

**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

MOTION RECORD
(COMEBACK HEARING RETURNABLE NOVEMBER 15, 2024)

November 12, 2024

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@foglers.com

Lawyers for the Applicants

TO: **SERVICE LIST**

SERVICE LIST

TO:	<p>BDO CANADA LIMITED 51 Breithaupt Street, Suite 300 Kitchener, ON N2H 5G5</p> <p>Robyn Duwyn Email: rduwyn@bdo.ca Tel: (519) 578-6910</p> <p>Monitor</p>
AND TO:	<p>LOOPSTRA NIXON LLP 130 Adelaide Street West, Suite 2800 Toronto, ON M5H 3P5</p> <p>R. Graham Phoenix Tel: (416) 748-4776 / (416) 558-4492 Email: gphoenix@LN.Law</p> <p>Shahrazad Hamraz Tel: (416) 748-5116 Email: shamraz@LN.Law</p> <p>Counsel for the Monitor</p>
AND TO:	<p>DICKINSON WRIGHT LLP Commerce Court West 2200-199 Bay Street PO Box 447 Toronto, ON M5L 1G4</p> <p>John Leslie Tel: (416) 646-3801 / (519) 562-3209 Email: jleslie@dickinsonwright.com</p> <p>David Seifer Email: dseifer@dickinson-wright.com</p> <p>Counsel for Lending Stream Inc.</p>

AND TO:	1955185 ONTARIO INC. also known as 1000593616 ONTARIO INC. 19 Thoroughbred Boulevard Hamilton, ON L9K 1L2 Attention: Mohamed Reda Email: mikereda@hotmail.com
AND TO:	TERRASCEND CORP. 77 City Centre Dr., Suite 501 East Tower Mississauga, ON L5B 1M5
AND TO:	ALTERNA SAVINGS AND CREDIT UNION LIMITED 319 McRae Avenue Ottawa, ON K1Z 0B9
AND TO:	FARRIS LLP Barristers & Solicitors 2500 – 700 West Georgia St. Vancouver, BC V7Y 1B3 Nicholas T. Hooge Tel: (604) 684-9151 Fax: (604) 661-9349 Email: nhooge@farris.com Lawyers for Pure Sunfarms Corp.
AND TO:	TYR LLP 488 Wellington Street West, Suite 300-302 Toronto, ON M5V 1E3 Fax: 416-987-2370 James Bunting Tel: (647)519-6607 Email: jbunting@tyrllp.com Maria Naimark Tel: (437)225-5831 Email: mnaimark@tyrllp.com Lawyers for Ignite International Brands (Canada) Ltd.

AND TO:	BRAZEAU SELLER LLP 100 Queen Street, Suite 700 Ottawa, ON K1P 1J9 Eric Dwyer Tel: (613)237-4000 Email: edwyer@brazeauseller.com Lawyers for 10805696 Canada Inc. o/a Mauve & Herbes
AND TO:	DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Lawyers for Canada Revenue Agency
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:	CRA – TAX – ONTARIO Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan-Sud, QC G9P 5H9
AND TO:	2138825 ONTARIO INC 2129 Barber Drive Port Colborne, ON L3K 5X7

AND TO:	OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY 25 St. Clair Avenue – East (6th Floor) Toronto, ON M4T 1M2 Tel: (416) 973-6441 Fax: (416) 973-7440 Email: osbservice-bsfservice@ised-isde.gc.ca
AND TO:	HEALTH CANADA Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9 Email: Info@hc-sc.gc.ca
AND TO:	CHOKEY REAL ESTATE LIMITED 1818 Burlington St. East Hamilton, ON L8H 3L4
AND TO:	DENTONS CANADA LLP 77 King Street West Suite 400 Toronto, ON M5K 0A1 John Salmas Tel: (416) 864-4737 Email: john.salmas@dentons.com Lawyers for Kronos Capital Partners Inc.

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TAB 1

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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NOYA HOLDINGS INC. AND NOYA CANNABIS INC.

Applicants

**NOTICE OF MOTION
(Comeback Hearing)
(Returnable Friday, November 15, 2024)**

The Applicants, Noya Holdings Inc. (formerly, Radicle Cannabis Holdings Inc.) (“**NHI**”) and Noya Cannabis Inc. (formerly, Radicle Medical Marijuana Inc. and Radicle Remedy Inc.) (“**NCI**”, together the “**Applicants**” or the “**Company**”), will make a motion to the Honourable Justice Cavanagh on Friday, November 15, 2024 at 9:30 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- In writing under subrule 37.12.1(1) because it is on consent;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

Zoom link to be uploaded on Caselines.

THE MOTION IS FOR:

1. An amended and restated initial order (“**Amended and Restated Initial Order**”), substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record, among other things:

- (a) abridging the time for and validating service of this notice of motion and the motion record and dispensing with service on any person other than those served;
- (b) extending the stay of proceedings granted pursuant to the order, dated November 6, 2024 (“**Initial Order**”), to and including March 7, 2025;
- (c) approving the DIP Term Sheet dated November 11, 2024 between the Applicants and Lending Stream Inc. or its nominee (the “**DIP Lender**” or “**Lending Stream**”) for committed terms for DIP financing (the “**DIP Loan**”), authorizing borrowings under the DIP Loan in an amount up to \$400,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the “**DIP Lender's Charge**”);
- (d) approving an increase to the Administration Charge to the maximum amount of \$400,000;
- (e) approving an increase to the Directors' Charge to the maximum amount of \$200,000; and

- (f) authorizing the Company to make payments to certain third-party suppliers for pre-filing expenses or to honour cheques issued to providers of goods and services prior to the Initial Order, with the consent of the Monitor, which are necessary to facilitate the Applicants' ongoing operations and preserve value during the CCAA proceedings.
2. An order ("**Sale Process Approval Order**"), substantially in the form of the draft order attached at Tab 6 of the Applicants' Motion Record, among other things:
- (a) authorizing and empowering the Company (the "**Vendor**") to enter into a stalking horse purchase agreement dated November 11, 2024 (the "**Stalking Horse Agreement**") between the Vendor and Lending Stream (in such capacity, the "**Stalking Horse Purchaser**");
 - (b) approving the sales process ("**Stalking Horse Sales Process**") including the sales agent agreement dated November 11, 2024 (the "**SISP Agent Agreement**"), and the Stalking Horse Agreement;
 - (c) approving the payment and priority of payment of the Break Fee, the Professional Fees, and the Deposit Repayment, as provided for in the Stalking Horse Agreement;
 - (d) approving the appointment or engagement of Kronos Capital Partners Inc. under the SISP Agent Agreement as the sales agent (the "**SISP Agent**") to assist with the implementation of the Stalking Horse Sales Process; and

- (e) confirming that the Stalking Horse Agreement represents the “Stalking Horse Bid” as defined in and for purposes of the Sale Process Approval Order; and
3. Such further and other relief as this Court may deem just and equitable.

THE GROUNDS FOR THE MOTION ARE:

1. Capitalized terms not otherwise defined herein are as defined in the Affidavit of Ziad Reda sworn November 12, 2024.

Background

2. The Company, through its operating entity NCI, is a licensed producer of cannabis products. NCI's production process involves growing and selling various cannabis products.
3. On November 6, 2024, the Honourable Justice Cavanagh granted the Initial Order that provided protection to the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c, C-36, as amended (“CCAA”). Among other things, the Initial Order:
 - (a) granted a stay of proceedings until November 15, 2024 (“**Initial Stay Period**”);
 - (b) granted an Administration Charge in the amount of \$200,000;
 - (c) granted a Directors' Charge in the amount of \$100,000; and
 - (d) appointed BDO Canada Limited as the CCAA monitor of the Company (in such capacity, the “**Monitor**”).
4. The Company initiated proceedings under the CCAA on account of the financial pressures arising as a result of, among other things: (i) a payment demand from a secured

creditor; (ii) intense competition and an over-supply of cannabis products leading to significant price reductions; (iii) the low market demand for cannabis products, partially as a result of the illicit market for cannabis, causing a decline in orders; and (iv) litigation proceedings with certain contingent claimants.

5. A sale of the Applicants' assets, in the context of the CCAA proceedings, is necessary to restructure the Company's underlying business operations and maximize value for the Applicants' creditors and other stakeholders.

Stalking Horse Agreement, Stalking Horse Sales Process and SISP Agent Agreement

6. The Applicants have identified the Stalking Horse Purchaser who has agreed to act as a stalking-horse bidder in a court-supervised Stalking Horse Sales Process.

7. The ultimate owner of the Applicants and the ultimate owner of the Stalking Horse Purchaser are brothers.

8. The Stalking Horse Purchaser and the Applicants have negotiated and entered into the Stalking Horse Agreement.

9. The Applicants are seeking approval of the Stalking Horse Agreement, which will serve as the baseline against which offers received in the Stalking Horse Sales Process will be measured.

10. The Stalking Horse Sales Process will be administered by the Monitor and SISP Agent in consultation with the Applicants. In addition, the Monitor will have certain rights in connection with material decisions related to the process (for example, in connection with the extension of deadlines).

11. Due to the nature of the Company's business, and the emerging liquidity challenges that precipitated the CCAA filing, value maximization for stakeholders can only be derived from a going concern sale of the business in the context of an orderly court-supervised process. The Stalking Horse Sales Process achieves that objective: it provides stability to the business and signals to customers, employees and other stakeholders that operations will continue, and customer orders fulfilled, after these CCAA proceedings conclude.

12. The Stalking Horse Agreement is generally structured as a purchase of the retained assets of the Company by way of a share sale and "reverse" vesting approval order.

13. The purchase price under the Stalking Horse Agreement is approximately \$3.8 million, comprising of various debts or amounts including outstanding amounts secured by the Administration Charge and the Director's Charge, any outstanding priority payables, part of the Lending Stream debt and any assumed liabilities.

14. In consideration for the Stalking Horse Purchaser (i) expending time and money and agreement to act as the initial stalking horse bidder; (ii) performing due diligence pursuant to the Stalking Horse Agreement; and (iii) subject to court approval, the Stalking Horse Agreement contemplates a break fee in the amount of \$175,000 (the "**Break Fee**"). The Break Fee does not form part of the purchase price under the Stalking Horse Agreement.

15. The Applicants and the Monitor are of the view that the amount of the Break Fee is reasonable and accords with the size and complexity of the transaction.

16. It is expected that if the Stalking Horse Purchaser is the successful purchaser in the Stalking Horse Sales Process, they will maintain the employment of substantially all of the Applicants' employees.

17. If the Stalking Horse Purchaser is not the successful purchaser at the conclusion of the Stalking Horse Sales Process, in addition to the Break Fee, and subject to Court approval, the Stalking Horse Purchaser will be entitled to repayment in full of certain professional fees (to a maximum amount of \$100,000) (the "**Professional Fees**"), as well as repayment in full of all amounts advanced under the DIP Term Sheet (as defined in the Stalking Horse Agreement), which payment shall be in priority to all other claims, from the sale proceeds of the successful transaction (the "**Deposit Repayment**").

18. The Stalking Horse Agreement is conditional upon, among other things:

- (a) Court-approval of the Stalking Horse Sales Process and the Stalking Horse Agreement, including the Break Fee, the Professional Fees and the Deposit Repayment; and
- (b) the Stalking Horse Agreement being the successful transaction at the conclusion of the Stalking Horse Sales Process.

19. Critically, the Stalking Horse Agreement and sales process addresses the Company's interim financing and working capital needs such that operations can be sustained, customer orders fulfilled, and the enterprise value of the business preserved.

20. The Stalking Horse Sales Process will allow the Applicants' to canvas the market for a sale of the business. It is the sole available, and only effective means of maximizing creditor recovery and preserving employment for the Company's employees.

21. The Applicants have also engaged the SISP Agent pursuant to the SISP Agent Agreement to assist with the Stalking Horse Sales Process. The SISP Agent has significant experience in administering or implementing sales processes with respect to cannabis companies.

22. The Applicants and the Monitor are of the view that the amount of the fees, expenses or compensation for the SISP Agent's services as set out in the SISP Agent Agreement, including the total work fee capped at \$60,000 plus HST (the "**Work Fee**"), legal fees capped at \$5,000 plus disbursements and tax, and non-legal expenses capped at \$7,500 (these legal fees and non-legal expenses, collectively, the "**Expenses**"), is reasonable and accords with the size and complexity of the transaction. There is also a success fee in the amount of \$150,000 plus HST but it does not apply if the Stalking Horse Purchaser is the successful purchaser pursuant to the Stalking Horse Sales Process. Under the SISP Agent Agreement, the first \$30,000 plus HST of the Work Fee is payable within two (2) business days after the execution of the Agreement and the second \$30,000 plus HST of the Work Fee is payable within thirty (30) days of the execution of the Agreement. Finally, subject to court approval, the outstanding amount of the SISP Agent's Work Fee and Expenses, estimated at \$50,000 (\$30,000 plus HST; \$5,000 plus disbursements and tax; and \$7,500 plus HST) at the time of the Comeback Hearing will be secured under the Administration Charge.

DIP Financing

23. The Applicants and DIP Lender entered into the DIP Term Sheet dated November 11, 2024. Based on, among other things, the Cash Flow Forecast, the Applicants believe that the DIP Loan is both reasonable and necessary for the Company.

24. The material terms of the DIP Term Sheet are as follows:

- (a) The DIP Loan is in the amount of \$400,000;
- (b) The purpose of the DIP Loan is to fund: (i) the Company's working capital needs in accordance with the cash flow projections attached to the Monitor's report; (ii) the professional fees and expenses incurred by the Company and the Monitor in respect of the CCAA proceeding in accordance with the cash flow projections; (iii) the DIP Lender's fees and expenses; and (iv) such other costs and expenses of the Company as may be agreed to by the DIP Lender.

25. The DIP Loan shall be available in an advance or advances upon the issuance of the Amended and Restated Initial Order at the Comeback Hearing, being up to \$400,000.

Critical Suppliers

26. The Applicants are critically reliant on certain suppliers in their day-to-day operations. To preserve their business and maintain these essential relationships, the Applicants are seeking the Court's approval to pay certain pre-filing expenses or to honour certain payments issued to providers of goods and services prior to the date of filing that the Applicants, with the consent of the Monitor, believe are essential to continued operations and preservation of value. The payments for which approval is sought are estimated to total no more than \$110,000 and are budgeted for in the Cash Flow Forecast.

Extension of the Stay

27. The Applicants are requesting an extension of the Initial Stay Period to March 7, 2025 ("**Extended Stay Period**"). The outside date or ultimate closing date of the sale under the Stalking Horse Agreement and Stalking Horse Sales Process is generally March 3, 2025.

28. As indicated by the Cash Flow Forecast filed by the Monitor, it is forecast that the Applicants will have sufficient liquidity during the Extended Stay Period to fund obligations and the costs of the CCAA proceedings.

29. While restructuring proceedings are underway, it is just and appropriate, and a valid exercise of the court's inherent jurisdiction, to extend the CCAA stay of proceedings to prevent enforcement steps against the Company's officers and directors so that they can focus on the restructuring of the Company.

30. An extension of the stay of proceedings in this manner will best preserve the status quo and permit the directors and officers to focus on creating value for stakeholders without distraction. It is consistent with the CCAA's objective of furthering a debtor's restructuring, and can be supported on a balance of convenience analysis.

31. The Monitor supports, and no creditor will be prejudiced by, the extension of the stay for the Extended Stay Period.

Administration Charge

32. The relief sought in the Initial Order in respect of the Administration Charge was limited to the amount reasonably necessary for the Applicants to continue operations in the ordinary course of business during the Initial Stay Period.

33. The requested increase to the Administration Charge will better secure funding for the additional work of the professional group that will be necessary during the Extended Stay Period, and secure the outstanding Work Fee and Expenses of the SISP Agent. The amount of the Administration Charge is fair and reasonable in the circumstances.

Directors' Charge

34. The relief sought in the Initial Order in respect of the Directors' Charge was limited to the amount reasonably necessary for the Applicants to continue operations in the ordinary course of business during the Initial Stay Period.

35. The requested increase to the Directors' Charge will better protect directors from the risk of liability for their additional work that will be necessary during the Extended Stay Period. The amount of the Directors' Charge is fair and reasonable in the circumstances.

General

36. The provisions of the CCAA, including sections 11, 11.02, 11.2, 11.51 and 11.52, and the statutory, inherent and equitable jurisdiction of this Court.

37. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37, and 39 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended,

38. Section 106 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended; and

39. Such further and other grounds as counsel may advise.

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

- (a) the first Affidavit of Ziad Reda, filed on the initial application, sworn October 28, 2024 and the exhibits attached thereto;
- (b) the second Affidavit of Ziad Reda, filed on the comeback hearing, sworn November 12, 2024 and the exhibits attached thereto;
- (c) the pre-filing report of the proposed Monitor dated October 29, 2024;
- (d) the first report of the Monitor, to be filed; and
- (e) such further and other evidence as counsel may advise and this Court may permit.

November 12, 2024

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
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PROCEEDING COMMENCED AT
TORONTO

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(Comeback Hearing)
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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@foglers.com

Lawyers for the Applicants

TAB 2

ONTARIO
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AFFIDAVIT OF ZIAD REDA

(Sworn November 12, 2024)

I, Ziad Reda, of the Town of Ancaster, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. OVERVIEW

1. I am a director and Chief Executive Officer of the Applicants, Noya Holdings Inc. (formerly, Radicle Cannabis Holdings Inc.) ("**NHI**") and Noya Cannabis Inc. (formerly, Radicle Medical Marijuana Inc. and Radicle Remedy Inc.) ("**NCI**", together the "**Applicants**" or the "**Company**").

2. As the Chief Executive Officer of the Applicants, my primary responsibilities include managing the Company's overall operations and resources and making strategic business decisions.

3. I have personal knowledge of the matters to which I depose in this affidavit, except where I have obtained information from others. Where I have obtained information from others, I have stated the source of my information and, in all such cases, believe such information to be true.

4. I swear this affidavit in support of, among other things, a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), requesting:

(a) an amended and restated initial order (“**Amended and Restated Initial Order**”) substantially in the form attached at Tab 3 of the Applicants' motion record, among other things:

(i) abridging the time for and validating service of this notice of motion and the motion record and dispensing with service on any person other than those served;

(ii) extending the stay of proceedings granted pursuant to the order, dated November 6, 2024 (“**Initial Order**”), to and including March 7, 2025;

(iii) approving the DIP Term Sheet dated November 11, 2024 between the Applicants and Lending Stream Inc. or its nominee (the “**DIP Lender**” or “**Lending Stream**”) for committed terms for DIP financing (the “**DIP Loan**”), authorizing borrowings under the DIP Loan in an amount up to \$400,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the “**DIP Lender's Charge**”);

- (iv) approving an increase to the Directors' Charge to the maximum amount of \$200,000;
 - (v) authorizing the Company to make payments to certain third-party suppliers for pre-filing expenses or to honour cheques issued to providers of goods and services prior to the Initial Order, with the consent of the Monitor, which are necessary to facilitate the Applicants' ongoing operations and preserve value during the CCAA proceedings; and
 - (vi) approving an increase to the Administration Charge to the maximum amount of \$400,000.
- (b) an order (“**Sale Process Approval Order**”), substantially in the form attached at Tab 6 of the Applicants' motion record, among other things:
- (i) authorizing and empowering the Company (the “**Vendor**”) to enter into a stalking horse purchase agreement dated November 11, 2024 (the “**Stalking Horse SPA**”) between the Vendor and Lending Stream, or its nominee (in such capacity, the “**Stalking Horse Purchaser**”);
 - (ii) approving the sale process (“**Stalking Horse Sales Process**”) including the sales agent agreement dated November 11, 2024 (“**SISP Agent Agreement**”), and the Stalking Horse SPA;
 - (iii) approving the Break Fee, the Professional Fees and the Deposit Repayment provided for and defined in the Stalking Horse SPA;

- (iv) approving the appointment or engagement of Kronos Capital Partners Inc. as the sales agent (the “**SISP Agent**”) pursuant to the SISP Agent Agreement, to assist with the implementation of the Stalking Horse Sales Process; and
- (v) confirming that the Stalking Horse SPA represents the “Stalking Horse Bid” as defined in and for purposes of the Sale Process Approval Order.

