Noya Entities to carry on any business which the ~~Applicant is~~Noya Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the ApplicantNoya Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or any of the ApplicantNoya Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by ~~the Applicant, and that the Applicant~~ any of the Noya Entities or exercising any other remedy provided under the agreements or arrangements, and that each of the Noya Entities shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers,

internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~applicable Noya Entities in accordance with normal payment practices of the ~~Applicant~~applicable Noya Entities or such other practices as may be agreed upon by the supplier or service provider and ~~each of the Applicant~~the applicable Noya Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the ~~Applicant~~Noya Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the ~~former,~~ current or future directors or officers of any of the ~~Applicant~~Noya Entities with respect to any claim against the directors or officers that arose before the date hereof and that

⁶~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

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relates to any obligations of any of the ~~Applicant~~Noya Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the current and future directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●100,000, as security for the indemnity provided in paragraph ~~{20}~~ of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~32 and ~~{40}~~34 herein.

⁷~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

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22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~ Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~{20}~~ of this Order.

APPOINTMENT OF MONITOR

23. THIS COURT ORDERS that ~~{MONITOR'S NAME}~~ BDO is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~ Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant and its~~ Noya Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~ Noya Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the ~~Applicant's~~ Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

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- ~~(e) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (c) ~~(d)~~ advise the ~~Applicant in its~~ Applicants in the preparation of the ~~Applicant's~~ Applicants' cash flow statements ~~and reporting required by the DIP Lender~~, which information shall be reviewed with the Monitor ~~and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- (d) ~~(e)~~ advise the ~~Applicant~~ Applicants in its development of the Plan and any amendments to the Plan;
- (e) ~~(f)~~ assist the ~~Applicant~~ Applicants, to the extent required by the ~~Applicant~~ Applicants, with the holding and administering of creditors' ~~or shareholders'~~ meetings for voting on the Plan;
- (f) ~~assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;~~
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~ Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~ Applicants' business and financial affairs or to perform its duties arising under this Order;

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- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, **“Possession”**) of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the **“Environmental Legislation”**), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the Cannabis Act (Canada), the

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Cannabis Regulations (Canada) the Controlled Drugs and Substances Act (Canada), the Excise Tax Act (Canada), the Cannabis Control Act (Ontario), or other such applicable federal or provincial legislation (“Cannabis Legislation”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation or the Cannabis Legislation, unless it is actually in possession.

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

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, ~~by the Applicant~~whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The ~~Applicant~~is Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$●[-, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~Applicants on a bi-weekly basis.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor,~~if any,~~ and ~~the Applicant's~~ counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$●200,000, as security for their professional fees and disbursements incurred at ~~the~~their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~32 and ~~[40]~~34 hereof.

DIP FINANCING

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~

~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the~~

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~~Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~

~~(e) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge and the ~~DIP Lender's~~ Directors' Charge (collectively, the "Charges"), as ~~among~~ between them with respect to any Property to which they apply, shall be as follows⁹:

⁹The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be ~~subject to~~ negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (~~and the rankings, above~~), where appropriate.

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First – Administration Charge (to the maximum amount of \$●200,000); and

~~Second—DIP Lender’s Charge; and~~

~~Third~~Second – Directors’ Charge (to the maximum amount of \$●100,000).

33. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors’ Charge, the Administration Charge or the DIP Lender’s Charge~~ (collectively, the “Charges”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors’ Charge, the Administration Charge and the DIP Lender’s Charge~~Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges ~~and~~, encumbrances; and claims of secured creditors, statutory or otherwise (collectively, “Encumbrances”) in favour of any Person.

35. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors’ Charge, the Administration Charge or the DIP Lender’s Charge~~Charges, unless the ~~Applicant~~Applicants also obtains the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors’ Charge and the Administration Charge~~Charges, or further Order of this Court.

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36. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") ~~and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall~~shall not create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents~~; and

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- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents,~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants' interest in such real property leases.

SERVICE AND NOTICE

38. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the ~~Applicant~~Applicants of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List

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website at ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/~~<https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~'@>':~~ <https://www.bdo.ca/en-ca/extranets/noya-holdings-inc-and-noya-cannabis-inc/> (the "**Monitor's Website**").

40. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "Service List"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

41. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or distribution by courier, personal delivery or

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facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

STATUS QUO OF THE CANNABIS LICENCES

42. **THIS COURT ORDERS** that (a) the status quo in respect of the Health Canada and cannabis excise licences held by Noya Cannabis Inc. (“NCI”), one of the Applicants, and 2675383 Ontario Limited, the Non-Applicant Stay Party (collectively, the “Licences”), shall be preserved and maintained during the pendency of the Stay Period, including NCI’s ability to sell cannabis inventory in the ordinary course under the respective Licence; and (b) to the extent any Licence may expire during the Stay Period, the term of such Licence shall be deemed to be extended by a period equal to the Stay Period.

COMEBACK HEARING

43. **THIS COURT ORDERS** that the balance of the relief sought by the Applicants in the Notice of Application dated October 28, 2024 be and is hereby reserved to be heard by this Court on November 15, 2024, along with any additional relief sought at that date, or such other date as determined by this Court (the “Comeback Hearing”).

44. **THIS COURT ORDERS** that the Applicants are authorized to serve their motion materials with respect to the Comeback Hearing by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Hearing by electronic transmission, where available, or by courier to the parties likely to be affected by the relief at such parties’ respective addresses as soon as practicable.

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45. **THIS COURT ORDERS** that, prior to the Comeback Hearing, any interested party (including the Applicants and the Monitor) may apply to this Court to amend or vary this Order on not less than three (3) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that notwithstanding any amendment, variation or stay of this Order, the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 32 and 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

GENERAL

46. **THIS COURT ORDERS** that, except with respect to any motion to be heard at the Comeback Hearing, and subject to further Order of this Court in respect of urgent motions, any interested party intending to respond or object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials stating its response or objection to the motion and the grounds for such response or objection by no later than 5:00 p.m. (Eastern Time) on the date that is three (3) days prior to the date such motion is returnable (the “**Responding Deadline**”). The Monitor shall have the ability to extend the Responding Deadline after consulting with the Applicants.

47. **THIS COURT ORDERS** that following the expiry of the Responding Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including, without limitation, by way of a 9:30 a.m. (Eastern Time) appointment, of the absence or the status of any responses or objections to the applicable motion and the judge having carriage of such motion may

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determine: (i) whether a hearing in respect of the motion is necessary; (ii) if a hearing is necessary, the date and time of such hearing; (iii) whether such hearing will be in person, by telephone or videoconference, or by written submissions only; and (iv) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the applicable notice of motion.

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

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

50. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~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 ~~Applicant~~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 ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

51. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or

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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 any jurisdiction outside Canada.

~~51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of ~~12:01 a.m~~12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

53. **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, provided that counsel to the Applicants shall have issued and entered this Order with the Court Office and circulate a copy of the issued and entered Order to the Service List.



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

INITIAL ORDER

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