II. BACKGROUND AND UPDATE ON CCAA PROCEEDINGS

5. My first affidavit in these CCAA proceedings was sworn on October 28, 2024 (“**First Reda Affidavit**”). A copy of the First Reda Affidavit, without exhibits, is attached hereto as **Exhibit “A”**.
6. NHI is the holding company. It is owned principally by me and my brother, Youssef Reda, through a numbered company. NHI, through its wholly-owned subsidiary, NCI, operates a cannabis manufacturing and production business. The Company is insolvent, faces liquidity challenges, and is in urgent need of relief under the CCAA.
7. The Applicants applied for urgent relief under the CCAA on November 6, 2024, because a payment demand had been made by one of the Company's secured creditors, there were pressing deadlines regarding some of the litigation or arbitration proceedings regarding the Company and there was a looming cash or liquidity shortage to sustain operations in the near future.
8. On November 6, 2024, the Honourable Justice Cavanagh made an order (the “**Initial Order**”), among other things:

- (a) granting a stay of proceedings in favour of the Applicants and 2675383 Ontario Limited (the “**Non-Applicant Stay Party**” or “**267**”) up to and including November 15, 2024 (the “**Initial Stay Period**”);
 - (b) appointing BDO Canada Limited as monitor of the Applicants in these CCAA proceedings (in such capacity, the “**Monitor**”);
 - (c) granting an Administration Charge in the amount of \$200,000 and a Directors' Charge in the amount of \$100,000; and
 - (d) scheduling a return hearing date for November 15, 2024 (“**Comeback Hearing**”).
9. The Applicants have continued to operate in the ordinary course since the Initial Order was granted. Among other things, since the granting of the Initial Order, the Applicants have, with the assistance of the Monitor and their advisors:
- (a) worked to stabilize operations, negotiate the Stalking Horse SPA and SISP Agent Agreement, and develop the Stalking Horse Sales Process;
 - (b) reviewed cash flow requirements;
 - (c) communicated with various stakeholders including, among others: key creditors, customers, suppliers, and employees, which are critical to the Company's ongoing operations;
 - (d) worked or communicated with the SISP Agent and Monitor regarding the Stalking Horse Sales Process; and

(e) worked with the DIP Lender and Monitor regarding the DIP Loan.

III. RELIEF SOUGHT AT COMEBACK HEARING

10. I understand that the Monitor and the Applicants' senior secured lender, Lending Stream, are supportive of the relief sought at the Comeback Hearing.

A DIP Financing

11. The First Reda Affidavit describes the causes for the Company's insolvency and the urgency of the initial filing with reference to a number of contributing factors including a looming liquidity challenge or "cash crunch" that conspired to create a situation where the business simply could not afford to sustain operations into the near future without a DIP Loan to be sought at the Comeback Hearing.

12. Some of the catalysts for the initial filing were the demand for payment from Lending Stream and the Contingent Claims (as defined in the First Reda Affidavit).

13. The Company's business has generally transitioned to wholesale business-to-business service or product provider. At this point, the value of the Company is largely dependent on a few, key, large customers and derived from its ability to seamlessly and continuously fulfill the order requirements of these key customers. Timely order fulfillment is the "lifeblood" of the business. A cessation of operations, even temporarily, would be destructive of enterprise value in a manner that would be near irreversible. Customers could be expected to secure alternative manufacturing or production capacity and could not reasonably be expected to await the outcome of a hard shut-down and the chance of a

future start-up. I believe that the harm to the business would be immediate in the circumstances.

14. The Company's dependency on a limited or few, large, consistent, predictable customer order flows is another related reason for the need for DIP financing. The withdrawal of a portion of these orders would result in a significant cash flow deficit, posing an existential threat to the Company and prompting the need for the DIP Loan. The DIP Loan, in the absence of any other options, will bridge the gap in the cash flow to get the Company through the Extended Stay Period (defined below).
15. The Applicants and DIP Lender entered into a DIP Term Sheet dated November 11, 2024. A copy of the DIP Term Sheet is attached hereto as **Exhibit "B"**. Based on, among other things, the Cash Flow Forecast, the Applicants believe that the DIP Loan is both reasonable and necessary for the Company.
16. The material terms of the DIP Term Sheet are as follows:
 - (a) The DIP Loan is in the amount of \$400,000;
 - (b) The purpose of the DIP Loan is to fund: (i) the Company's working capital needs in accordance with the cash flow projections attached to the DIP Term Sheet; (ii) the professional fees and expenses incurred by the Company and the Monitor in respect of the CCAA proceeding in accordance with the cash flow projections attached to the DIP Term Sheet; (iii) the DIP Lender's fees and expenses; and (iv) such other costs and expenses of the Company as may be agreed to by the DIP Lender; and

- (c) The DIP Loan shall be available in an advance or advances upon the issuance of the Amended and Restated Initial Order at the Comeback Hearing, being up to \$400,000.

B Approval of Stalking Horse SPA

i. Stalking Horse SPA

17. All terms capitalized but not defined in this section of my affidavit are as defined in the Stalking Horse SPA.
18. The First Reda Affidavit addresses the fact that at the time of the Initial Order the Applicants were in the process of negotiating a purchase agreement with Lending Stream, also the DIP Lender, pursuant to which, and subject to court approval, the purchaser would act as a stalking horse bidder in a court-supervised sale process. Negotiations in this regard commenced immediately prior to the time of the Initial Order and continued through to today.
19. Deal points relating to the CCAA funding, and costs reimbursement, and other protections for the stalking horse purchaser, were heavily negotiated and reflect difficult but necessary compromises. In approaching these negotiations, I was keenly aware of the looming “cash crunch” facing the Company. We were unable to source any rescue financing outside of a formal filing. I believe that the Company did not have the luxury of additional time or options. I believe that remains the case.
20. In this regard, the First Reda Affidavit describes the Company's pre-filing strategic initiatives and efforts to improve its financial situation, including by achieving operational

efficiencies and conserving cash, as well as efforts to obtain additional financing by approaching potential investors and sources of capital. These efforts were not successful. They could neither avert the CCAA filing nor, in the end when the filing became necessary, secure any other willing DIP Lender.

21. On November 11, 2024, the Applicants/Vendor and the Stalking Horse Purchaser finalized negotiations and entered into an agreement for the purchase and sale of substantially all of the Applicants' assets, except for excluded assets (“**Stalking Horse SPA**”), a copy of which is attached hereto as **Exhibit “C”**.
22. The Stalking Horse Purchaser is Lending Stream (or its nominee), the DIP Lender in this proceeding and senior secured creditor. My brother, Rami Reda, is the ultimate owner or principal of Lending Stream.
23. The Stalking Horse SPA is structured as a purchase of the assets of the Company by way of a share sale and “reverse” vesting approval order.
24. The purchase price under the Stalking Horse SPA is approximately \$3.8 million, subject to adjustments as provided in the agreement. The purchase price will generally be satisfied by way of a credit bid. The Stalking Horse Purchaser shall pay the Purchase Price to the Monitor, for the benefit of the Vendor and ResidualCo, at the Closing Time, in accordance with the following:
 - (a) **Initial Deposit:** All amounts owing to the Purchaser under the DIP Term Sheet as of the SISP Approval Date, including any accrued and unpaid interest, expenses, fees, and other amounts (in aggregate, the “**Deposit**”), shall be treated in all respects

as a deposit from and after the SISP Approval Date and shall be credited against the Purchase Price at Closing.

- (b) **Credit Bid Purchase Price:** All amounts owing to the Purchaser under the Lending Stream Royalty Debt as of the SISP Approval Date, including any accrued and unpaid interest, expenses, fees and other amounts accruing from the Effective Date to the SISP Approval Date, which shall be extinguished and discharged, and shall be treated in all respects as a payment to be credited against the Purchase Price (the “**Credit Bid**”).
 - (c) **Cash Component:** The Purchaser shall pay any amount not otherwise satisfied by the Deposit and Credit Bid by wire transfer to the Monitor, in trust (the “**Cash Purchase Price**”).
 - (d) **Assumed Liabilities:** An amount equal to the amount of the Assumed Liabilities, which the Company shall retain on the Closing Date in accordance with the Pre-Closing Reorganization, if any, shall be satisfied by the Company performing the Assumed Liabilities.
25. Pursuant to the terms of the Stalking Horse SPA, the Stalking Horse Bidder, as DIP Lender, will also provide the Company with the required interim financing in the amount of \$400,000 for, among other things, its working capital requirements during the sales process phase of the CCAA proceedings. This financing will be funded in accordance with the cash flow forecast filed up to a maximum aggregate principal amount of \$400,000. As noted

above, the DIP advance or advances will represent or be treated as the Deposit under the Stalking Horse SPA.

26. The Stalking Horse SPA contemplates that, in the event that the Stalking Horse Bid is not the Successful Bid, in addition to the Break Fee, the Stalking Horse Purchaser shall be entitled to repayment of professional fees (to a maximum amount of \$100,000) (the “**Professional Fees**”), as well as repayment in full of all amounts advanced under the DIP Term Sheet, and such payment shall be in priority to any and all Claims against the Company (the “**Deposit Repayment**”).
27. The proposed Stalking Horse SPA provides for minimal conditions to close. The only real substantive conditions are that the Company or NCI must have its cannabis licences in good standing, and that the lease for the Hamilton Facility must be in good standing. If those conditions are satisfied, then generally the Stalking Horse Purchaser will close immediately upon the issuance of an approval and vesting order.
28. It is expected that the Stalking Horse Purchaser will maintain the employment of substantially all of the employees of the Company.
29. Critically, the Stalking Horse SPA and DIP Term Sheet address the Company's interim funding and working capital needs such that operations can be sustained, customer orders fulfilled, and the going concern value of the business preserved.
 - ii. *Break Fee*
30. In consideration for the Stalking Horse Purchaser (i) expending time and money and agreeing to act as the initial bidder and (ii) performing the due diligence pursuant to the

Stalking Horse SPA, and subject to the approval of the court, the Stalking Horse SPA contemplates that the Stalking Horse Purchaser shall be entitled to a break fee in the amount of \$175,000 (the “**Break Fee**”). The Break Fee is provided for under the Stalking Horse SPA.

31. The Break Fee does not form part of the purchase price under the Stalking Horse SPA.
32. In accordance with the terms of the Stalking Horse SPA, the Break Fee and Professional Fees shall be generally payable to the Stalking Horse Purchaser in the event that the Stalking Horse Bid is not the Successful Bid in the Stalking Horse Sales Process, following closing of the transaction contemplated by such other Successful Bid.
33. The Applicants and the Monitor are of the view that the amount of the Break Fee and Professional Fees are reasonable and accords with the size and complexity of the transaction. I have reviewed the quantum of the Break Fee and Professional Fees with the Applicants' counsel and the Monitor and I understand that it is within the range of what is considered a reasonable break fee for transactions of this nature.
34. I understand that the Monitor supports approval of the Stalking Horse SPA, the Professional Fees and the Break Fee.

C Approval of Stalking Horse Sales Process

35. The Applicants seek approval of the Stalking Horse Sales Process in which the Stalking Horse SPA will establish a baseline price and govern the solicitation of higher and more favourable offers.

36. The Stalking Horse Sales Process, which is attached as a schedule to the Stalking Horse SPA, was developed in consultation with the Monitor and SISP Agent, and takes into account the current financial circumstances of the Applicants. The SISP Agent has significant experience and expertise with implementing sales processes in relation to cannabis companies. The SISP Agent Agreement clearly sets out the services to be provided by the SISP Agent in relation to the Stalking Horse Sales Process. The Applicants and Monitor are of the view that the amount of the SISP Agent's proposed fixed Work Fee and Expenses for services to be rendered in implementing the Stalking Horse Sales Process, as set out in the SISP Agent Agreement, is reasonable in the circumstances.
37. The approval of the Stalking Horse Sales Process will allow the Applicants to test the market for higher and better offers in order to maximize the value obtained for the Applicants' assets for the benefit of the various stakeholders.
38. Subject to the approval of the Court, the Stalking Horse Sales Process will be administered by the Monitor and the SISP Agent in consultation with the Applicants. In addition, the Monitor will have certain rights in connection with material decisions related to the process, including with respect to the extension of certain deadlines. Given that the Stalking Horse Purchaser is ultimately owned by my brother, the independent role of the Monitor, as an officer of the court, in the Stalking Horse Sales Process takes on added importance in the circumstances.
39. I believe that the Stalking Horse Sales Process will provide stability to the Applicants' business by signalling to customers, employees, and other stakeholders that the Company's

business will continue as a going concern after these CCAA proceedings. For the reasons described above, this is essential for the preservation of stakeholder value.

40. The senior secured creditors of the Applicants, Lending Stream and 195, while ultimately owned by my brother or parent(s), support the Stalking Horse Sales Process and no creditor has objected to date.

D Critical Suppliers

41. The Applicants are critically reliant on certain suppliers in their day-to-day operations. To preserve their business and maintain these essential relationships, the Applicants are seeking the Court's approval to pay certain pre-filing expenses or to honour certain payments issued to providers of goods and services prior to the date of filing that the Applicants, with the consent of the Monitor, believe are essential to continued operations and preservation of value. The payments for which approval is sought are estimated to total no more than \$110,000, and are budgeted in the Company cash flow statement.

E Extension of Stay of Proceedings

42. The Applicants have acted, and continue to act, in good faith and with due diligence to communicate with stakeholders and to develop the Stalking Horse Sales Process. The Applicants seek a stay extension up to and including March 7, 2025 ("**Extended Stay Period**") to provide stability and to allow sufficient time to complete the Stalking Horse Sales Process without having to incur additional costs during that process to return to Court to seek further extension.

43. It is anticipated that the Stalking Horse Sales Process will conclude by March 3, 2025 (i.e., the outside date to complete or conclude a transaction including obtaining or seeking court approval of the transaction before that date).
44. As indicated in the Cash Flow Forecast appended to the Monitor's first report, to be filed, the Applicants will, or expect to have sufficient liquidity, due to the DIP Loan and Stalking Horse SPA, during the Extended Stay Period to fund obligations and the costs of the CCAA proceedings.
45. The Monitor has advised that it supports the extension of the stay for the Extended Stay Period.
46. I believe that the extension of the stay in this matter will better preserve the pre-filing status of the Company and permit the Company and the Non-Applicant Stay Party or 267 and their directors and officers to focus their energy on creating value for stakeholders during the Stalking Horse Sales Process and Extended Stay Period. I also believe that no creditor will suffer material prejudice as a result of the extension of the stay for the Extended Stay Period.
47. As described in the First Reda Affidavit, Lending Stream issued demand for payment from the Company and there are Contingent Claims against the Company at different stages of litigation or arbitration. Some of these Contingent Claims have coming deadlines in the proceedings that otherwise have to be met by the Company. Meeting these deadlines and/or having to litigate or respond further to these unsecured Contingent Claims at this time will be costly, timely and use limited resources for the Company.

48. I know that the Company and 267 must focus 100% of their time and energy on these reorganization proceedings, including, most immediately, working with the Monitor, SISP Agent and their advisors to run a successful Stalking Horse Sales Process. The Company and 267 wish to invest their full time and attention, without distraction, in doing so in these CCAA proceedings. Having to defend, or further defend, creditor claims and the Contingent Claims at this time would necessarily compete with, and distract from, the Company's full-time commitment to the successful advancement of its current restructuring priorities.

F Increase to Administration Charge

49. The Applicants seek an increase in the Administration Charge to \$400,000 to remain consistent with the projected fee and disbursements of the Monitor, counsel for the Monitor, and counsel for the Applicants (collectively, the "**Professional Group**") during the Extended Stay Period; and to secure the outstanding amount of the SISP Agent's Work Fee and Expenses under the SISP Agent Agreement, estimated at \$50,000 (\$30,000 plus HST owing for the second Work Fee payment; \$5,000 plus disbursements and tax for legal expenses; and \$7,500 plus HST for non-legal expenses) at the time of the Comeback Hearing. A copy of the SISP Agent Agreement is attached hereto as **Exhibit "D"**.
50. The Applicants and Monitor are of the view that the proposed increase to the Administration Charge is reasonably necessary at this time.

G Increase to Directors' Charge

51. The Applicants seek an increase in the Directors' Charge to \$200,000 to cover the risk of potential liabilities for the remaining officers and directors of the Company during the Extended Stay Period.

52. The Applicants and Monitor are of the view that the proposed increase to the Directors' Charge is reasonably necessary at this time.

IV. FORM OF ORDER AND CONCLUSION

53. This affidavit is sworn in support of orders substantially in the form of the draft orders at Tabs "3" and "6" to the Applicants' Motion Record, and for no other or improper purpose.

SWORN by Ziad Reda of the Town of Ancaster, in the Province of Ontario before me at the City of Mississauga, in the Province of Ontario, on November 12, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

ZIAD REDA

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

This is Exhibit "A" 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 November 12, 2024, 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.**

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

AFFIDAVIT OF ZIAD REDA

I, **Ziad Reda**, of the Town of Ancaster, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. OVERVIEW

1. I am Chief Executive Officer and a director of the Applicants, Noya Holdings Inc. (formerly, Radicle Cannabis Holdings Inc.) ("**NHI**") and Noya Cannabis Inc. (formerly, Radicle Medical Marijuana Inc. and Radicle Remedy Inc.) ("**NCI**", together the "**Applicants**" or the "**Company**").

2. As the Chief Executive Officer of the Applicants, my primary responsibilities include managing the Company's overall operations and resources and making strategic business decisions.

3. I have personal knowledge of the matters to which I depose in this affidavit, except where I have obtained information from others. Where I have obtained information from others, I have stated the source of my information and, in all such cases, believe such information to be true.

4. I swear this affidavit in support of, among other things, an application by the Company for protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").

5. More specifically, the Applicants are seeking an order (the "**Initial Order**") approving, among other things:

- (a) an administration charge of \$200,000 (the "**Administration Charge**");
- (b) a director's charge of \$100,000 (the "**Director's Charge**" and together with the Administration Charge, the "**Priority Charges**");
- (c) the appointment of BDO Canada Limited as monitor of the Applicants in these CCAA proceedings; and
- (d) an initial stay of proceedings to November 15, 2024 (the "**Stay Period**") and extending the benefit of the stay of proceedings to the Non-Applicant Stay Party (as defined below).

6. If the Initial Order is granted, the Applicants intend to return to Court on November 15, 2024 (the "**Comeback Hearing**") to request an order (the "**Amended and Restated Initial Order**") that would:

- (a) extend the Stay Period (the "**Extended Stay Period**");
- (b) increase the amount of the Priority Charges as follows: Administration Charge to \$350,000 and the Director's Charge to \$200,000;

- (c) authorize and approve certain payments to critical suppliers for pre-filing expenses or to honour cheques issued to providers of goods and services prior to the Initial Order, with the consent of the Monitor, which are necessary to facilitate the Company's ongoing operations and preserve value during the CCAA proceedings;
- (d) approve a DIP term sheet, a DIP loan in the principal amount of \$400,000 and a DIP lender's charge in that amount; and
- (e) approve a sale and investment solicitation process, which will include a stalking horse bid.

7. For the reasons set out herein, I do verily believe that the Applicants are insolvent, are companies to which the CCAA applies and are facing the risk of looming liquidity challenges.

II. URGENT NEED FOR RELIEF

8. NHI is the ultimate parent company of NCI and 2675383 Ontario Limited ("**267**" or the "**Non-Applicant Stay Party**"). NHI is owned primarily by me and my brother, Youssef Reda, through a numbered holding company.

9. NHI is also the sole owner or holding company of Noya Store Inc. and 2672204 Ontario Limited. The latter two companies are not included or parties to these CCAA proceedings.

10. As elaborated below, the cannabis licences are held by NCI and 267. NCI operates the cannabis manufacturing and production business from leased premises. The Company is insolvent, will have liquidity challenges in the near future and faces several lawsuits, arbitrations and/or demands for payment, and is in urgent need of relief under the CCAA.

11. The cannabis industry is suffering the growing pains of a fairly novice industry. This has been reflected in the many CCAA filings or bankruptcies of various industry participants. It is also a highly regulated industry and has experienced rapid change as a result of these growing pains. The uncertainty caused by these changes has created an array of challenges for companies in the industry, including lower than expected sales and revenues, higher than expected compliance costs in this regulated business, litigation among producers, suppliers and customers, and difficulties in obtaining adequate investment and financing for operations and capital expenditures.

12. In the past year, the Applicants have suffered losses due to, among other things:

- (a) the loss of revenues in excess of \$500,000 due to customers filing under the CCAA;
- (b) litigation costs related to certain contingent claims and/or arbitrations;
- (c) a steep decline in the value of most publicly-traded cannabis companies in Canada, which also form the basis of some of NCI's client base;
- (d) intense competition and an over-supply of cannabis products leading to significant price reduction; and
- (e) the low market demand for cannabis products, partially as a result of the illicit market for cannabis, causing a decline in orders.

13. In addition, the Company's main secured creditor, Lending Stream Inc. ("**Lending Stream**"), has recently demanded payment from NHI under a convertible debenture in the amount of approximately \$1.9 million, and demanded payment from NCI under a royalty

agreement in the amount of approximately \$3.4 million. The main principal or owner of Lending Stream, Rami Reda, is my brother.

14. Other secured creditors of NHI and/or NCI include 1955185 Ontario Inc., as amalgamated, amended or changed to 1000593616 Ontario Inc. ("**195**"), and Gage Growth Corp. (formerly, Wolverine Partners Corp.) or TerrAscend Corp. (which acquired shares of Gage Growth Corp.) ("**TerrAscend**"). 195 is ultimately owned or controlled primarily by my parents or parent.

15. The Company is also facing various contingent claims, including from Pure Sunfarms Corp., Ignite International Brands (Canada) Ltd., and 10805696 Canada Inc., o/a Mauve & Herbes (the "**Contingent Claims**").

16. The Contingent Claims are at different stages of litigation, arbitration or mediation and have looming deadlines in the respective proceedings, which will require the Company to expend time, money and resources to meet those deadlines.

17. The secured claims of Lending Stream, 195 and TerrAscend, or the Lending Stream Debt, 195 Debt and TerrAscend Debt, as these terms are defined below, and the Contingent Claims, exceeds \$5 million for each of the Applicants.

18. The Company's management team has made determined efforts to address its financial challenges, including, among other things, reducing staff from approximately 50 employees to 18 employees in December, 2022; maximizing automation to more efficiently address manufacturing demands; increasing the efficiency of full-time production staff; making efforts to reduce services to save costs (i.e., phasing out excise dutiable sales in 2023); transitioning away from retail sales to wholesale business-to-business sales; and trying to reduce the

professional costs related to the litigation or arbitration of the Contingent Claims. Such efforts, although effective to a point, have been insufficient to completely address the challenges facing the Applicants.

19. Given these challenges, the Company requires the breathing space afforded by the CCAA in order to stabilize its operations for the benefit of all of its stakeholders. I therefore believe that the CCAA provides the most appropriate forum for the Company to restructure its affairs – whether it be through debt financing, an equity infusion, a sale, or some other form of creditor compromise.

III. OVERVIEW OF THE APPLICANTS

A. Background and Corporate Structure

a. Noya Holdings Inc.

20. NHI is the top-level holding company. NHI was incorporated in Ontario on July 5, 2017. Its previous name was Radicle Cannabis Holdings Inc. NHI's registered head office is located at 77 King Street West, Suite 3000, TD Centre North Tower, Toronto, Ontario. NHI is the direct and sole owner of NCI and the indirect (i.e., through another numbered company) and ultimate owner of 267. As noted above, NHI is also the holding company of Noya Store Inc. and 2672204 Ontario Limited, which are not part of these CCAA proceedings

21. Attached as **Exhibit "A"** are copies of the Corporate Profile Report and corporate organization chart for NHI.

b. Noya Cannabis Inc.

22. NCI was incorporated in Ontario on March 24, 2014. Its previous names were Radicle Remedy Inc. and Radicle Medical Marijuana Inc. NCI's registered head office is located at 19 Thoroughbred Boulevard, Ancaster, Ontario.

23. NCI is the Company's operating entity. As elaborated below, it holds the necessary grow and sales cannabis licences and operates the cannabis manufacturing and production business out of a licensed facility located at 90 Beach Road, Hamilton, Ontario. The related company, 267, holds the micro-cultivation cannabis licences described below and is integrated, as an indirect subsidiary of NHI, with the business and operations of the Company.

24. Attached as **Exhibit "B"** are copies of the Corporate Profile Reports for NCI and 267.

B. The Business

25. NCI is a licensed producer of premium cannabis products under the *Cannabis Act*, S.C. 2018, c. 16. As a licensed producer, NCI has entered into a series of contractual relationships with different cannabis brands, suppliers or distributors, including sales and distribution agreements and production, supply and revenue sharing agreements. As discussed below, the Contingent Claims are largely based on disputes arising from these contractual relationships. A central tenet of NCI's business is its commitment to producing high-quality products. In this regard, NCI's production process involves growing its plants under optimal conditions in a tightly controlled indoor environment, and then hand-drying and hand-curing the trimmings before they are used to produce various cannabis products.

26. The Company has transitioned away from a retail brand business to a wholesale business-to-business service or product provider. NCI services a limited number of key, large, customers.

27. The business operates out of a leased, state-of-the-art cannabis production facility located in Hamilton, Ontario.

C. Place of Business and Facilities

a. Office Space

28. NCI has office space at the manufacturing facility below for corporate functions (the “**Corporate Office**”). The Corporate Office functions primarily as a workspace for the Company's accounting professionals and executives, including the Company's Chief Executive Officer.

b. Manufacturing Facility – 90 Beach Road, Hamilton

29. NCI operates its cannabis production business out of an approximate 40,000 square-foot agricultural facility at the property municipally known as 90 Beach Road, Hamilton, Ontario (the “**Hamilton Facility**”).

30. 2138825 Ontario Inc. (the “**Owner**”), a non-related third party, is the registered owner of the Hamilton Facility. The Owner granted Chokey Real Estate Limited (the “**Landlord**”) authority as the Owner's agent to, among other things, enter into leasing arrangements on behalf of the Owner with respect to the Hamilton Facility. On or about June 1, 2018, NCI or its predecessor entered into a lease with the Landlord, in respect of the Hamilton Facility. Attached as **Exhibit “C”** is a copy of the said lease agreement with the Landlord.

31. The Hamilton Facility was a shell building at the time that it was leased. Since then, NCI and/or NHI have invested approximately \$8.8 million in order to effect leasehold improvements and \$4.3 million for machinery and equipment; obtain and install the required manufacturing and

production equipment and machinery; and to otherwise retrofit the facility to satisfy federal cannabis laws and regulations including the Good Production Practices (GPP) of the *Cannabis Regulations* and in accordance with certain certifications or requirements for international sales.

32. The Hamilton Facility is equipped with the highest level of security and production operations. NCI has made every effort to ensure that its manufacturing standards, production practices, and products are of a consistently high quality.

33. Cannabis production operations at the Hamilton Facility commenced in 2018 and have continued uninterrupted since that time.

D. Cannabis Licences

a. Canadian Cannabis Licences

34. NCI and 267 obtained their respective licensing from Health Canada on or about 2017 (micro-cultivation) (the “**267 Cannabis Licence**”) and 2018 (grow and sales) (the “**NCI Cannabis Licence**”) (collectively, the “**Cannabis Licences**”). As noted above, 267 is indirectly owned by NHI. That is, NHI has 100% ownership of 2672204 Ontario Limited, which in turn has 76% ownership of 267. 267 is not an applicant in these CCAA proceedings, but the Applicants are seeking to extend the stay of proceedings to this Non-Applicant Stay Party, owing to the interrelated operation of the business and the Cannabis Licences.

35. The NCI Cannabis Licence expires on December 21, 2028, and the 267 Cannabis Licence is valid until August 21, 2025.

36. The Cannabis Licences permit the following activities:

- (a) possess cannabis;

- (b) grow or produce cannabis;
- (c) sell cannabis in accordance with the Cannabis Regulations; and
- (d) sell cannabis products in accordance with the Cannabis Regulations.

37. As noted, the Cannabis Licences are currently valid and will be renewed prior to their expiry, if necessary. Attached hereto as **Exhibit “D”** are copies of the Cannabis Licences.

b. Excise Cannabis Licences

38. NCI and 267 obtained their respective excise cannabis licences under the *Excise Act, 2001* (Canada) (respectively, the “**NCI Excise Cannabis Licence**” and the “**267 Excise Cannabis Licence**”) (collectively, the “**Excise Cannabis Licences**”).

39. The Excise Cannabis Licences have been renewed since they were first issued. Currently, the NCI Excise Cannabis Licence will expire April 19, 2025, and the 267 Excise Cannabis Licence will expire August 21, 2025. Attached hereto as **Exhibit “E”** are copies of the Excise Cannabis Licences.

E. Employees

40. The Company currently employs 18 employees, 18 with NCI (none of which are temporary workers) and zero with NHI.

41. The majority of NCI employees work on cannabis production lines at the Hamilton Facility, with others providing the necessary support for production. Their job titles broadly describe their responsibilities and include:

- Technicians (Post-processing, Pre-processing, Processing, Processing Systems, Quality Assurance, and Quality);
- Machine Operators;
- Specialists (Finished Goods, Vault, Material, Payroll and Benefits, Quality Assurance, and Compliance);
- Leads (Production, Post-processing, Packaging, Pre-processing, Quality, and Sanitation);
- Coordinators (Facilities, and Health & Safety);
- Managers (Procurement and Planning, Production, Projects, Quality Operations, Security, Client Service, Supply Chain, Facilities and Maintenance, Automation, and Human Resources).

42. The employees are paid bi-weekly in arrears. All payments to employees are current based on the payroll schedule. I am employed by the Company as a contract employee.

43. The Company does not have any employees that are unionized or otherwise party to a collective agreement in connection with their employment with the Company.

44. The Company does not sponsor, administer or otherwise have any registered or unregistered pension plans for its employees. The Company provides a standard group benefit plan to its employees that covers extended health care, dental care, life insurance, and accidental death and dismemberment insurance.

F. Key Customers

45. As noted above, the Company has transitioned to wholesale business-to-business sales. It has a limited number of key, large customers. At present, NCI's client relationships include one of the top 10 licensed processors in the Canadian cannabis market based on retail sales volume.

46. The largest relationships are contractually governed with different cannabis brands, suppliers or distributors, including sales and distribution agreements and production, supply and revenue sharing agreements. As discussed below, some of these agreements or contracts have given rise to dispute or litigation in relation to the Contingent Claims.

47. NCI has experienced fluctuations, including drops, in orders over the past year due to well-known market and industry issues with which cannabis companies have struggled throughout Canada. NCI's revenues have also been impacted negatively by CCAA filings by one or more of its customers.

IV. FINANCIAL CIRCUMSTANCES AND CASH FLOW

48. The Company has a fiscal year-end of December 31. Attached as **Exhibit "F"** are the Company's audited and/or unaudited consolidated financial statements and/or interim statements as at 2022, 2023 and 2024 (the "**Financial Statements**").

A. Assets

49. According to some of the Financial Statements, as at September 30, 2024, the assets of the Company were approximately valued as follows:

	30-Sep-24 (unaudited)
Current Assets	
Cash	\$0.6M
Other Receivables and Prepaid Expenses	\$0.7M
Accounts Receivable	\$1.1M
Biological Assets	\$0.2M
Inventory	\$1.1M
Total Current Assets	\$3.7M
Non Current Assets	
Property and Equipment (Net)	\$5.2M
Other Non Current Assets	\$1.3M
Total Non Current Assets	\$6.5M
Total Assets	\$10.2M

B. Liabilities

50. According to some of the Financial Statements, as at September 30, 2024, the liabilities of the Company were approximately valued as follows:

	30-Sep-24 (unaudited)
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$3.0M
Other Current Liabilities	\$7.6M

Total Current Liabilities	\$10.6M
Non Current Liabilities	
Loans and Borrowings	\$5.0M
Other Non Current Liabilities	\$6.2M
Total Non Current Liabilities	\$11.2M
Total Liabilities	\$21.8M

C. Profit and Loss

51. According to the Financial Statements, as at September 30, 2024, NCI and NHI have lost approximately \$2.9 million year-to-date.

D. Cash Flow Forecast

52. The Company, with the assistance of the proposed Monitor has prepared a projected cash flow forecast (the “**Cash Flow Forecast**”). Attached as **Exhibit “G”** is a copy of the Cash Flow Forecast.

53. Pursuant to the Cash Flow Forecast, the Applicants will generally have sufficient liquidity to sustain operations for the week ending the Stay Period, including payroll, but not for the Extended Stay Period without DIP financing.

V. CREDITORS OF THE COMPANY

A. Secured Creditors

a. Lending Stream

54. Lending Stream is the Company's senior secured creditor.

55. On or about December 20, 2023, Lending Stream purchased from RIV Capital Corporation (formerly, Canopy Rivers Corporation) (the “**Vendor**”) various common shares, debt and security in relation to the Company (the “**Purchase Agreement**”). Attached as **Exhibit “H”** is a copy of the Purchase Agreement and the related Assignment and Assumption Agreement dated December 20, 2023 (the “**Assignment**”).

56. Under the Purchase Agreement and Assignment, Lending Stream acquired certain purchased assets (the “**Purchased Assets**”) from the Vendor, including, the Convertible Debenture, Debenture Debt, Debenture Security, Royalty Agreement, Royalty Interest and Royalty Security (these terms are defined in the Purchase Agreement and below). In defining these terms below, the reference to NHI and NCI may mean their predecessor company.

57. The Purchased Assets acquired by or assigned to Lending Stream under the Purchase Agreement and Assignment included a convertible debenture dated January 2, 2020 issued by NHI to the Vendor in the principal amount of \$1 million due January 2, 2023, as amended (the “**Convertible Debenture**”) and NHI's debt and liability under the Convertible Debenture (the “**Debenture Debt**”). Attached as **Exhibit “I”** is a copy of the Convertible Debenture.

58. The Purchased Assets acquired by Lending Stream also included a royalty agreement dated August 4, 2017 between NCI and the Vendor (the “**Royalty Agreement**”) and NCI's obligations and liabilities under the Royalty Agreement (the “**Royalty Interest**”). Attached as **Exhibit “J”** is a copy of the Royalty Agreement.

59. As security for the payment of the Debenture Debt and/or Royalty Interest, the Company provided certain guarantees and security in favour of the Vendor, including the following: (i) an Amended and Restated Guarantee Agreement by NHI dated January 2, 2020; (ii) an Amended

and Restated General Security and Pledge Agreement by NHI dated January 2, 2020; (iii) an Amended and Restated Guarantee Agreement by NCI dated January 2, 2020; and (iv) an Amended and Restated General Security and Pledge Agreement by NCI dated January 2, 2020. Under the Purchase Agreement, Lending Stream purchased or was assigned, among other things, these security and guarantee instruments (collectively, the “**Lending Stream Security**”). Attached as **Exhibit “K”** are copies of the Lending Stream Security.

60. Pursuant to the Purchase Agreement, Lending Stream also agreed that its purchase of the Debenture Debt, Convertible Debenture and the applicable Lending Stream Security regarding the Debenture Debt (the “**Debenture Security**”) would be subject to a pari passu agreement dated January 2, 2020 with TerrAscend (generally, then Wolverine Partners Corp., amended to Gage Growth Corp., and Gage Growth Corp. subsequently being acquired by TerrAscend Corp.) (the “**Pari Passu Agreement**”). Attached as **Exhibit “L”** is a copy of the Pari Passu Agreement.

61. Pursuant to the Purchase Agreement, Lending Stream also agreed that its purchase of the Royalty Interest, Royalty Agreement and the applicable Lending Stream Security regarding the Royalty Interest would be subject to a subordination and postponement agreement dated January 2, 2020 from TerrAscend (generally, then Wolverine Partners Corp., amended to Gage Growth Corp., and Gage Growth Corp. subsequently being acquired by TerrAscend Corp.) as a subordinate creditor (the “**Subordination and Postponement Agreement**”). Attached as **Exhibit “M”** is a copy of the Subordination and Postponement Agreement.

62. On or about September 23, 2024, Lending Stream made formal written demand for payment to NHI and NCI and issued to each of them a Notice of Intention to Enforce Security (“**NITES**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3. Attached hereto as **Exhibit “N”** is a copy of Lending Stream's formal demand letter and each NITES.

63. As of August 31, 2024, NHI was indebted to Lending Stream pursuant to the Convertible Debenture as amended or acknowledged in the approximate amount of \$1,850,000.00; and NCI was indebted to Lending Stream pursuant to the Royalty Agreement in the approximate amount of \$3,360,000.00 (the “**Lending Stream Debt**”).

b. TerrAscend

64. As noted above, TerrAscend or a predecessor or related company appears to be a secured creditor of the Company. The references to NHI and NCI in this section include the predecessor companies. On November 22, 2019, NHI issued a Secured Grid Convertible Debenture to Wolverine Partners Corp. (“**Wolverine**”) in the principal amount of \$500,000 due November 22, 2022 (the “**Secured Grid Convertible Debenture**”). An additional \$500,000 was made available on or about June 9, 2021. As additional security for the debt under the Secured Grid Convertible Debenture, Wolverine was also provided, among other things, a limited guarantee dated December 19, 2019 (the “**Limited Guarantee**”) and a general security agreement dated December 19, 2019 (the “**GSA**”) each from NCI. Attached hereto as **Exhibit “O”** are copies of the Secured Grid Convertible Debenture, Limited Guarantee and GSA.

65. I am advised by Company's counsel that pursuant to articles of amendment Wolverine became or its name changed to Gage Growth Corp. (“**Gage**”) in 2020. Also, as per the attached exhibit, **Exhibit “P”**, namely the news release of Gage dated March 10, 2022, TerrAscend Corp. acquired all of the issued and outstanding subordinate voting shares of Gage.

66. As noted above, there are intercreditor agreements, namely the Pari Passu Agreement and the Subordination and Postponement Agreement, that govern the relationship of Lending Stream and TerrAscend or Gage regarding the Company.

67. As of September 30, 2024, NHI was indebted to TerrAscend or Gage under the Secured Grid Convertible Debenture in the approximate amount of \$1.3 million (the “**TerrAscend Debt**”).

c. 1955185 Ontario Inc., amended or amalgamated to 1000593616 Ontario Inc.

68. 195 provided two loans to NHI under two sets of loan and security documents. The reference in this section to NHI includes its predecessor company, and to 195 includes its successor, amalgamated or amended company. Under the first loan in the principal amount of \$1 million, NHI entered into a loan agreement for that amount with 195 dated February 27, 2019 supported by a promissory note in favour of 195 from NHI in that amount dated February 27, 2019 (due February 27, 2020) and a general security agreement dated February 27, 2019 in favour of 195 from NHI (the “**First Loan and Security**”). Under the second loan in the principal amount of \$1 million, NHI provided a promissory note in favour of 195 in that amount dated March 26, 2019 (due March 26, 2020) and a general security agreement dated March 26, 2019 in favour of 195 from NHI (the “**Second Loan and Security**”). Attached hereto as **Exhibit “Q”** are copies of the First Loan and Security and the Second Loan and Security.

69. Under an extension agreement between NHI and 195 dated January 24 or 29, 2020 (the “**Extension Agreement**”), the parties agreed, among other things, to extend the due dates of the First Loan and Security to February 27, 2025 and the Second Loan and Security to March 26, 2025. Attached hereto as **Exhibit “R”** is a copy of the Extension Agreement.

70. As of September 30, 2024, 195 had loaned the approximate amount of \$3.8 million to NHI pursuant to the First Loan and Security and the Second Loan and Security (the “**195 Debt**”).

71. The sequence, timing or order of the above loans or debt in relation to the Company is as follows: (1) the Lending Stream Debt generally arose in 2017; (2) the 195 Debt generally arose in February, 2019; and (3) the TerrAscend Debt generally arose in November, 2019.

B. PPSA Registrations

72. The secured creditors described above, namely Lending Stream, TerrAscend or Gage and 195, including their predecessor, successor or assignor, if applicable, have registered security interests against NHI and/or NCI, including their predecessor, under the Ontario *Personal Property Security Act* (“PPSA”). The only other PPSA registrant appears to be against the predecessor company of NCI, Radicle Medical Marijuana Inc., by Alterna Savings and Credit Union Limited on May 11, 2023 in the amount of \$34,500 regarding a secured corporate Visa.

73. Attached hereto and marked as **Exhibit “S”** are true copies of the Personal Property Registry search results for each of the Applicants (and their predecessors) in Ontario (the “**PPSA Searches**”).

C. Equity Interests and Share Capital Contributions

74. NHI currently has 69,398,076 issued and outstanding common shares and NCI has 44,200,000 issued and outstanding common shares. The only shareholder of NCI is NHI.

75. NHI is owned primarily by me and my brother, Youssef Reda, through a numbered holding company.

D. Other Creditors

a. Source Deductions, Excise Duty, HST

76. As of the date of this affidavit, the Company is up to date with payments to Canada Revenue Agency (“CRA”) in respect of Employment Insurance and Canada Pension Plan deductions.

77. Further, as of October 2, 2024, the Company owes CRA approximately \$346,000 for excise tax remittances and/or HST remittances.

b. Trade Creditors

78. The Company incurs obligations in the ordinary course of business to various trade creditors. As at September 30, 2024, the largest trade creditor is Pure Sunfarms Corp. (described below).

c. Judgment Creditors and Litigation Claims

79. There are certain Contingent Claims against the Applicants. As a licensed producer, NCI entered into a series of contractual relationships with different cannabis brands, suppliers or distributors, including sales and distribution agreements and production, supply and revenue sharing agreements. Some of these contracting parties owned certain unique intellectual property related to cannabis products and brands, and NCI entered into these agreements as an opportunity to produce the branded products in Canada. As discussed below, the Contingent Claims are largely based on disputes arising from these contractual relationships.

VI. CHALLENGES AND LIQUIDITY ISSUES FACED BY APPLICANTS

A. Cannabis Market in Canada

80. The Canadian cannabis industry is an extremely challenging one from an operational and revenue perspective. The industry is significantly regulated, highly taxed, and subject to an ever-changing landscape of legislation and delays at all levels of government.

81. The Company has faced pressures similar to many cannabis industry participants due to the over-supply in the market for cannabis products, the impact of the illegal market on the demand for legal cannabis products, inflation, and high interest rates.

B. Withdrawal of Orders and Steep Decline in Demand

82. As a result of the challenges to the cannabis industry, and in particular the over-supply of cannabis products, the Company has seen a number of customers withdraw, reduce or discontinue their orders. Also, as noted above, some of these customers have filed under the CCAA, and this too has had a negative impact on the Company's revenues.

C. Litigation and Creditor Enforcement Activities

83. As I described above and further describe below, the Company is facing certain creditor enforcement activities and Contingent Claims.

a. Lending Stream

84. As noted above, on or about September 23, 2024, Lending Stream made formal written demand for payment to NHI in the approximate amount of \$1,850,000.00 and NCI in the approximate amount of \$3,360,000.00, and issued to each of them a NITES.

b. Pure Sunfarms Corp.

85. Pursuant to a Statement of Claim dated September 9, 2024, Pure Sunfarms Corp. (“**Pure**”) commenced an arbitration claim in British Columbia (the “**Pure Claim**”) against NCI pursuant to a Production, Supply and Revenue Sharing Agreement dated January 29, 2021 (the “**Pure Agreement**”). In the Pure Claim, Pure is seeking, among other things, a monetary award of damages in the approximate amount of \$2.8 million against NCI for unsold inventory under the Pure Agreement. NCI disputes the Pure Claim and has responded with a Statement of Defence and Counterclaim dated September 23, 2024 (“**NCI's Defence and Counterclaim to the Pure Claim**”). There are looming deadlines in these arbitration proceedings. For example, pursuant to Procedural Order No. 1 – Procedural Timetable dated October 8, 2024 (the “**Procedural Timetable**”), the arbitrator set out in Schedule “A” some of the following upcoming deadlines in relation to NCI in these arbitration proceedings: (i) November 5, 2024: both parties complete outstanding document production; (ii) November 22, 2024: NCI provide its 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); (iii) November 29, 2024: both parties provide notice of witnesses required to attend hearing for cross-examination; and (iv) Week of December 16-20, 2024: Hearing (5 days reserved) [in Vancouver, B.C.]. Attached hereto and marked as **Exhibit “T”** are true copies of the Pure Claim, NCI's Defence and Counterclaim to the Pure Claim and the Procedural Timetable.

c. Ignite International Brands (Canada) Ltd.

86. Pursuant to a Statement of Claim dated December 2, 2021, as amended, Ignite International Brands (Canada) Ltd. (“**Ignite**”) commenced a claim in the Ontario Superior Court of Justice (the “**Ignite Claim**”) against NCI and NHI pursuant to a sales and distribution agreement (the “**Ignite Agreement**”). Under the Ignite Claim, Ignite is seeking various relief

based on several grounds, including monetary damages in excess of or approximately \$2 million against NCI and NHI for allegedly breaching the Ignite Agreement. NCI disputes the Ignite Claim and has responded with a Statement of Defence and Counterclaim dated February 28, 2022, as amended (“**NCI's Defence and Counterclaim to the Ignite Claim**”). Ignite provided a Reply and Defence to Counterclaim dated May 2, 2022 (“**Ignite's Reply**”). The Ignite Claim is scheduled, or to be scheduled, for mediation in Ontario in early 2025. Attached hereto and marked as **Exhibit “U”** are true copies of the Ignite Claim, NCI's Defence and Counterclaim to the Ignite Claim and Ignite's Reply.

d. 10805696 Canada Inc., o/a Mauve & Herbes

87. Pursuant to a Notice of Arbitration dated September 23, 2024 (the “**Notice of Arbitration**”), from 10805696 Canada Inc. o/a Mauve & Herbes (“**Herbes**”), provided to NCI under a Production, Supply and Revenue Sharing Agreement dated January 11, 2022 (the “**Herbes Agreement**”), Herbes gave notice of its intention to refer, among other things, its claim for arbitration (the “**Herbes Claim**”). In the Herbes Claim, Herbes is seeking various relief based on several grounds, including a payment of approximately \$360,000 plus additional funds from NCI for allegedly breaching the Herbes Agreement. NCI has not yet formally responded to the Notice of Arbitration. Attached hereto and marked as **Exhibit “V”** is a true copy of the Notice of Arbitration.

88. The Pure Claim, Ignite Claim and Herbes Claim, or Contingent Claims, are unsecured claims. They are at different stages of litigation, arbitration or mediation. The Company has had to, or will have to, expend considerable time, money and resources defending the Contingent Claims. Each proceeding also has, or will have, looming deadlines, in which the Company will have to expend more time, money and resources to meet those deadlines. Having to defend or

further defend the Contingent Claims, including having to meet looming deadlines in the respective proceeding, at this time would not only be a drain on limited resources but also distract from, our full-time commitment to the successful advancement of the Applicants' current restructuring efforts. One of the benefits of the Stay Period is to provide this “breathing space” from the Contingent Claims.

VII. STRATEGIC INITIATIVES

A. Recent Efforts to Improve Operations and Financial Position

89. The Company has made several strategic business decisions for the purpose of improving its financial situation. Among other things, the Company effected a reduction in the number of employees employed at the Hamilton Facility and increased the efficiency of full-time production staff.

B. Engagement of Consultants

90. The Company has also retained consultants. The purpose of this retention was for the consultant to assist the Company in identifying potential opportunities to add value to the organization and turn it around, including assisting the Company in securing potential equity investment or selling the business.

C. Efforts to Sell or Merge

91. Efforts to sell or merge the Company led to the retention of Kronos Partners in December 2022 and David Hyde in the summer of 2023, to assist the Company with developing a strategy towards a merger or sale of the Company. This did not result in the merger or sale of the Company at that time.

D. Cash Conservation Efforts

92. The Company has made determined cost-rationalization efforts to try to improve its financial situation. These efforts have included, among other things, a reduction in staff at the Hamilton Facility, renegotiating supply agreements, and attempting to reduce professional costs in relation to the Contingent Claims.

VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Need for CCAA Proceeding

93. Without CCAA protection, the Applicants will be unable to operate in the ordinary course, to the detriment of their stakeholders. At this time, the Applicants are in need of urgent relief under the CCAA because a payment demand has been made by one of the Company's secured creditors, Lending Stream; there are pressing, approaching or anticipated deadlines regarding some of the above litigation or arbitration proceedings regarding the Contingent Claims; and there is the risk of a looming cash shortage to sustain business operations in the near future (hence the need for DIP financing at the Comeback Hearing).

94. In consultation with their advisors, the Applicants have determined that the CCAA process is the most beneficial plan of action to maximize value for the Company's stakeholders.

B. Appointment of Monitor

95. The Applicants seek the appointment of BDO Canada Limited (“**BDO**”) as Monitor of the Applicants in these CCAA proceedings. BDO has reviewed, and assisted in the preparation of, the Cash Flow Forecast and has provided guidance and assistance in the commencement of these CCAA proceedings.

96. As a result, BDO has developed critical knowledge about the Applicants, their business operations, financial challenges, strategic initiatives and restructuring efforts to date.

97. BDO has consented to act as the Monitor, subject to Court approval. Attached hereto and marked as **Exhibit "W"** is a true copy of the Monitor's consent.

C. Administration Charge

98. The Applicants seek a super-priority charge over the Applicants' Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor and counsel to the Applicants (the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order.

99. The proposed Administration Charge being sought is for a maximum amount of \$200,000.

100. It is contemplated that the Professionals Group will have extensive involvement during the CCAA proceedings. The Professionals Group have contributed and will continue to contribute to the Applicants' restructuring efforts, and will ensure that there is no unnecessary duplication of roles among them.

101. In preparation of the Cash Flow Forecast, the Applicants, in consultation with the proposed Monitor, considered the professional fees forecasted to be incurred on a weekly basis during the cash flow period. Until the week of the Comeback Hearing, the Applicants forecast to incur significant professional fees in connection with the CCAA proceedings, such as preparing for the Comeback Hearing, communicating with employees and stakeholders following the initial filing, and complying with statutory notices, mailings and communications.

102. Accordingly, I believe the quantum of the Administration Charge sought is reasonably necessary at this time to secure the professional fees of the Professionals Group. The proposed Monitor is also supportive of the granting and quantum of the Administration Charge.

D. Director's Charge

103. The Applicants seek a charge on the Applicants' Property in favour of the Applicants' current officers and directors in priority to all other charges other than the Administration Charge, up to a maximum amount of \$100,000.

104. To ensure the ongoing stability of the Company's business during the CCAA proceeding, it requires the continued participation of its officers and directors. The officers and directors have skills, knowledge and expertise, as well as established relationships with various stakeholders that will contribute to a successful restructuring. As a practical but critical matter, Health Canada requires at least one director of a licensed cannabis company to be in place in order to maintain its licence.

105. Currently, there is a D & O insurance policy in place regarding the Company's directors and officers (the "**D & O Insurance Policy**"). The policy period is from August 23, 2024 to August 23, 2025. The limit of the D&O Insurance Policy is \$1 million per claim per policy period. Attached hereto and marked as **Exhibit "X"** is a copy of the confirmation letter dated August 22, 2024 regarding the D & O Insurance Policy.

106. The Company's ordinary course operations during the Stay Period and CCAA proceedings will give rise to potential director or officer liability, including for employee source deductions and sales tax. Given the limited coverage under the D & O Insurance Policy, any possible exclusions or exemptions to coverage under the policy and to address the legitimate

concerns expressed with respect to their potential exposure if they continue to act (rather than resign), the directors and officers have requested reasonable protection against personal liability that might arise during the post-filing period. The Director's Charge is intended to address potential claims that may be brought against directors and officers.

107. The quantum of the Director's Charge was developed with the assistance and support of the Proposed Monitor based on analysis of risk to the directors in the initial Stay Period.

E. Stay of Proceedings

108. Given the challenges faced by the Applicants described herein, the Company requires a stay of proceedings to maintain the status quo and to give the Applicants the breathing space they require to develop a restructuring plan in consultation with their advisors and the Monitor.

109. The Applicants are also seeking to extend the stay of proceedings to the Non-Applicant Stay Party or 267 because it holds the 267 Cannabis Licence (micro-cultivation) and 267 Excise Cannabis Licence, it is integrated with the business and/or operations of the Company and the 267 Cannabis Licence and 267 Excise Cannabis Licence will likely be a part of or impacted by the anticipated sale process. The extension of the stay of proceedings to this Non-Applicant Stay Party is intended to prevent any regulatory actions related to the 267 Cannabis Licence and 267 Excise Cannabis Licence, including the suspension or cancellation of the licences, due to the commencement of this CCAA proceeding by its ultimate parent (NHI) and NCI. To the best of my knowledge, 267 has no or few creditors and I am advised by counsel for the Company that a recent PPSA search on or about October 23, 2024 against 267 reveals no PPSA registrants.

110. The proposed Initial Order contemplates a Stay Period of 10 days, which I understand is the maximum that can be authorized by a court at the initial application under the CCAA.

F. Relief to be Sought at Comeback Hearing

111. If the Initial Order is granted, then the Applicants propose to return to this Court for a Comeback Hearing on November 15, 2024.

112. At the Comeback Hearing, the Applicants intend to seek the Court's approval of an Amended and Restated Initial Order. For the benefit of this Court and the Applicants' stakeholders, this section highlights critical relief that the Applicants intend to seek at the Comeback Hearing. The Applicants may seek additional relief if determined to be necessary or advisable.

(i) Extension of Stay of Proceedings

113. The Applicants intend to seek an extension of the Stay Period for a sufficient length of time to allow the Applicants to conduct a sales and investment solicitation process.

(ii) Critical Suppliers

114. The Applicants rely on certain service providers in their day-to-day operations. To preserve their business and maintain critical relationships, the Applicants intend to seek the Court's approval to pay certain pre-filing expenses or to honour certain cheques issued to providers of goods and services prior to the date of filing that the Applicants, with the consent of the Monitor, believe are necessary to facilitate the Applicants' ongoing operations and preserve value during these proceedings.

(iii) Sales and Investment Solicitation Process (with Stalking Horse)

115. The Applicants and Lending Stream are in the process of negotiating a purchase agreement (the "**Purchase Agreement**") pursuant to which Lending Stream (or its nominee)

intends to (i) acquire 100% ownership of NCI within the CCAA proceedings by way of a reverse approval and vesting order; and (ii) act as a stalking horse bidder in a court-supervised sale and investment solicitation process within the CCAA proceedings.

116. The Purchase Agreement will serve as a stalking horse bid in the anticipated sale process, setting a baseline for any bids received to be measured against. In the meantime, it will also signal to the Applicants' customers, employees and other stakeholders that business will continue as a going concern after these CCAA proceedings. Due to the nature of this business (being the timely fulfilment of significant orders from industry leading customers, suppliers or distributors) it is critical to the preservation of stakeholder value that going concern operations be preserved.

117. Approval of the Purchase Agreement, as well as a stalking horse sales process and related bidding procedures, will be sought at the Comeback Hearing.

(iv) Increase Amount of Priority Charges

118. The Applicants intend to seek to increase the quantum of the Administration Charge to \$350,000 and the Director's Charge to \$200,000, reflecting the additional work to be undertaken during the CCAA proceedings and the exposure of the directors and officers on a monthly basis.

(v) DIP Loan and DIP Lender's Charge

119. The Applicants intend to ask the Court's approval of a DIP loan in the approximate amount of \$400,000 from Lending Stream (or its nominee) as DIP lender, and a DIP charge in that amount in favour of the DIP lender. The Applicants are concerned that the Company may run out of money or run the risk of being short cash during the Extended Stay Period without the availability of the DIP loan. In particular, given the Company's reliance on a few, key customers


or accounts receivables, any delay or problem in collections could easily tip the Company into a liquidity crisis or “cash crunch”.

IX. FORM OF ORDER AND CONCLUSION

120. The Applicants, with the assistance of their legal and financial advisors, have determined that the proposed CCAA proceedings represent the best available strategy to maximize value for the Company's stakeholders.

121. This affidavit is sworn in support of the Applicants' application for protection pursuant to the CCAA and for no other purpose.

SWORN by Ziad Reda of the Town of Ancaster, in the Province of Ontario before me at the City of Mississauga, 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)



ZIAD REDA

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

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

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@foglers.com

Lawyers for the Applicants

This is Exhibit “B” 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 November 12, 2024, 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.**

November 11, 2024

Noya Holdings Inc.

19 Thoroughbred Boulevard,
Ancaster, Ontario L9K 1L2

Attention: Ziad Reda, Chief Executive Officer

Re: Debtor-in-Possession Financing of Noya Holdings Inc.

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued November 6, 2024 (as may be further amended or amended and restated from time to time, the “**Initial Order**”), Noya Holdings Inc. and Noya Cannabis Inc. (“**Noya**” or the “**Borrowers**”) were granted, among other things, creditor protection under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and BDO Canada Limited was appointed as the CCAA monitor of Noya (in such capacity, the “**Monitor**”);

B. The Borrowers and Lending Stream Inc., or its nominee (the “**Lender**”) have entered into a purchase agreement (the “**Purchase Agreement**”), subject to court approval, pursuant to which the Lender intends to: (i) acquire 100% ownership of Noya Cannabis Inc, within the CCAA Proceedings, by way of a reverse approval and vesting order; and (ii) act as a stalking horse bidder in a Court-supervised sales process (“**SISP**”) within the CCAA Proceedings.

C. On November 15, 2024, the Borrowers will seek, among other things:

- (i) an order amending and restating the Initial Order to, *inter alia*, extend the stay (the “**Extended Stay**”) of proceedings (as may be further amended and restated from time to time, the “**ARIO**”); and
- (ii) an order approving, and authorizing the Monitor to conduct, the SISP, and approving the Purchase Agreement as a stalking horse bid within the SISP (as may be amended and restated from time to time, the “**SISP Order**”).

C. The Borrowers require funding to satisfy the cashflow requirements of the CCAA Proceedings and other short-term liquidity requirements.

D. The Lender has agreed to advance a debtor-in-possession loan in the aggregate principal amount of \$400,000, subject to and in accordance with the terms and conditions of this Term Sheet.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

1. **Borrowers:** Noya Holdings Inc. and Noya Cannabis Inc., on a joint and several basis.
2. **Lender:** Lending Stream Inc.
3. **DIP Facility / Deposit:** Non-revolving facility in the maximum aggregate principal amount of \$400,000 (the “**DIP Facility**”). The DIP Facility shall be treated in all respects as a debtor-in-possession loan in accordance with the terms and conditions set out in this Term Sheet unless and until the Purchase Agreement is approved as a stalking horse bid in the SISP pursuant to the SISP Order, at which point all amounts advanced under the DIP Facility shall be treated as a deposit tendered in connection with the Purchase Agreement and governed by the Purchase Agreement and the SISP Order.
4. **Purpose:** The DIP Facility shall be available during the Extended Stay to fund: (i) working capital needs of the Borrowers; (ii) professional fees and expenses incurred by the Borrowers and the Monitor in respect of the CCAA Proceedings, in each case in accordance with the cash flow projections approved by the Monitor and the Lender (the “**Interim Cash Flow Projections**”); (iii) the Recoverable Expenses (as defined below); and (iv) such other costs and expenses of the Borrowers as may be agreed to by the Lender, in writing.

The amount and purpose of the DIP Facility may be amended by the Borrowers and the Lender in writing. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except in accordance with the Interim Cash Flow Projections or with the prior written consent of the Lender and the Monitor.
5. **Funding Conditions:** The DIP Facility shall be available to the Borrowers, subject to all other terms and conditions of this Term Sheet, immediately upon the issuance of the ARIO. For certainty, the ARIO shall be in form and substance satisfactory to the Lender, acting reasonably, and shall include standard provisions approving this Term Sheet and the DIP Facility and granting the DIP Lender’s Charge.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless the Borrowers are in compliance with the provisions of this Term Sheet.
6. **Interest:** Interest shall accrue on amounts Advanced under the DIP Facility at a rate equal to 12% per annum (the “**Interest**”). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined herein).
7. **Recoverable Expenses:** The Borrowers shall pay all fees and expenses (collectively, the “**Recoverable Expenses**”) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the ARIO, the SISP Order, the DIP Lender’s Charge and with the enforcement of the Lender’s rights and remedies hereunder and thereunder, at law or in equity, including, without limitation

all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, “Recoverable Expenses” shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings and all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender’s Charge whether or not any funds under the DIP Facility are advanced.

8. Commitment Fee: The Borrowers shall pay a commitment fee in the amount of \$25,000 (the “**Fee**”), representing 6.25% of the total amount available under the DIP Facility, which shall be fully earned upon the execution of this Term Sheet and shall be paid or otherwise satisfied on the Maturity Date. For certainty, the Fee shall be secured by the DIP Lender’s Charge.

9. Security: All debts, liabilities and obligations of the Borrowers to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Fees and Recoverable Expenses), this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the “**DIP Lender’s Charge**”) granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the “**Property**”), subject only to (a) an administration charge in the maximum aggregate amount of \$200,000 under the Initial Order (as may be increased in the ARIO) for the payment of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the “**Administration Charge**”); and, (b) a director's charge in the maximum aggregate amount of \$100,000 under the Initial Order (as may be increased in the ARIO) for the payment of uninsured indemnity obligations of the Company to the director arising after the commencement of the CCAA Proceedings (the “**Director’s Charge**”).

10. Maturity Date: Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the Lender under this Term Sheet, on the earliest of (the “**Maturity Date**”):

- (a) the issuance of the SISP Order, approving the Purchase Agreement as a stalking horse bid in the SISP, in which case all amounts owing under the DIP Facility shall be treated as a deposit and governed by the terms of the Purchase Agreement and the SISP Order;
- (b) the closing of a sale transaction resulting from the SISP (other than the transaction contemplated by the Purchase Agreement), which transaction has been approved by an order of the Court;
- (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers’ creditors, and by an order of the Court;
- (d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a

proceeding under the *Bankruptcy and Insolvency Act* (the “BIA”); and

- (e) the occurrence of an Event of Default (as defined herein), subject to a cure period of seven (7) business days, beginning on the date of the occurrence of such Event of Default.

11. Repayment:

Unless the Maturity Date occurs in accordance with Section 10(b) above, the aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Fee are paid in full) prior to entry into the Purchase Agreement. If the Borrowers choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Fee and Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

12. Covenants:

The Borrowers covenant and agree with the Lender, so long as any amounts are outstanding by the Borrowers to the Lender hereunder, to:

- (a) promptly on the receipt by the Borrowers of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the ARIO, or any other Court Order issued in the CCAA Proceedings, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Lender’s Charge, or otherwise for the variation of the priority of the DIP Lender’s Charge;
- (b) provide the Lender with any additional financial information reasonably requested by the Lender, to the extent that it is readily available;
- (c) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;
- (d) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Lender’s Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;
- (e) keep the Borrowers’ assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;
- (f) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than

the Administration Charge, Director's Charge and the DIP Lender's Charge) over any of the Borrowers' Property, whether ranking in priority to or subordinate to the DIP Lender's Charge; and

- (g) conduct all activities in the ordinary course and in material compliance with the Interim Cash Flow Projections.

13. Events of Default:

The DIP Facility shall be subject to the following events of default (each, an "Event of Default"):

- (a) the failure of the Borrowers to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the Lender;
- (c) the seeking or support by the Borrowers, or the issuance by the Court, of any Court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender, in its sole discretion;
- (d) the occurrence of an event that will, in the opinion of the Lender, materially impair the Borrowers' financial condition, operations or ability to perform under this Term Sheet or any order of the Court;
- (e) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the Property of the Borrowers; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrowers' Property or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (f) the Borrowers become bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property;
- (g) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Borrowers' Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Lender against any of its collateral.

14. Remedies and Enforcement:

Following the occurrence of an Event of Default, and the expiration of the cure period prescribed in Section 10(f), upon written notice to the Borrowers and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

- (a) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility;
- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act*, the *Mortgages Act* or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

15. Further Assurances: The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.

16. Assignment: The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers.

17. Governing Law: The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.


18. Currency: All dollar amounts herein are in Canadian Dollars.

19. Acceptance: This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on November 11, 2024. The Borrowers may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

[Signature Page Follows]

Dated this 11th day of November, 2024.

LENDING STREAM INC.

By: 
Name: **Rami Reda**
Title: **A.S.O.**
I have authority to bind the corporation


ACCEPTANCE

TO LENDING STREAM INC.:


For good and valuable consideration received, Noya Holdings Inc. and Noya Cannabis Inc., accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this 11th day of November, 2024

NOYA HOLDINGS INC.

By: 
Name: **Ziad Reda**
Title: **President**
I have authority to bind the corporation

NOYA CANNABIS INC.

By: 
Name: **Ziad Reda**
Title: **CEO**
I have authority to bind the corporation

This is Exhibit “C” 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 November 12, 2024, 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.**

STALKING HORSE PURCHASE AGREEMENT

This Agreement is made as of the 11th day of November 2024 (the “Effective Date”), among:

NOYA HOLDINGS INC.
(the “Vendor”)

– and –

NOYA CANNABIS INC.
(the “Company”)

– and –

LENDING STREAM INC., or its nominee (the “Purchaser”)

WHEREAS pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued November 6, 2024 (as may be further amended or amended and restated from time to time, the “Initial Order”), the Vendor and the Company (collectively, “Noya”) were granted, among other things, creditor protection under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”) and BDO Canada Limited was appointed as the CCAA monitor of Noya (in such capacity, the “Monitor”);

AND WHEREAS in connection with the proceedings initiated by the Initial Order (the “CCAA Proceedings”), Noya intends to seek the approval of the Court to run a SISP (as defined below) pursuant to which this Agreement will serve as the Stalking Horse Bid (as defined below) for the Purchased Shares (as defined below);

AND WHEREAS in the event that this Agreement is selected as the Successful Bid (as defined below) in the SISP, the Vendor has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor’s right, title and interest in and to the Purchased Shares, which include the Retained Assets (as defined below), subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the “Parties”, and each, a “Party”) hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“195 Debt” means all amounts owing under or in connection with the loan agreement dated February 27, 2019 between Radicle Cannabis Holdings Inc. and 1955185 Ontario Inc., the general security agreement dated February 27, 2019 between Radicle Cannabis Holdings Inc. and 1955185 Ontario Inc., the promissory note dated February 27, 2019 from Radicle Cannabis Holdings Inc. in favour of 1955185 Ontario Inc., the promissory note dated March 26, 2019 from Radicle Cannabis Holdings Inc. in favour of 1955185 Ontario Inc., the general security agreement dated March 26, 2019 between Radicle Cannabis Holdings Inc. and 1955185 Ontario Inc., and the extension agreement dated January 24, 2020 between Radicle Cannabis Holdings Inc. and 1955185 Ontario Inc.

“Administrative Charge” has the meaning attributed thereto in the Initial Order, as may be varied, amended or expanded in any amended and restated initial order or other order granted in these CCAA Proceedings.

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

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

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

“Approval and Reverse Vesting Order” means an order by the Court, in form and substance satisfactory to the Purchaser, in its sole and absolute discretion, among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all of the right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances.

“Assumed Contracts” means the Contracts listed in Schedule “I”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“Assumed Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “H”; and (b) all Liabilities which relate to: (i) the Business under any Assumed Contracts; (ii) any Permits and Licences forming part of the Retained Assets; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

“Auction” has the meaning set out in Section 5.1(f).

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

“Bid Deadline” has the meaning set out in Schedule “G”.

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

“Break Fee” has the meaning set out in Section 5.1(b).

“Business” means the business conducted by the Company, being a licensed cannabis manufacturing and production businesses operating out of a licensed facility in Hamilton, Ontario.

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

“Cannabis Licence” means all Authorizations related to cannabis and issued by a Governmental Authority to the Company, including Authorizations to possess, produce and sell cannabis under Applicable Law, including without limitation those listed in Schedule “F” hereto.

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

“Cash Flow Forecast” means the weekly cash flow projections of Noya, as amended from time to time and approved by the Monitor in the CCAA Proceedings.

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

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

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

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

“Closing Date” means the date that is ten (10) Business Days, or such shorter period as the Purchaser may determine by notice in writing to the Vendor, after the date upon which the conditions set forth in Article 9 have been satisfied or waived, other than any conditions set forth in Article 9 that by their terms are to be satisfied or waived at Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing).

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

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

“Company” means Noya Cannabis Inc. formerly known as Radicle Medical Marijuana Inc. and Radicle Remedy Inc.

“Corporate Office” means the premises located at 19 Thoroughbred Boulevard, Ancaster, Ontario.

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

“Deposit” has the meaning set out in Section 3.2(a).

“Deposit Repayment” has the meaning set out in Section 5.1(c).

“DIP Loan” means the borrowings under the DIP Facility (as defined in the DIP Term Sheet).

“DIP Term Sheet” means the debtor-in-possession term sheet dated as of November 11, 2024 among the Purchaser, as lender, and the members of Noya, as borrowers, as the same may be amended, restated, supplemented and/or modified from time to time.

“Director’s Charge” has the meaning attributed thereto in the Initial Order, as may be varied, amended or expanded in any amended and restated initial order or other order granted in these CCAA Proceedings.

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

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

“Employee” means any individual who is employed by the Company as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but, for certainty, excludes any employee whose employment will be terminated pursuant to Section 9.2(f).

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

“Excise Act” means the Excise Act, 2001, S.C. 2002, c.22.

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

“Excise Licence” means cannabis licence 82010 6177 RD001 obtained by the Company under the Excise Act.

“Excluded Assets” means the properties, rights, assets and undertakings of the Company (or where, applicable, the other members of Noya) listed on Schedule “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

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

“Excluded Liabilities” has the meaning set out in Section 2.2(a).

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

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

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

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

“Interim Period” means the period from the Effective Date to the Closing Time.

“Landlord Approval” means an approval issued by the landlord of the Manufacturing Premises in connection with the change of control contemplated by the Transaction.

“Lending Stream Debenture Debt” means all amounts owing under or in connection with the convertible debenture dated January 2, 2020 between Canopy Rivers Corporation and Radicle Cannabis Holdings Inc., which amount is equal to approximately \$1,441,370.65 as at the Effective Date.

“Lending Stream Royalty Debt” means all amounts owing under or in connection with the royalty agreement dated August 4, 2017 between Canopy Rivers Corporation and Radicle Medical Marijuana Inc., the amended and restated guarantee agreement dated January 2, 2020 by Radicle Medical Marijuana Inc. in favour of Canopy Rivers Corporation, the amended and restated general security and pledge agreement dated January 2, 2020 between Radicle Medical Marijuana Inc. and Canopy Rivers Corporation, the amended and restated guarantee agreement dated January 2, 2020 by Radicle Cannabis Holdings Inc. in favour of Canopy Rivers Corporation, the amended and restated general security and pledge agreement dated January 2, 2020 between Radicle Cannabis Holdings Inc. and Canopy Rivers Corporation, the subordination and postponement agreement dated January 2, 2020 between Wolverine Partners Corp., Radicle Cannabis Holdings Inc., Radicle Medical Marijuana Inc., and Canopy Rivers Corporation, and the purchase agreement and related assignment and assumption agreement dated December 20, 2023 between RIV Capital Corporation, Lending Stream Inc. and 2586335 Ontario Inc., which amount is equal to approximately \$3,440,769.66 as at the Effective Date.

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

“Manufacturing Premises” means the lands and building municipally known as 90 Beach Road in Hamilton, Ontario L8L 8K3.

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

“Monitor’s Certificate” has the meaning set out in Section 9.2(k).

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

“Outside Date” means 11:59 pm (Toronto time) on Monday, March 3, 2025 or such later date and time as the Company and the Purchaser may agree to in writing.

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

“Other Noya Entity” means any of the Vendor, 2672204 Ontario Limited, and 2675383 Ontario Limited.

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

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

“Permits and Licences” means the orders, permits, licences, Authorizations, approvals, registrations, consent, waiver or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, the Company by any Governmental Authority, including: (i) those related to the Business, the Retained Assets, the Transferred Assets and the Assumed Contracts; (ii) the Excise Licence; and (iii) the Cannabis Licence.

“Permitted Encumbrances” means those Encumbrances that have been explicitly assumed by the Purchaser related to the Retained Assets and/or Transferred Assets, as set forth in Schedule “E” , as the same may be modified by the Purchaser prior to the granting of the Approval and Reverse Vesting Order in accordance with the terms hereof.

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

“Pre-Closing Reorganization” means the transactions, acts or events described in Exhibit “A”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof and the Approval and Reverse Vesting Order, which unless otherwise expressly provided therein are to occur immediately prior to the Closing Time.

“Priority Payables” means any amount due or claim existing on Closing under the Administration Charge, Directors Charge or which otherwise rank in legal priority to the Lending Stream Royalty Debt and DIP Loan, if any, including, without limitation, on account of unremitted source deductions.

“Professional Fees” has the meaning set out in Section 5.1(b).

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

“Purchaser” means Lending Stream Inc., or its nominee.

“Purchased Shares” means all of the issued and outstanding shares of the Company.

“ResidualCo” means a corporation to be incorporated as a wholly-owned subsidiary of the Vendor to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.

“Retained Assets” has the meaning set out in Section 4.1.

“SISP” means the sales process, to be conducted pursuant to the sale and bidding procedures substantially in the form set out in Schedule “G” hereto.

“SISP Approval Date” means the date upon which the Court issues the SISP Order.

“SISP Order” means an order of the Court, in form and substance acceptable to the Purchaser in its sole and absolute discretion, approving, among other things: (a) the SISP; (b) this Agreement as the Stalking Horse Bid in the SISP; (c) the Break Fee, Deposit Repayment and Professional Fees; and language protecting the Purchaser’s entitlement to the Break Fee, Deposit Repayment and Professional Fees.

“Stalking Horse Bid” has the meaning set out in Section 5.1(a).

“Successful Bid” has the meaning set out in Section 5.1(f).

“Successful Bidder” has the meaning set out in Section 5.1(f).

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

“Terminated Employee” means those Employees whose employment will be terminated prior to Closing pursuant to Section 9.2(f), as determined by the Purchaser by written notice to the Company at least ten (10) Business Days prior to the Closing Date.

“Transaction” means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Shares.

“Transferred Assets” means those assets listed on Schedule “D”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof, which are owned by Other Noya Entities, but will be transferred to the Company prior to Closing as part of the Pre-Closing Reorganization and will constitute Retained Assets.

“Vendor” means Noya Holdings Inc. formerly known as Radicle Cannabis Holdings Inc.

“Wolverine Debt” means all amounts owing under or in connection with the secured grid convertible debenture dated November 22, 2019 from Radicle Cannabis Holdings Inc. to Wolverine Partners Corp., the limited guarantee dated December 19, 2019 given by Radicle Medical Marijuana Inc. in favour of Wolverine Partners Corp., and the general security agreement dated December 19, 2019 between Radicle Medical Marijuana Inc. and Wolverine Partners Corp.

“Qualified Bid” has the meaning set out in Schedule “G”.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

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

The recitals set forth above are and for all purposes shall be interpreted as being an integral part of this Agreement, constituting acknowledgments and agreements by and between the Parties, and are incorporated in this Agreement by this reference.

1.4 Extended Meanings

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

1.5 Currency

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

1.6 Statutes

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

1.7 Schedules & Amendments to Schedules

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

EXHIBITS

Exhibit A - Pre-Closing Reorganization

SCHEDULES

Schedule A - Excluded Assets

Schedule B - Excluded Contracts

Schedule C - Excluded Liabilities

Schedule D - Transferred Assets

Schedule E - Permitted Encumbrances

Schedule F	-	Cannabis Licence
Schedule G	-	SISP and Bidding Procedures
Schedule H	-	Assumed Liabilities
Schedule I	-	Assumed Contracts
Schedule J	-	Litigation

The Parties acknowledge that as of the Effective Date, the Schedules (other than Schedules F and G) are not complete. Such Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser, in its sole and absolute discretion, on or before the dates set out in such Schedules and on notice to the Vendor.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, effective as of the Closing Time, the Vendor shall sell and transfer the Purchased Shares to the Purchaser, and the Purchaser shall purchase the Purchased Shares from the Vendor, free and clear of all Encumbrances.

2.2 Excluded Liabilities of the Company

- (a) Pursuant to the Approval and Reverse Vesting Order, save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, perfected or unperfected, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or the Purchased Shares or against, relating to or affecting the Business including any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, inter alia, the non-exhaustive list of Liabilities set forth in Schedule "C" (collectively, the "Excluded Liabilities") shall be excluded, Discharged and shall no longer be binding on or enforceable against the Company, the Purchased Shares, the Retained Assets, Employees, Permits and Licences or Books and Records following the Closing Time.
- (b) Subject to the Pre-Closing Reorganization and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Approval and Reverse Vesting Order, and the Company, the Purchased Shares, the Retained Assets, the Transferred Assets, and the Company's undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the

Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser for the Purchased Shares shall be equal to the approximate amount of \$3,850,632.67, comprising:

- (a) an amount equal to the Lending Stream Royalty Debt as at the SISP Approval Date, which amount is estimated to be \$3,450,632.67;
- (b) an amount equal to the DIP Facility, which amount is estimated to be \$400,000.00;
- (c) an amount equal to any outstanding amounts secured by the Administration Charge at Closing;
- (d) an amount equal to any outstanding amounts secured by the Director's Charge at Closing;
- (e) an amount equal to any outstanding Priority Payables at Closing (in addition to the Administration Charge and Director's Charge); and
- (f) the Assumed Liabilities, if any.

The Purchase Price shall be paid to the Monitor, in trust, as consideration for the Purchased Shares.

3.2 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price, at the Closing Time, in accordance with the following:

- (a) Initial Deposit. All amounts owing to the Purchaser under the DIP Term Sheet as of the SISP Approval Date, including any accrued and unpaid interest, expenses, fees and other amounts (in aggregate, the "Deposit"), shall be treated in all respects as a deposit from and after the SISP Approval Date, and shall be credited against the Purchase Price at Closing.
- (b) Credit Bid Purchase Price. All amounts owing to the Purchaser under the Lending Stream Royalty Debt as of the SISP Approval Date, including any accrued and unpaid interest, expenses, fees and other amounts accruing from the Effective Date to the SISP Approval Date, shall be extinguished and Discharged, and shall be treated in all respects as a payment to be credited against the Purchase Price (the "Credit Bid").
- (c) Cash Component. The Purchaser shall pay any amount not otherwise satisfied by the Deposit and Credit Bid by wire transfer to the Monitor, in trust.
- (d) Assumed Liabilities. An amount equal to the amount of the Assumed Liabilities which the Company shall retain on the Closing Date in accordance with the Pre-Closing Reorganization, if any, shall be satisfied by the Company performing the Assumed Liabilities.

ARTICLE 4 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

At Closing, the Company shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including the Transferred Assets, the Company's equipment, its Assumed Contracts, Permits and Licences, Books and Records, Business and undertakings (the "Retained Assets"), excluding inventory sold or consumed in the ordinary course of Business in the Interim Period and amounts paid in the Interim Period in accordance with the Initial Order, the DIP Term Sheet and the approval of the Monitor. The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts, which the Company shall transfer to ResidualCo, in accordance with the PreClosing Reorganization, and same shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

On the Closing Date, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo in accordance with the Pre-Closing Reorganization and the Approval and Reverse Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Purchased Shares, the Company and the Retained Assets as of and from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Approval and Reverse Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the Company shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

ARTICLE 5 SISP, BIDDING PROCEDURES

5.1 SISP

- (a) The Vendor shall bring a motion for the SISP Order to be heard on or before November 15, 2024. The SISP Order shall recognize the within offer by the Purchaser and the Purchase Price: (i) as a baseline or "stalking horse bid" in respect of the Purchased Shares (the "Stalking Horse Bid"); and (ii) as a deemed "Qualified Bid" (as defined in the SISP), with an attendant right on the part of the Purchaser to participate as a bidder in any Auction. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained for the Purchased Shares and the Retained Assets, and that the within Stalking Horse Bid may be the Successful Bid for the Purchased Shares and the Retained Assets.
- (b) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to repayment of: (i) all professional fees, disbursements and expenses of any kind or nature whatsoever incurred in connection with the SISP and the Transaction, to a maximum amount of \$100,000 (the "Professional Fees"); and (ii) a break fee in the amount of \$175,000 (inclusive of HST, if any) (the "Break Fee"), which shall be payable to the Purchaser in the event that the Stalking Horse Bid is not the Successful Bid.

- (c) In the event that the Stalking Horse Bid is not the Successful Bid, in addition to the Professional Fees and the Break Fee, the Purchaser shall be entitled to repayment in full of all amounts advanced under the DIP Term Sheet, and all of the foregoing entitlements shall be paid to the Purchaser in priority to any and all Claims and interests that any other Person now has or may hereafter have against the Property (as defined in the Initial Order) of Noya (the “Deposit Repayment”).
- (d) The priority of payment of the Professional Fees, the Break Fee and the Deposit Repayment shall be approved in the SISP Order and shall, if payable pursuant to Section 5.1(b) and 5.1(c), be payable to the Purchaser within three (3) Business Days of the closing of the transaction contemplated by the Successful Bid.
- (e) The Parties acknowledge and agree that the aggregate foregoing Break Fee amount represents a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of preparing and entering into, and not completing the Transactions contemplated by this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Shares and/or Retained Assets. For certainty, the Break Fee does not form part of the Purchase Price.
- (f) In the event that one or more Persons submits a Qualified Bid on or before the Bid Deadline, the Vendor, in consultation with the Monitor, shall conduct an auction (the “Auction”) for the determination and selection of a winning bid (the “Successful Bid” and the Person submitting such bid being the “Successful Bidder”).
- (g) Upon the selection of a Successful Bidder, there shall be a binding agreement of purchase and sale between the Successful Bidder and the Vendor. The Vendor shall forthwith bring a motion following the selection of the Successful Bidder for an order approving the agreement reached with the Successful Bidder and to vest the Purchased Shares in the Successful Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (h) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Bidder under the SISP, then upon selection of the other Successful Bid: (i) this Agreement shall be terminated (subject to Section 10.2 and the Purchaser’s entitlement to the Break Fee); (ii) the Purchaser shall be entitled to the Break Fee, the Professional Fees and the Deposit Repayment; and (iii) neither Party hereto shall have any further Liability or obligation hereunder, except as expressly provided for in this Agreement.
- (i) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Vendor shall forthwith bring a motion to the Court to obtain the Approval and Reverse Vesting Order and, if granted, shall proceed with completing the Transaction contemplated herein forthwith.
- (j) The parties hereto acknowledge and agree that this Article 5 sets out their mutual intentions in respect of the SISP and Bidding Procedures but the same shall be subject to the ultimate approval of the Court and provided the Court approved procedures are substantially similar to the mutual intentions set out herein, any deviation from the terms of this Article 5 shall not impact or impair the binding nature, effect and enforceability of this Agreement.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Vendor

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

- (a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the Business Corporations Act (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining of the Approval and Reverse Vesting Order in respect of the matters to be approved therein, performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor. The Vendor has the requisite corporate authority to cause the Other Noya Entities to transfer the Transferred Assets to the Company.
- (c) No Conflict. The execution, delivery and performance by the Vendor of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Vendor, and subject to obtaining the Approval and Reverse Vesting Order, any agreement binding on the Vendor or any Applicable Law applicable to the Vendor, Noya or any of their affiliates, the Retained Assets or the Purchased Shares, or result in the creation or require the creation of any Encumbrance upon or against the Purchased Shares or the Retained Assets.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Reverse Vesting Order.
- (e) Proceedings. Other than as disclosed in Schedule J, there are no proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Retained Assets as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement, and no event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.
- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Reverse Vesting Order, the Vendor does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (g) Residency. The Vendor is not a non-resident of Canada for purposes of the Income Tax Act or the Excise Tax Act, as applicable.
- (h) Title to Purchased Shares. The Vendor is the sole registered and beneficial owner of the Purchased Shares, with good and valid title thereto, and the Vendor will transfer good and

valid title to the Purchased Shares to the Purchaser, free and clear of all Encumbrances, pursuant to and in accordance with the Approval and Reverse Vesting Order. There are no issued and outstanding shares or other securities of the Company other than the Purchased Shares.

- (i) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor or the Company of any of the Purchased Shares or the Retained Assets.
- (j) Necessary Assets and Equipment: All assets and equipment that are necessary for the operation of the Business in the ordinary course, are owned by the Company or any Other Noya Entity, and all such assets and equipment shall be maintained during the Interim Period and shall be in good working order (normal wear and tear excepted) as at the Closing Time.

6.2 Representations and Warranties in respect of the Company

The Vendor and the Company hereby represent and warrant to and in favour of the Purchaser as of the date hereof and as of the Closing Time, and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the Business Corporations Act (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining the Approval and Reverse Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company, and subject to obtaining the Approval and Reverse Vesting Order, any agreement binding on the Vendor or any Applicable Law applicable to the Vendor, the Company or any of its affiliates, the Retained Assets or the Purchased Shares, or result in the creation or require the creation of any Encumbrance upon or against the Purchased Shares or the Retained Assets.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Reverse Vesting Order.
- (e) Authorized and Issued Capital. The authorized capital of the Company consists of an unlimited number of Common Shares, of which 44,200,000 are issued and outstanding. The Purchased Shares: (i) constitute all of the issued and outstanding securities in the capital of the Company; (ii) have all been duly authorized and validly issued as fully paid and non-assessable; (iii) have been issued by the Company in compliance with all Applicable Laws; and (iv) are registered in the name of, and are legally and beneficially owned by, the Vendor. None of the Purchased Shares have been issued in violation of any

pre-emptive, right of first offer or refusal or similar rights. The Company is a private issuer (as such term is defined in Section 2.4 of National Instrument 45-106).

- (f) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Purchased Shares, any Retained Assets or for the purchase, subscription, allotment or issuance of any of the unissued shares or other securities of the Company. The Company has good and valid title to the Retained Assets (excluding Transferred Assets) free and clear of all Encumbrances (other than Permitted Encumbrances). At Closing, the Company will have good and valid title to the Transferred Assets, free and clear of all Encumbrances (other than Permitted Encumbrances).
- (g) Proceedings. Other than as disclosed in Schedule J, there are no proceedings pending against the Company or, to the knowledge of the Company, threatened with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Retained Assets as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of its obligations set forth in this Agreement and no event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.
- (h) No Consents or Authorizations. Subject only to obtaining the Approval and Reverse Vesting Order, the Company does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (i) Cannabis Licence. The Cannabis Licence and the Excise Licence are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licence or the Excise Licence. In addition, there are no terms, conditions, or other restrictions imposed on the Cannabis Licence or the Excise Licence that would delay, restrict, or prevent the Company or the Vendor from fulfilling any of their obligations set forth in this Agreement.
- (j) Necessary Assets and Equipment: All assets and equipment that are necessary for the operation of the Business in the ordinary course, are owned by the Company, and all such assets and equipment shall be maintained during the Interim Period and shall be in good working order (normal wear and tear excepted) as at the Closing Time.
- (k) Compliance with Laws. The Company is conducting and has conducted the Business in compliance with all Applicable Laws in all material respects.
- (l) Assumed Contracts. The list and copies of Contracts and Other Noya Contracts provided by the Company and Vendor pursuant to Section 7.4(b), are correct and complete in all material respects, inclusive of all amendments, modifications and supplements thereto.

6.3 Representations and Warranties of the Purchaser

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

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Business Corporations Act (Ontario) as of the date hereof, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

6.4 As is, Where is

The representations and warranties of the Company and the Vendor shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever.

ARTICLE 7 COVENANTS

7.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.
- (b) Without limiting the foregoing, the Parties shall assist with submissions, share information and make any other efforts required to obtain any approvals or Permits and Licences from any Governmental Authority as reasonably requested by the other Party.
- (c) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions (including with respect to the Cannabis Licence and the Excise Tax License), as applicable, required under any Applicable Law.

- (d) The Vendor and the Company shall cause such individuals as the Purchaser may determine in its sole discretion to be appointed or assigned to be as of the Closing Time: (i) a director or officer of the Company; (ii) another individual who exercises direct control over the Company; (iii) directors or officers of any corporation that exercises direct control over the Company; or (iv) the responsible person, the head of security, or the master grower, and their alternates, as those terms are defined in the Cannabis Regulations (Canada).

7.2 Motion for Approval and Reverse Vesting Order

As soon as practicable after the selection of this Agreement as the Successful Bid in the SISP, the Vendor shall serve and file with the Court a motion for the issuance of the Approval and Reverse Vesting Order, seeking relief that will, inter alia, approve this Agreement and the Transaction, and release the officers and directors of the Company, its counsel and advisors, the Monitor and the Monitor's counsel. The Vendor shall use its best efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Reverse Vesting Order.

7.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order and the Pre-Closing Reorganization), the Vendor and Company shall continue to maintain the Business, operations of the Company and the Retained Assets and cause the Other Noya Entities to maintain the Transferred Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws, Permits and Licences.

7.4 Access During Interim Period

- (a) During the Interim Period, the Vendor and the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Corporate Office, the Manufacturing Premises, the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the physical, financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to the Corporate Office, the Manufacturing Premises and all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Vendor's and Company's customers and contractual counterparties. Subject to any Professional Fees incurred in connection with any such investigations, inspections, surveys and tests, which shall be reimbursed in accordance with Article 5 hereof, all investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Vendor and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

- (b) In order to consider, analyze and complete or modify the Schedules in accordance with the terms of this Agreement, the Company and the Vendor undertake to provide, or cause the Other Noya Entities to provide, to the Purchaser, promptly, and in any event within fifteen (15) days of the date hereof, true and complete copies of: (a) all Contracts and Other Noya Contracts; (b) a list of inventory, property, plant & equipment and any other material assets owned by all Other Noya Entities; (c) a list of all Employees employed by the Company and Other Noya Entities; (d) a list of any outstanding legal proceedings against the Company and Other Noya Entities; and (e) any other documents or information reasonably required by the Purchaser in order to complete or modify the Schedules.

7.5 Insurance Matters

Until Closing, the Vendor and the Company shall keep in full force and effect all existing insurance policies and give any notice or present any Claim under any such insurance policies consistent with past practice of the Vendor and the Company in the ordinary course of business.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing

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

8.2 Pre-Closing Reorganization

- (a) Subject to the other terms of this Agreement, the Company and the Vendor shall effect the Pre-Closing Reorganization on the terms and using the steps set out at Exhibit "A"; provided that the Purchaser, the Vendor and the Company shall cooperate to ensure that the Pre-Closing Reorganization is completed in a tax efficient manner, including by revising the steps thereof as required by the Purchaser; and provided further that the Purchaser shall be entitled to require, as a part of the Pre-Closing Reorganization, that the Transferred Assets be transferred to and vested in the Company free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Reverse Vesting Order provided that such Transferred Assets have been identified by the Purchaser at least eight (8) days prior to the hearing for such Approval and Reverse Vesting Order.
- (b) The Purchaser and the Vendor shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

8.3 Vendor Closing Deliveries

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

- (a) a true copy of the Approval and Reverse Vesting Order, as issued and entered by the Court;
- (b) share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the Vendor;

- (c) confirmation, in form and substance satisfactory to the Purchaser, that the Permits and Licences, including the Cannabis Licence, will be valid and in good standing immediately following the Closing;
- (d) certificates of an officer of the Vendor and the Company dated as of the Closing Date confirming that all of the representations and warranties of the Vendor and the Company contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor and the Company have performed in all material respects the covenants to be performed by them prior to the Closing Time;
- (e) the Organizational Documents of the Company and the corporate Books and Records;
- (f) a side letter addressed to the Purchaser and further to which any applicable Other Noya Entities making the representations and warranties contemplated by Section 9.2(1); and
- (g) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

8.4 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor and the Company (or to the Monitor, as applicable), the following:

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

ARTICLE 9 CONDITIONS OF CLOSING

9.1 Conditions Precedent in favour of the Parties

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

- (a) Approval and Reverse Vesting Order. The Court shall have issued and entered the Approval and Reverse Vesting Order in a form satisfactory to the Purchaser in its sole and absolute discretion, which Approval and Reverse Vesting Order shall not have been stayed, set aside, varied, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, acting reasonably;
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and

- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

9.2 Conditions Precedent in favour of the Purchaser

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

- (a) Landlord Approval: The Purchaser shall have obtained the Landlord Approval, in a form satisfactory to the Purchaser, acting reasonably, and the Landlord Approval shall include confirmation that the lease of the Manufacturing Facility has been extended on term and conditions satisfactory to the Purchaser, acting reasonably.
- (b) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.
- (c) Company's Deliverables. The Vendor and the Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.3.
- (d) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 6.1 and Section 6.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Company and the Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company and the Vendor on or before the Closing Date.
- (f) Termination of Company Employees. The Company shall have terminated the employment of any employees identified by the Purchaser in its sole discretion to be Terminated Employees and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities or shall be Discharged pursuant to the Approval and Reverse Vesting Order.
- (g) ResidualCo. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets and the proceeds from the Purchase Price; and (iii) the Company, its Business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Assumed Liabilities,

if any) such that, from and after Closing the Business and property of the Company shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

- (h) Partial Termination of CCAA Proceeding. Upon Closing, the CCAA Proceeding shall have been terminated in respect of the Company, its Business and property, as set out in the Approval and Reverse Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo and the Vendor.
- (i) Disclaimer of Excluded Contracts. The Company shall have sent notices of disclaimer for all known Excluded Contracts and other agreements, and such known Excluded Contracts shall form part of the Excluded Assets.
- (j) Permits and Licences. The Permits and Licences, including the Cannabis Licence and Excise Licence, shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licences that remains unremedied and such Permits and Licences shall remain in good standing immediately following and notwithstanding Closing and no Governmental Authority whose consent is not required to the Transaction shall have objected to the completion of the Transaction or indicated that such Permits and Licences will not remain in full force and effect following completion of the Transaction.
- (k) Monitor's Certificate. The Monitor shall have provided an executed certificate of the Monitor substantially in the form attached to the Approval and Reverse Vesting Order (the "Monitor's Certificate") confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.
- (l) Representations as to Transferred Assets/by Other Noya Entities. To the extent any assets, properties or undertakings of an Other Noya Entity have been designated as a Transferred Asset hereunder, such Other Noya Entity shall have provided to the Purchaser those representations and warranties set out in Sections 6.1(a) through (i) as modified for such Other Noya Entity(ies) and Transferred Asset(s) mutatis mutandis, which representations and warranties (except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement) shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 9.2 is not satisfied or performed on or prior to the Outside Date, as the case may be, the Purchaser may elect on written notice to the Vendor to terminate this Agreement. Upon the Purchaser issuing written notice to the Vendor terminating this Agreement in accordance with Section 9.2, the Purchaser shall be authorized and empowered to attend in Court and obtain an order establishing a charge against the Property (as defined in the Initial Order), equal to all amounts owing to the Purchaser pursuant to this Agreement, including Professional Fees and all amounts advanced under the DIP Term Sheet, subject only to the Administration Charge (as defined in the Initial Order).

9.3 Conditions Precedent in favour of the Vendor and the Company

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

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents contemplated in Section 8.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 6.3 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) Monitor's Certificate. The Monitor shall have provided an executed copy of the Monitor's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 9.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 10 TERMINATION

10.1 Grounds for Termination

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

- (a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; and
- (b) by the Vendor or the Purchaser upon written notice to the other Parties if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Reverse Vesting Order is not obtained on or before February 14, 2025 (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

In the event that this Agreement is terminated in accordance with this Section 10.1, the Purchaser shall be authorized and empowered to attend in Court and obtain an order establishing a charge against the Property (as defined in the Initial Order), equal to all amounts owing to the Purchaser pursuant to this Agreement, including Professional Fees and all amounts advanced under the DIP Term Sheet, subject only to the Administration Charge (as defined in the Initial Order).

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1 or 5.1(h), all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of: (a) Section 10.2; and (b) Section 5.1, with respect to the Purchaser's entitlement to the Break Free, the Professional Fees and the Deposit Repayment.

ARTICLE 11 GENERAL

11.1 Access to Books and Records

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

11.2 Notice

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

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

3-35 Stone Church
Road West, Suite 188
Ancaster, Ontario L9K 1S4

Attention: Lending Stream Inc.
Email: lendingstream@gmail.com

with a copy to:

Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, Ontario M5L 1G4

Attention: John Leslie
Email: jleslie@dickinsonwright.com

- (b) in the case of the Vendor or the Company, as follows:

Noya Cannabis Inc.
90 Beach Road
Hamilton, Ontario L8L 8K3.
Attention: Ziad Reda
Email: ziad@noyagrow.com

with a copy to:

Fogler Rubinoff LLP
77 King Street West
Suite 3000, P.O. Box 95

TD Centre North Tower
Toronto, Ontario M5K 1G8
40 King Street West, Suite 5800
Toronto, Ontario M5H 4A9

Attention: Vern W. DaRe
Email: vdare@foglers.com

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

BDO Canada Limited
51 Breithaupt Street, Suite 300
Kitchener, Ontario N2H 5G5

Attention: Robyn Duwyn
Email: rduwyn@bdo.ca

with a copy to:

Loopstra Nixon LLP
130 Adelaide Street West, Suite 2800

Toronto, Ontario M5K 0A1

Attention: R. Graham Phoenix
Email: gphoenix@LN.law.com

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

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

11.3 Public Announcements

The Vendor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Vendor in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor or any of its Affiliates under Applicable Laws, the Vendor shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the

Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

11.4 Time

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

11.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

11.6 Benefit of Agreement

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

11.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements; provided that nothing in this Agreement affects the rights and obligations of the Parties under the DIP Term Sheet. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor and the Purchaser.

11.8 Paramountcy

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

11.9 Governing Law

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

11.10 Assignment

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

11.11 Further Assurances

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

11.12 Counterparts

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

11.13 Severability

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

11.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.


11.15 Monitor's Capacity

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

[Signature Page Follows]


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

NOYA HOLDINGS INC.

By: 

Name: Ziad Reda
Title: President
I have authority to bind the corporation

NOYA CANNABIS INC.

By: 

Name: Ziad Reda
Title: CEO
I have authority to bind the corporation

LENDING STREAM INC.

By:  _____

Name: **Rami Reda**

Title: **A.S.O.**

I have authority to bind the corporation

EXHIBIT "A" PRE-CLOSING
REORGANIZATION

1. The Transferred Assets shall be transferred to the Company.
2. ResidualCo shall be incorporated by the Vendor with nominal consideration for common shares and shall be added to the CCAA Proceeding as an Applicant, but shall take no other steps or actions in respect thereof.
3. The Excluded Assets and Excluded Liabilities shall be transferred to, and vested in, ResidualCo pursuant to the Approval and Reverse Vesting Order.

SCHEDULE A
EXCLUDED ASSETS

1. Inventory sold in the ordinary course of Business in the Interim Period.
2. Excluded Contracts, as determined by the Purchaser prior to Closing.

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

SCHEDULE B
EXCLUDED CONTRACTS

The following is a non-exhaustive list of the Excluded Contracts:

1.

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

SCHEDULE C
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time.
2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any court-ordered charge granted therein.
3. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.
4. All Liabilities to Terminated Employees whose employment with the Company is terminated on or before Closing, including all amounts owing on account of statutory notice, termination payments, individual or group notice of termination (as applicable), severance, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law.
5. All Liabilities related to any amounts of any nature or kind owing to any Employees or Persons who have performed work for the Company as at the Closing Time.
6. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.
7. Any Liabilities relating or arising from any litigation, known or unknown, including, without limitation, the Arbitration claim in British Columbia by Pure Sunfarms Corp. against the Company, Action by Ignite International Brands Canada Ltd. against the Company and the Vendor, and Arbitration by 10805696 Canada Inc. o/a Mauve & Herbes against the Company in Ontario.

8. The Lending Stream Debenture Debt, the 195 Debt, and the Wolverine Debt.
9. Any and all Liabilities that are not Assumed Liabilities.

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

SCHEDULE D

TRANSFERRED ASSETS

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

SCHEDULE E
PERMITTED ENCUMBRANCES

None

SCHEDULE "F" CANNABIS
LICENCE

Regulatory Authority	Authorization Type	Licensee	Effective Date	Expiry Date	Licence No.
Health Canada	Federal Cannabis Licence	Noya Cannabis Inc.	October 16, 2024	December 21, 2028	LIC-9JMHVTANAP-2023-5

SCHEDULE "G"
SISP AND BIDDING PROCEDURES

Attached.

SALES PROCESS

Introduction

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

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

Opportunity

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

Timeline

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

Milestone	Deadline
Deadline to publish notice of Sales Process and deliver Teaser Letter and NDA to Known Potential Bidders	Friday, December 6, 2024
Deadline to finalize schedule of Assumed Liabilities in the Stalking Horse Agreement	Tuesday, December 31, 2024
Bid Deadline (as defined below)	Monday, January 27, 2025
Deadline to top-up Deposit to Stalking Horse Payout Amount (as defined below)	Friday, January 31, 2025
Auction (as defined below)	Wednesday, February 5, 2025
Hearing of the Sale Approval Motion (as defined below)	No later than Friday, February 14, 2025, subject to the availability of the Court

7. Subject to any order of the Court, the dates set out in the Sales Process may be extended by the Monitor with the consent and approval of the Applicants and the Stalking Horse Bidder.

Solicitation of Interest: Notice of the Sales Process

8. As soon as reasonably practicable, but in any event by no later than Friday, December 6, 2024:
- (a) The SISP Agent, in consultation with the Monitor and Applicants, will prepare a list of potential bidders, including: (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity; and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the Sales Process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, “**Known Potential Bidders**”);
 - (b) the Monitor will arrange for a notice of the Sales Process (and such other relevant information which the Monitor, in consultation with the Applicants, considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition), and any other newspaper or journal as the Applicants, in consultation with the Monitor, consider appropriate, if any; and
 - (c) the SISP Agent, in consultation with the Monitor and Applicants, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the Sales Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sales Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor, and their respective counsel.

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

Potential Bidders and Due Diligence Materials

9. Any party who wishes to participate in the Sales Process (a “**Potential Bidder**”), other than the Stalking Horse Bidder, must provide to the SISP Agent an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
10. The SISP Agent, in consultation with the Monitor and the Applicants, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Monitor and provided

information as to their financial wherewithal to close a transaction such access to due diligence material and information relating to the Property and Business as the Applicants or the Monitor deem appropriate. Due diligence shall include access to an electronic data room containing information about the Applicants and the Business (the “**Data Room**”), and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The SISP Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the SISP Agent, Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the SISP Agent, in consultation with Applicants and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information. Neither the SISP Agent, Applicants nor the Monitor is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Sale of the Property and the Business.

11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sales Process and any transaction they enter into with the Applicants.

Continued Management of NCI

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

Stalking Horse Bid Non-Cash Purchase Price Finalized

13. The Stalking Horse Agreement contemplates a purchase price of \$3,850,632.67, plus adjustments as provided for in s. 3.1 of the Stalking Horse Agreement, which adjustments include the Assumed Liabilities, if any, that will be stipulated by the Purchaser on or before Tuesday, December 31, 2024. The schedule of Assumed Liabilities, once final, will be made available to Potential Bidders in the Data Room.

Formal Binding Offers

14. Potential Bidders that wish to make a formal offer to purchase the Property or Business (a “**Bidder**”) shall submit a binding offer (a “**Bid**”) that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on Monday, January

27, 2025 or such earlier or later date as may be set out in the Bid process letter that may be circulated by the SISP Agent to Potential Bidders, with the approval of the Applicants and Monitor and in consultation with the Stalking Horse Bidder (the “**Bid Deadline**”):

- a. the Bid must be a binding offer to acquire all, substantially all, or a portion of the shares of the Company (a “**Sale Proposal**”) and must be consistent with any necessary terms and conditions established by the SISP Agent, Applicants and the Monitor and communicated to Bidders;
- b. the Bid must include a letter stating that the Bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- c. the Bid must include duly authorized and executed transaction agreements that clearly state the purchase price and any other key economic terms expressed in Canadian dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto;
- d. the Bid must include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;
- e. the Bid must not be conditional on: (i) the outcome of unperformed due diligence by the Bidder including, but not limited to, the negotiation and completion of a transition agreement with key personnel or management required to maintain the cannabis licenses in good standing; or (ii) obtaining financing;
- f. the Bid must fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is otherwise participating or benefiting from such Bid;
- g. in addition to the Section 14(a)-(f) above, for a Sale Proposal, the Bid must include:
 - i. an executed copy of a sale agreement based on the Stalking Horse Agreement and a redline of the same, clearly showing the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Agreement;
 - ii. the Purchase Price in Canadian dollars and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - iii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

- iv. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - v. a description of the conditions and approvals required to complete the closing of the transaction, consistent with those contained in the Stalking Horse Bid;
 - vi. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - vii. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - viii. a cash deposit equal to the greater of (i) 10% of the Purchase Price in the Sale Proposal and (ii) an amount sufficient to repay the Professional Fees, the Break Fee and the Deposit Repayment (as those terms are defined in the Stalking Horse Agreement).
- h. the Bid must include acknowledgements and representations of the Bidder that the Bidder:
- i. has had an opportunity to conduct any and all due diligence regarding the Property, the Business, and the Applicants prior to making its offer;
 - ii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - iii. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;
- i. the Bid must be received by the Bid Deadline;
 - j. the Bid must contemplate closing the transaction set out therein on or before March 3, 2025.
15. Following the Bid Deadline, the SISP Agent, Applicants and the Monitor will assess the Bids received. The Monitor, in consultation with the Applicants, and with the approval of the Applicants, will designate the most competitive bids that comply with the foregoing requirements to be "Qualified Bids". No Bid received shall be deemed not to be a Qualified Bid without the approval of the Monitor. Only Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s). The Stalking Horse Bid shall automatically be considered as a Qualified Bid for the purposes of the Auction.

16. The Monitor may only designate a Bid as a Qualified Bid where the proposed Purchase Price is equal to or greater than that contained in the Stalking Horse Bid, plus the amount of the break fee, plus professional fees, plus \$100,000.
17. The Monitor, in consultation with the Applicants and with the approval of the Applicants, may waive strict compliance with any one or more of the requirements specified above and deem a non-compliant Bid to be a Qualified Bid.
18. The Monitor shall notify each Bidder in writing as to whether its Bid constituted a Qualified Bid within two (2) business days of the Bid Deadline, or at such later time as the Monitor deems appropriate.
19. The Monitor may, in consultation with the Applicants and with the approval of the Applicants, aggregate separate Bids from unaffiliated Bidders to create one Qualified Bid.

Evaluation of Competing Bids

20. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid; (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions; (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Applicants and the Monitor.

Auction

21. If the Monitor receives at least one additional Qualified Bid, in addition to the Court-approved Stalking Horse Bid, the Monitor will conduct and administer an Auction in accordance with the terms of this Sales Process (the “**Auction**”). Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
22. Only parties that provided a Qualified Bid by the Bid Deadline, as confirmed by the Monitor, including the Stalking Horse Bid (collectively, the “**Qualified Parties**” and each, a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 5:00 p.m. Eastern Daylight Time on January 31, 2025:
 - a. each Qualified Party must inform the Monitor whether it intends to participate in the Auction;
 - b. those Qualified Parties intending to participate in the Auction must satisfy the Monitor of their ability to deliver a deposit top-up equivalent to the Stalking Horse Bidder's deposit, professional fees, and break fee, which aggregate amount is expected to total approximately \$4 million (the “**Stalking Horse Payout**”).

Amount”), in the event that such Qualified Party's Bid is the Successful Bid. For certainty, Qualified Parties shall provide the Monitor with:

- i. evidence of immediately available funds being held in trust in an amount sufficient to repay the Stalking Horse Payout Amount; and
- ii. a pledge, commitment or otherwise issued in favour of the Stalking Horse Bidder in an amount equal to the Stalking Horse Payout Amount, payable upon the Court's approval of such Qualified Party's Successful Bid and an Order approving such payment to the Stalking Horse Bidder.

23. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid, shall be the Successful Bid.

Auction Procedure

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

- (a) Participation at the Auction. Only the Applicants, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction. The Monitor shall provide all Qualified Parties with the details of the lead Bid by 5:00 PM (Eastern Time) two (2) business days after the Bid Deadline;
- (b) No Collusion. Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith bona fide offer, and it intends to consummate the proposed transaction if selected as the Successful Bid;
- (c) Minimum Overbid. The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor, in consultation with the Applicants (the “**Initial Bid**” and any bid made at the Auction by a Qualified Party subsequent to the Monitors announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$100,000;
- (d) Bidding Disclosure. The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that

the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Monitor and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;

- (e) Bidding Conclusion. The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s);
- (f) No Post-Auction Bids. No bids will be considered for any purpose after the Auction has concluded; and
- (g) Auction Procedures. The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

Selection of Successful Bid

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

- a. review each Qualified Bid, considering the factors set out in paragraph 14 and, among other things:
 - i. the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
 - ii. the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in paragraph 25(a)(i);
 - iii. the likelihood of the Qualified Party's ability to close a transaction by March 3, 2025, after completion of the Auction and timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals); the likelihood of the Court's approval of the Successful Bid; the net benefit to the Applicants; and
 - iv. any other factors the Applicants may, consistent with their fiduciary duties, reasonably deem relevant; and
- b. identify the highest or otherwise best bid received at the Auction (the “**Successful Bid**” and the Qualified Party making such bid, the “**Successful Party**”).

26. The Successful Party shall, in good faith, complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being

selected as such, unless extended by the Monitor, in consultation with and Approval from the Applicants, subject to the milestones set forth in paragraph 6.

Sale Approval Motion Hearing

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

Confidentiality and Access to Information

28. All discussions regarding a Sale Proposal or Bid should be directed through the Monitor. Under no circumstances should the management of the Applicants be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sales Process.

29. Participants and prospective participants in the Sales Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other Bidders or Potential Bidders in connection with the Sales Process, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Potential Bidders or Bidders.

Supervision of the Sales Process

30. The Monitor shall oversee and conduct the Sales Process with the assistance of the SISP Agent, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the Sales Process in the manner set out in this Sales Process, the Sale Process Approval Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the Sales Process.

31. This Sales Process does not and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.

32. Without limiting the preceding paragraph, the Monitor, the SISP Agent and its advisors shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Applicants, the Stalking Horse Bidder or

any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this Sales Process, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Monitor. By submitting a Bid, each Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Monitor.

33. Participants in the Sales Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
34. Without limiting in any way the intent and effect of the applicable provisions of the Stalking Horse Bid in respect of the Sales Process, the Applicants and the Monitor shall have the right to modify the Sales Process (including, without limitation, pursuant to the Bid process letter) with the prior written approval of the Applicants and consultation with the Stalking Horse Bidder if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sales Process; provided that the Service List in these CCAA proceedings shall be advised of any substantive modification to the procedures set forth herein.
35. The Monitor may seek advice and directions from the Court in relation to all matters associated with the implementation of the Sales Process.

Schedule "1"
Address of Monitor

To the Monitor:

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

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

SCHEDULE "H"
ASSUMED LIABILITIES

The following are the Assumed Liabilities:

[Note: balance of schedule to be completed before deadline for same as set out in SISP]

SCHEDULE "I"

ASSUMED CONTRACTS

The following is a comprehensive list of Assumed Contracts:

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

SCHEDULE "J"

LITIGATION

The following is a list of the known litigation proceedings:

1. Arbitration claim in British Columbia by Pure Sunfarms Corp. against the Company
2. Action by Ignite International Brands Canada Ltd. against the Company and the Vendor
3. Arbitration by 10805696 Canada Inc. o/a Mauve & Herbes against the Company in Ontario

This is Exhibit “D” 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 November 12, 2024, 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.**

November 11, 2024

To: NOYA HOLDINGS INC.
NOYA CANNABIS INC.
Address: 90 Beach Rd, HAMILTON ONTARIO L8L 8K3
Attention: Ziad Reda

Dear Sir:

Re: SISP Agent Agreement

On November 6, 2024, the Ontario Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) commencing proceedings (the “**CCAA Proceeding**”) in respect of Noya Holdings Inc. and Noya Cannabis Inc. (the “**CCAA Debtors**”) pursuant to the *Companies’ Creditors Arrangement Act* (“**CCAA**”). Pursuant to the Initial Order, BDO Canada Inc. was appointed as the Court-Appointed Monitor (the “**Monitor**”) in respect of the CCAA Debtors and the Court ordered a hearing for November 15, 2024 (the “**Comeback Hearing**”) at which, the CCAA Debtors will be seeking, among other things, an approval of a Sales Process (the “**SISP Process**”) pursuant to the terms of the Sales Process Order (“**SISP Order**”).

The CCAA Debtors wish to engage Kronos Capital Partners Inc. (“**Kronos**” or “**SISP Agent**” and collectively, with the CCAA Debtors, [and the Monitor], the “**Parties**”). Pursuant to the terms of the SISP Process, the CCAA Debtors intend to explore a sale in respect of all or substantially all of the assets of one or more of the CCAA Debtors and/or the purchase of the shares of one or more of the CCAA Debtors, in either case, in one or more transactions (the “**Transactions**” and each a “**Transaction**”). This Agreement is subject to the Court’s approval. A copy of this Agreement will be included in the motion record of the CCAA Debtors and/or the report of the Monitor at the Comeback Hearing.

The parties hereto agree as follows:

1. **SISP Procedures.** The terms of this Agreement shall be subject to the SISP Procedures and SISP Order. The CCAA Debtors and the SISP Agent agree that the terms of the SISP Order shall govern in the event of a conflict between the SISP Procedures and the terms of this Agreement.
2. **SISP Agent Engagement.** The CCAA Debtors hereby engage and appoint the SISP Agent in connection with the SISP Process and the SISP Agent hereby accepts this engagement, on the terms and conditions set forth in this Agreement.
3. **Services.** The SISP Agent will render services that are typical for an engagement of this type and in accordance with the SISP Procedures as the SISP Agent with respect to the Transaction(s). The SISP Agent will provide to the CCAA Debtors advice and services relevant to the Transaction(s). In connection with the foregoing, it is contemplated that the SISP Agent may, subject to the rights and obligations of the Monitor, assist the CCAA Debtors in the following manner:
 - (a) familiarizing itself with the financial position and operations of the CCAA Debtors;

- (b) identifying or introducing the CCAA Debtors to, whether natural persons or otherwise, potential investors, prospective purchasers, capital providers, investors, lenders or mergers and acquisitions partners in connection with potential Transactions;
- (c) assisting the CCAA Debtors with any sale or auction process in connection with identifying a potential Transaction;
- (d) assisting the CCAA Debtors and the Monitor in analyzing the Transaction from a financial perspective;
- (e) assisting and advising the CCAA Debtors with respect to negotiating the form, structure, terms and financial components of a Transaction;
- (f) participating in discussions and negotiations with representatives of third parties, and their financial advisors, who may be interested in participating in the Transaction;
- (g) soliciting competitive offers from potential acquirors and investors including soliciting term sheets, letters of intent and other documentation and help the CCAA Debtors evaluate the terms of potential Transaction(s) in accordance with the SISP Procedures;
- (h) together with the CCAA Debtors' counsel, assisting in negotiating documentation necessary to complete a Transaction; and
- (i) providing such other SISP Agent services as the CCAA Debtors, the Monitor and the SISP Agent agree are appropriate in the circumstances (collectively, (a) through (i), the "Services")

4. Working with / Full disclosure to the Monitor. In addition to the foregoing and notwithstanding anything to the contrary herein, and without limiting any Court order made in the CCAA Proceedings, the Parties shall cooperate with each other in all material respects and; at the Monitor's request, report to the Monitor on any and all aspects of its mandate hereunder; provide the Monitor with full and ongoing access to all its files, communications and working papers relating to its mandate hereunder; and, consult with the Monitor at all key stages of its mandate hereunder, including but not limited to the following matters as they related to potential Transactions (i) identifying potential purchasers; (ii) any advertising; (iii) the setting or extending of any deadlines; (iv) negotiations with any interested parties; (v) consultation with authorized representatives of the CCAA Debtors concerning any offers; (vi) any auction or auction procedures; and, (vii) the selection of any offer as a successful offer. The CCAA Debtors shall grant to the SISP Agent reasonable access to their books and records, information and files, which the SISP Agent may request from time to time in connection with its engagement.

5. **Compensation.** The fees payable to the SISP Agent by the CCAA Debtors for the Services are set out in Schedule "A". For certainty, notwithstanding any other provision of the Agreement, if the CCAA Debtors agree to pay a fee to a person other than the SISP Agent in connection with any matters contemplated herein, such fee shall be from the CCAA Debtors' account and shall not reduce the amounts owing to the SISP Agent hereunder. The CCAA Debtors acknowledge that the compensation fees payable to the SISP Agent will be subject to an additional charge for applicable taxes. For certainty and



notwithstanding any other provision in this Agreement, if the Stalking Horse Bid is the Successful Bid, Successful Bidder or Successful Party, as these terms are defined in the SISP, the SISP Agent's compensation or fees shall be limited to the Work Fee set out in Schedule "A" herein and shall not include the Success Fee set out in Schedule "A" herein.

6. **Expenses.** The CCAA Debtors shall reimburse the SISP Agent for all reasonable out-of-pocket expenses, including (but not limited to) travel and communication expenses, courier charges and the fees and disbursements of the SISP Agent's legal counsel and other professional advisors, provided that the reimbursement of the SISP Agent's legal fees shall be subject to an aggregate cap of CAD \$5,000 (exclusive of disbursements and tax) and the reimbursement of the SISP Agent's non-legal related out-of-pocket expenses shall be subject to an aggregate cap of CAD \$7,500, unless (in both cases) prior notice is provided to the CCAA Debtors and such additional expenses are approved in advance by the CCAA Debtors and the Monitor. Such costs and expenses shall be paid by the CCAA Debtors on a timely basis following the delivery by the SISP Agent of invoices therefor. For certainty, such supported out-of-pocket expenses are payable regardless of whether a Transaction is completed.

7. **Term and Termination.** The initial term of this Agreement shall commence as of the signing of this Agreement and shall terminate on the earlier of: (i) the SISP Order is not granted by the Court by no later than November [30], 2025; (ii) December 31, 2025; (iii) closing of the Transaction(s); and (iv) termination of the CCAA Proceedings, all subject to termination by either party prior to December 31, 2025 upon seven [7] days written notice to the other, for any reason. Notwithstanding the foregoing, Sections 4-11, 8 and 10-22 of this Agreement shall survive the termination or expiration of this Agreement.

8. **Indemnification.** The CCAA Debtors hereby agree to indemnify the SISP Agent in accordance with Schedule "B" hereto, which schedule forms part of this Agreement and the consideration for which is the entering into of this Agreement. Such indemnity (the "**Indemnity**") shall be in addition to, and not in substitution for, any liability which the CCAA Debtors or any other party may have to the SISP Agent or other parties may have independent of the Indemnity.

9. **Independent Contractor.** The CCAA Debtors expressly acknowledge that the SISP Agent has been retained as SISP Agent solely to the CCAA Debtors and subject to the rights and obligations of the Monitor, and not SISP Agent of any other person, and that the CCAA Debtors' engagement of the SISP Agent is not intended to confer rights upon any persons not a party hereto (including, but not limited to shareholders, employees or creditors of the CCAA Debtors) as against the SISP Agent, its affiliates or such entity's respective directors, officers, agents, employees or other representatives. The SISP Agent shall act as an independent contractor under this Agreement, and not in any other capacity including as a fiduciary, and any duties arising out of this Agreement shall be owed solely to the CCAA Debtors pursuant to the terms hereof. The SISP Agent will not be eligible for any employee benefits, nor will the CCAA Debtors make deductions from payments made to the SISP Agent for employment or income taxes, all of which will be the SISP Agent's responsibility. The SISP Agent will have no authority to enter into contracts that bind the CCAA Debtors or create obligations on the part of the CCAA Debtors without the prior written authorization of the CCAA Debtors and the Monitor.

10. **Additional Services.** If the SISP Agent is requested to perform services in addition to the Services, the terms and conditions relating to such services will be in addition to the fees payable hereunder, will be negotiated separately, in advance and in good faith.

11. **Disclosure of Advice.** The CCAA Debtors acknowledge and agree that all written and oral opinions, advice, analysis and materials provided by the SISP Agent in connection with the engagement and the Services to be provided hereunder are intended solely for the benefit of the CCAA Debtors and the CCAA Debtors' internal use and the CCAA Debtors covenant and agree that except as required by the SISP procedures or applicable laws (including the policies of any stock exchange or quotation service on which the CCAA Debtors' shares may then be trading or quoted), no such opinions, advice or materials shall be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the prior written consent of the SISP Agent in each specific instance.

12. **Information.**

All subject to and in accordance with the SISP Procedures:

- (a) The CCAA Debtors hereby undertake and agree to provide the SISP Agent with (i) all information, documentation, reports and assistance in its possession which the SISP Agent may reasonably require or request from time to time in order to adequately perform its obligations under this Agreement, and (ii) reasonable access to the CCAA Debtors' senior management, facilities, employees, auditors, legal counsel and consultants which is reasonably necessary and sufficient to allow the SISP Agent to perform its Services hereunder. The CCAA Debtors hereby further undertake and agree to deliver to the SISP Agent copies of relevant information released to the public and/or filed with any regulatory body for disclosure to the public contemporaneously with such release and/or filing.
- (b) The CCAA Debtors represent and warrant to the SISP Agent that to the best of their knowledge all information and documentation provided by the CCAA Debtors in connection with the matters hereunder will be true and correct in all material respects and will not contain a misrepresentation (as defined in applicable securities laws).
- (c) The CCAA Debtors will keep the SISP Agent reasonably informed of all material changes concerning the CCAA Debtors during the term of this Agreement and, subject to compliance with applicable laws, advise the SISP Agent of any circumstances or developments which might be relevant to the performance of its Services under this Agreement. Unless so advised otherwise but subject to the qualification that these are CCAA Proceedings, the SISP Agent will be entitled to assume that there has been no material change in such information and will be entitled to rely thereon, unless otherwise notified in writing by the CCAA Debtors.
- (d) In carrying out its responsibilities hereunder, the SISP Agent will necessarily rely on information prepared or provided by the CCAA Debtors and other sources identified in writing by the CCAA Debtors and believed by the SISP Agent to be reliable and will apply reasonable standards of diligence to any work performed hereunder in the nature of an assessment or review of the data or other information. However, the SISP Agent will be entitled to rely and assumes no obligation to verify the accuracy or completeness of such information and under no circumstances will the

SISP Agent be liable to the CCAA Debtors or the CCAA Debtors' securityholders for any damages arising out of the inaccuracy or incompleteness of any such information.

- (e) Nothing in this Agreement shall be construed as granting any rights under any patent, copyright or other intellectual property right of the CCAA Debtors, nor shall this Agreement grant the SISP Agent any rights in or to the CCAA Debtors's confidential information, except the limited right to use the confidential information in connection with the Services.
- (f) The SISP Agent acknowledges and agrees that, if requested by the CCAA Debtors or Monitor, to execute and abide by a non-disclosure agreement to be entered into by the Parties and which will be in form and substance satisfactory to the CCAA Debtors and Monitor, each acting reasonably. The SISP Agent represents, warrants and covenants that the SISP Agent is not and will not knowingly infringe the intellectual property rights, including copyrights, of any third party. The SISP Agent further represents, warrants, and covenants that in providing the Services, it shall comply in all material respects with applicable laws, including, without limitation, applicable securities laws.
- (g) Notwithstanding the provisions of Section 12 (a) to (f), following the announcement and closing of a Transaction, the SISP Agent may publish, at its own expense, such advertisement or announcements relating to its services hereunder in such newspapers or other publications (including on the website of the SISP Agent and any promotional material used by the SISP Agent), as it considers appropriate.

13. **Non-solicitation and Non-diversion.** The SISP Agent agrees that during the term of this Agreement and for a period of 12 months after, the SISP Agent shall not, directly or indirectly:

- (a) recruit, solicit or induce (or in any way assist another person or entity in recruiting, soliciting or inducing) any employee, consultant or contractor of the CCAA Debtors to terminate his or her employment or other relationship with the CCAA Debtors (provided that this section 13(a) shall not apply to any general solicitation made by the SISP Agent to which a person contemplated by this section 13(a) may apply), or
- (b) direct or attempt to divert any client, customer or prospective client or prospective customer of the CCAA Debtors to the SISP Agent or any affiliate thereof.

For the purposes of this Agreement, a prospective client or prospective customer of the CCAA Debtors shall include any individual or entity which has been directly approached or solicited by the CCAA Debtors or their representatives within six months prior to the termination of this Agreement whereby such approach or solicitation by the CCAA Debtors or their representatives has been communicated to the CCAA Debtors.

14. **Notice.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be made by email to the respective Parties as follows:



If to the CCAA Debtors:

Noya Holdings Inc. and Noya Cannabis Inc.

Attention: Ziad Reda
Email: ziad@noyagrow.ca

If to the SISP Agent:

Kronos Capital Partners Inc

Attention: Jeff Bowman
Email : jeff@kronoscappartners.com

In all cases with a copy to the Monitor:

BDO Canada Limited, in its capacity as Court-appointed Monitor of Noya Cannabis Inc. et al
Attention: Robyn Duwyn
Email: rduwyn@bdo.ca

Any notice so given shall be deemed conclusively to have been given and received when so emailed. Any Party may change its address for notice by notice to the others in the manner set out above.

15. **No Presumption.** The Parties hereto and their counsel have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the Parties hereto. No presumption or burden of proof should arise in favour of any Party hereto by virtue of the authorship of any provision of this Agreement.

16. **Further Acts.** The Party hereto agrees to sign such further and other documents, and 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 of it.

17. **Governing Law; Attornment.** This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada. Each of the Parties hereto irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of Ontario and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

18. **Miscellaneous.**

- a. Any term of this Agreement may be amended or waived only with the mutual written consent of the Parties. Except for any separate non-disclosure agreement, this Agreement, including any schedules hereto, constitute the sole agreement of the Parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.

- b. This Agreement, including all schedules hereto, constitutes the entire agreement between the Parties on the matters herein set forth and supersedes all prior discussions and understandings on such matters.
- c. All dollar amounts referred to herein are in Canadian dollars.
- d. Time shall in all respects be of the essence of this Agreement.
- e. This Agreement may not be assigned by either Party hereto. This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

19. **Severability.** If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

20. **Counterparts.** This Agreement may be executed by the Parties in counterparts and may be executed and delivered by electronic means and all such counterparts shall together constitute one and the same agreement.

21. **Definitive Agreement.** The CCAA Debtors agree that any obligation of the CCAA Debtors with respect to a Transaction will be contained in a formal purchase agreement or such other definitive document as may be applicable that will be entered into between the CCAA Debtors and approved by the Court and the purchaser and the CCAA Debtors undertake to ensure that all fees payable to the SISP Agent under this Agreement will form part of such purchase agreement and the closing procedure documented therein.


[Signature Page to Follow]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the date first above written.

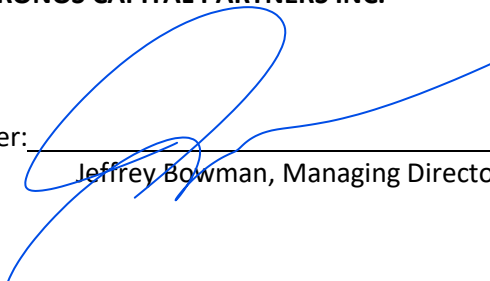
NOYA CANNABIS INC.

Per: 
Ziad Reda, CEO, Authorized Signature

NOYA HOLDINGS INC.

Per: 
Ziad Reda, CEO, Authorized Signature

KRONOS CAPITAL PARTNERS INC.

Per: 
Jeffrey Bowman, Managing Director

SCHEDULE "A"
COMPENSATION

Work Fee:

The CCAA Debtors shall pay to the SISP Agent a monthly fee of CAD \$30,000 plus HST (the "**Work Fee**"). The first Work Fee is payable within two (2) business days after the execution of this Agreement and the second Work Fee is payable within thirty (30) days of the execution of this Agreement. The total Work Fee is to be capped at \$60,000 plus HST and is due and non-refundable irrespective of the completion of any Transaction or the date on which this Agreement is terminated. The Work Fee shall be credited against the fees payable pursuant to the Success Fee, if applicable.

The CCAA Debtors agree to seek language in the Initial Order, sought to be amended at the Comeback Hearing, that the payment of the Work Fee and expenses of the SISP Agent will be secured by a priority charge of the properties, assets and undertakings of the CCAA Debtors.

Success Fee:

For our services in respect of the Transaction(s), if during the term of this Agreement, or within 6 months following the termination of this Agreement, a Transaction(s) is completed, an agreement with respect to a Transaction is entered into (including a letter of intent, term sheet or similar instrument) or a Transaction is announced by the CCAA Debtors or the Monitor, excluding the Stalking Horse Bid, as defined in the SISP, which is subsequently completed, the CCAA Debtors shall pay to the SISP Agent a transaction fee (the "**Success Fee**") equal to \$150,000 plus HST. For certainty, the Success Fee shall not apply in circumstances if the Stalking Horse Bid is the Successful Bid pursuant to the SISP.

The Success Fee shall be payable at the time of closing of the applicable Transaction(s) and should there be additional payments such as earn-outs or follow-on transactions, the Success Fee shall be paid at the time such subsequent transactions are completed. The Success Fee shall be payable in the same form of consideration as received by the CCAA Debtors or the CCAA Debtors's stakeholders, as applicable – for illustration purposes, if the consideration for the Transaction is comprised of 20% cash and 80% equity of the acquiring entity, the Success Fee shall be paid in the same proportions of cash and equity to the SISP Agent.

Notwithstanding the foregoing, if any of the consideration paid to the CCAA Debtors or the CCAA Debtors's shareholders, as applicable, pursuant to a Transaction is deferred, the SISP Agent's proportional Success Fee in respect of such deferred consideration shall be paid at the time of such deferred payment.

For certainty, if a Transaction is completed with the Stalking Horse Bid, as defined in the SISP the Success Fee shall not be payable hereunder and the SISP Agent expressly acknowledges and agrees that in the event of such a transaction the CCAA Debtors shall not be liable or obligated to pay the Success Fee and the SISP Agent shall have no right to seek payment of the same, provided that in such case of such a Transaction, the SISP Agent shall be entitled to payment of the Work Fee and reimbursement for any expenses and disbursements in accordance with the terms hereof.

SCHEDULE "B"

INDEMNITY

Noya Holdings Inc. and Noya Cannabis Inc. (collectively, the "**Indemnitor**") hereby agrees to indemnify and hold harmless Kronos Capital Partners Inc. (the "**Indemnified Party**") and each and every one of the directors, officers, employees, consultants, advisors, counsel and agents of the Indemnified Party and its affiliates (hereinafter collectively referred to as the "**Personnel**") from and against any and all expenses, losses, claims, actions, damages or liabilities (excluding any loss of profits), joint or several (including the aggregate amount paid in settlement of any actions, suits, proceedings or claims and the reasonable fees and expenses of its external counsel that may be incurred in advising with respect to and/or defending any claim that may be made or threatened against the Indemnified Party or its Personnel) to which the Indemnified Party and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon any representation or warranty of the CCAA Debtors herein contained being untrue in any material respect or the failure of the CCAA Debtors to comply in any material respect with any of its covenants herein contained and to reimburse the Indemnified Party and its Personnel forthwith, upon demand, for any legal or other expenses reasonably incurred by such party in connection with any action, suit, proceeding or claim; provided, however, that this indemnity shall not apply to the Indemnified Party or particular Personnel to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) the Indemnified Party or those Personnel, as the case may be, have been grossly negligent or have committed any fraudulent act or wilful misconduct in the course of such performance; and
- (ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly or indirectly caused by the gross negligence, wilful misconduct or fraud referred to in (i).

If for any reason (other than the occurrence of both of the events itemized in (i) and (ii) above), the foregoing indemnification is unavailable to the Indemnified Party or its Personnel or is insufficient to hold them harmless, then the Indemnitor shall contribute to the amount paid or payable by the Indemnified Party or its Personnel as a result of such expense, loss, claim, action, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party or its Personnel on the other hand but also the relative fault of the Indemnitor and the Indemnified Party or its Personnel, as well as any equitable considerations, provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Indemnified Party or its Personnel as a result of such expense, loss, claim, action, damage or liability any excess of such amount over the amount of the consideration actually received by the Indemnified Party or its Personnel pursuant to the agreement to which this indemnity is attached. In no circumstances will the quantum of any liability of the SISP Agent exceed the quantum of fees paid to the SISP Agent.

The Indemnitor agrees that in case any legal, regulatory or other proceeding shall be brought against the Indemnitor and/or the Indemnified Party or any of its Personnel by any court, governmental or regulatory authority, or any stock exchange or if any other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Indemnified Party and any Personnel of the

Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding the Indemnified Party or, in connection with or by reason of the performance of, professional services rendered to the Indemnitor by the Indemnified Party, the Indemnified Party shall have the right to employ its own external counsel in connection therewith, and the reasonable fees and expenses of such external counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Indemnified Party or any of its Personnel (a “**Claim**”) or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Indemnified Party will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. The omission to notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to the Indemnified Party or its Personnel, except only to the extent any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Indemnitor would otherwise have under this indemnity had the Indemnified Party or any of its Personnel not so delayed in giving or failed to give the notice required hereunder.

The Indemnified Party or the Personnel may retain counsel to separately represent it in the defense of a Claim, which shall be at the Indemnitor’s expense if (i) the Indemnitor does not promptly assume the defense of the Claim, and in any event no later than 14 days after receiving notice of the Claim, (ii) the Indemnitor agrees to separate representation, or (iii) the Indemnified Party or the Personnel are advised by legal counsel, acting reasonably, that there is an actual or potential conflict in the Indemnitor’s and the Indemnified Party’s or the Personnel’s, as applicable, respective interests or additional defenses are available to the Indemnified Party or the Personnel, as applicable, which makes representation by the same counsel inappropriate. Upon the Indemnitor notifying the Indemnified Party or the Personnel, as applicable in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to the Indemnified Party or the Personnel for any legal expenses subsequently incurred by them in connection with such defence (other than as specifically contemplated herein). If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party or the Personnel, as applicable, and will keep the Indemnified Parties or Personnel, as applicable advised of the progress thereof and will discuss with the Indemnified Party or the Personnel, as applicable, all significant actions proposed.

Notwithstanding the foregoing paragraph, the Indemnified Parties and the Personnel or either one of them, as applicable, shall have the right, at the Indemnitor's expense, to employ counsel of the Indemnified Parties and the Personnel’s choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Indemnitor; or (ii) the Indemnitor has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Indemnitor or the Indemnified Parties have advised the Indemnified Parties that representation of

both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Parties, or to the Personnel, which are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defence on the Indemnified Parties and the Personnel's behalf) or that there is an actual or potential conflict of interest between the Indemnitor and the Indemnified Parties or between the Indemnified Parties and the Personnel or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Indemnitor shall not have the right to assume or direct the defence on the Indemnified Parties and the Personnel's behalf).

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties (such consent not to be unreasonably withheld), unless any such settlement includes an unconditional release of the applicable Indemnified Party from any liabilities arising out of such action, suit, proceeding, claim or investigation without an admission of negligence, misconduct, liability or responsibility by the applicable indemnified party, in which case the applicable indemnified party shall be advised of any settlement contemplated by the Indemnitor. No admission of liability of fault shall be made with respect to any Indemnified Party or its Personnel and the Indemnitor shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Indemnified Party (and the Indemnified Party agrees to act as trustee for its Personnel for the covenants under this indemnity and to hold and enforce such covenants on behalf of its Personnel) and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Indemnified Party and any of the Personnel. The foregoing provisions shall survive the completion of professional services rendered under the agreement to which this indemnity is attached or any termination of the authorization given by the agreement to which this indemnity is attached.

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

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@foglers.com

Lawyers for the Applicants

TAB 3

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

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

THE HONOURABLE)	FRIDAY, THE 15 TH
)	
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

AMENDED AND RESTATED INITIAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the initial order ("**Initial Order**") dated November 6, 2024 ("**Initial Filing Date**") 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 "**First Reda Affidavit**"), the affidavit of Ziad Reda sworn November 12, 2024 and the Exhibits thereto (the "**Second Reda Affidavit**"), the pre-filing report of BDO Canada Limited ("**BDO**"), in its capacity as the proposed monitor and then the monitor of the Applicants (in such capacity, the "**Monitor**"), dated October 29, 2024 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 13, 2024 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given

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notice, and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavits of Service of Michelle Pham sworn October 29, 2024 and November 12, 2024, and on reading the consent of the Monitor to act as the monitor.

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application, the Application Record, the Motion Record, the Pre-Filing Report, and the First Report is hereby abridged and validated so that this Application and Motion are properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Initial Order, granted on the Initial Filing Date, is hereby amended and restated pursuant to this Order.

APPLICATION

3. **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

4. **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

5. **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 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.

6. **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.

7. **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 Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below); and
- (d) amounts owing for goods, materials or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if, in the opinion of the Applicants, with the consent of the Monitor, the supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply and/or services.

8. **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 the Initial Filing Date, 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 Initial Filing Date.

9. **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

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- 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 Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; 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.

10. **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 Initial Filing Date, 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 Initial Filing Date shall also be paid.

11. **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 the Initial Filing 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

12. **THIS COURT ORDERS** that the 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 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**”).

13. **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

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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.

14. **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

15. **THIS COURT ORDERS** that until and including March 7, 2025, 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

16. **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

17. **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

18. **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

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order or the Initial 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 Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to any of the Noya Entities. Nothing in this Order or the Initial Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **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

21. **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

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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.

22. **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 \$200,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 39 and 41 herein.

23. **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 21 of this Order.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that BDO was, as of the Initial Filing Date, 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.

25. **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) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender (as hereinafter defined) and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in the preparation of the 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 as agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;

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- (g) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;
- (h) 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 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 or the Initial Order;
- (i) 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 or the Initial Order; and
- (j) perform such other duties as are required by this Order, the Initial Order, or by this Court from time to time.

26. **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.

27. **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

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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, the Initial Order or anything done in pursuance of the Monitor's duties and powers under this Order or the Initial 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, and nothing in this Order or the Initial Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender 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.

29. **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 or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

30. **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 incurred both before the Initial Filing Date and during the period for which this Order is effective. 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.

31. **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.

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32. **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 \$400,000, 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 the Initial Order in respect of these proceedings. Kronos Capital Partners Inc. (the “**SISP Agent**”) shall also be entitled to the benefit of and is hereby granted the Administration Charge as security for the SISP Agent's outstanding work fee and expenses pursuant to the SISP Agent Agreement dated November 11, 2024. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

DIP FINANCING

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Lending Stream Inc. or its nominee (the “**DIP Lender**”) in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$400,000 unless permitted by further Order of this Court.

34. **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 Applicants and the DIP Lender dated as of November 11, 2024 (the “**DIP Term Sheet**”), substantially in the form attached as Exhibit “B” to the Second Reda Affidavit, filed.

35. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security

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documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are 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 DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. **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 the Initial Filing Date. The DIP Lender's Charge shall have the priority set out in paragraphs 39 and 41 hereof.

37. **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 seven days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the

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Applicants to the DIP Lender under the DIP Term Sheet, 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 Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors’ Charge and the DIP Lender's Charge (collectively, the “Charges”), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000);

Second – Directors’ Charge (to the maximum amount of \$200,000); and

Third – DIP Lender's Charge (to the maximum amount of \$400,000).

40. **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.

41. **THIS COURT ORDERS** that subject to the priorities set out in paragraph 39 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.

42. **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.

43. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents 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 and the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are 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 Applicants' entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Initial Order, the DIP Term Sheet 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.

44. **THIS COURT ORDERS** that any Charge created by this Order or the Initial 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

45. **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 Initial Filing Date, (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.

46. **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**”).

47. **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.

48. **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, the Initial Order, and 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 LICENCES

49. **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.

GENERAL

50. **THIS COURT ORDERS** that, 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.

51. **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.

52. **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.

53. **THIS COURT ORDERS** that nothing in this Order or the Initial 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.

54. **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.

55. **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.

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56. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Service List and any other party or parties likely to be affected by the order sought or upon such other notice, if any, if 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 set forth in paragraphs 39 and 41 hereof with respect to any fees, expenses and disbursements incurred, advances or payments made and obligations incurred, as applicable, between the date of this Order or the Initial Order and the date this Order or the Initial Order may be amended, varied or stayed.

57. **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.

58. **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

AMENDED AND RESTATED INITIAL ORDER

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@foglers.com

Lawyers for the Applicants

TAB 4

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

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

THE HONOURABLE) ~~WEDNESDAY~~FRIDAY, THE ~~6TH~~15TH
JUSTICE CAVANAGH) DAY OF NOVEMBER, 2024

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

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

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS ~~APPLICATION~~MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the initial order ("Initial Order") dated November 6, 2024 ("Initial Filing Date") 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 "First Reda Affidavit"), the ~~consent~~affidavit of Ziad Reda sworn November 12, 2024 and the Exhibits thereto (the "Second Reda Affidavit"), the pre-filing report of BDO Canada Limited ("BDO") ~~to act as the Monitor~~, in its capacity as the proposed monitor and then the monitor of the Applicants (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"), the First Report of the Monitor dated November 13, 2024 (the "First Report"), and on being

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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~~Affidavits of Service of Michelle Pham sworn October 29, 2024 and November 12, 2024, and on reading the consent of the Monitor to act as the monitor.

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application ~~and~~, the Application Record, the Motion Record, the Pre-Filing Report, and the First Report is hereby abridged and validated so that this Application ~~is~~and Motion are properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS that the Initial Order, granted on the Initial Filing Date, is hereby amended and restated pursuant to this Order.**

APPLICATION

3. ~~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

4. ~~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

5. ~~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 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.

6. ~~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

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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.

7. ~~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~~ Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the ~~date of this Order~~ Initial Filing Date, 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~~;~~;
- (c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below); and
- (d) amounts owing for goods, materials or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if, in the opinion of the Applicants, with the consent of the Monitor, the supplier is critical to the Business,

ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply and/or services.

8. ~~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~~ the Initial Filing Date, 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~~ Initial Filing Date.

9. ~~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

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- (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~~Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the ~~date of this Order~~Initial Filing Date but not required to be remitted until on or after the ~~date of this Order~~Initial Filing Date; 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.

10. ~~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~~Initial Filing Date, 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~~Initial Filing Date shall also be paid.

11. ~~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~~the Initial Filing 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

12. ~~11.~~ **THIS COURT ORDERS** that the 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 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,

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

13. ~~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.

14. ~~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

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~November 15~~ March 7, 2024~~2025~~, 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

16. ~~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

17. ~~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

18. ~~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

19. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order or the Initial 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~~ Initial Filing Date, nor shall any Person be under any obligation on or after the ~~date of this Order~~ Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to any of the Noya Entities. Nothing in this Order or the Initial Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~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

21. ~~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.

22. ~~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~~200,000, as security for the indemnity provided in paragraph ~~20~~21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs ~~32~~39 and ~~34~~41 herein.

23. ~~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~~21 of this Order.

APPOINTMENT OF MONITOR

24. ~~23.~~ **THIS COURT ORDERS** that BDO ~~is hereby~~was, as of the Initial Filing Date, 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

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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.

25. ~~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) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender (as hereinafter defined) and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) ~~(e)~~ advise the Applicants in the preparation of the 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 as agreed to by the DIP Lender;

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- (e) ~~(d)~~ advise the Applicants in ~~its~~their development of the Plan and any amendments to the Plan;
- (f) ~~(e)~~ assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (g) ~~(f)~~ assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;
- (h) ~~(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 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 or the Initial Order;
- (i) ~~(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 or the Initial Order; and
- (j) ~~(i)~~ perform such other duties as are required by this Order, the Initial Order, or by this Court from time to time.

26. ~~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.

27. ~~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, the Initial Order or anything done in pursuance of the Monitor's duties and powers under this Order or the Initial 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.~~ Possession, and nothing in this Order or the Initial Order shall be construed as

resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. ~~27.~~ **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender 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.

29. ~~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 or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

30. ~~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 incurred both before the Initial Filing Date and during the period for which this Order is effective. 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.

31. ~~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.

32. ~~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~~400,000, 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~~the Initial Order in respect of these proceedings. Kronos Capital Partners Inc. (the “SISP Agent”) shall also be entitled to the benefit of and is hereby granted the Administration Charge as security for the SISP Agent's outstanding work fee and expenses pursuant to the SISP Agent Agreement dated November 11, 2024. The Administration Charge shall have the priority set out in paragraphs ~~32~~39 and ~~34~~41 hereof.

DIP FINANCING

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33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Lending Stream Inc. or its nominee (the “DIP Lender”) in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$400,000 unless permitted by further Order of this Court.

34. **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 Applicants and the DIP Lender dated as of November 11, 2024 (the “DIP Term Sheet”), substantially in the form attached as Exhibit “B” to the Second Reda Affidavit, filed.

35. **THIS COURT ORDERS** that the Applicants are 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 DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are 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 DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. **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 the Initial Filing Date. The DIP Lender's Charge shall have the priority set out in paragraphs 39 and 41 hereof.

37. 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 seven days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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 Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

38. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA,

or any proposal filed by the Applicants under the Bankruptcy and Insolvency Act of Canada (“BIA”), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. ~~32.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge ~~and~~, the Directors’ Charge and the DIP Lender’s Charge (collectively, the “Charges”), as ~~between~~among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of \$~~200,000~~400,000);

~~and~~

Second – Directors’ Charge (to the maximum amount of \$~~100,000~~200,000); ~~and~~

Third – DIP Lender’s Charge (to the maximum amount of \$400,000).

40. ~~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.

41. ~~34.~~ **THIS COURT ORDERS** that subject to the priorities set out in paragraph 39 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.

42. ~~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.

43. ~~36.~~ **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents 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 and the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which ~~it~~ they are a party;

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- (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 Applicants' entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Initial Order, the DIP Term Sheet 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.

44. ~~37.~~ **THIS COURT ORDERS** that any Charge created by this Order or the Initial 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

45. ~~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~~ Initial Filing Date, (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.

46. ~~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**”).

47. ~~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.

48. ~~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, [the Initial Order, and](#) 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

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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

49. ~~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

50. ~~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.

51. ~~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.

52. ~~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.

53. ~~49.~~ **THIS COURT ORDERS** that nothing in this Order or the Initial 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.

54. ~~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.

55. ~~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

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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.

56. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Service List and any other party or parties likely to be affected by the order sought or upon such other notice, if any, if 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 set forth in paragraphs 39 and 41 hereof with respect to any fees, expenses and disbursements incurred, advances or payments made and obligations incurred, as applicable, between the date of this Order or the Initial Order and the date this Order or the Initial Order may be amended, varied or stayed.

57. ~~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.

58. ~~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

AMENDED AND RESTATED INITIAL ORDER

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@foglers.com

Lawyers for the Applicants

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

<u>THE HONOURABLE</u>)	<u>FRIDAY, THE 15TH</u>
)	
THE HONOURABLE)	WEEKDAY, THE #
JUSTICE ——— <u>CAVANAGH</u>)	DAY OF MONTH <u>NOVEMBER, 20YR</u> <u>2024</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

AMENDED AND RESTATED INITIAL ORDER

~~THIS APPLICATION~~ MOTION, made by the ~~Applicant~~ Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order amending and restating the initial order ("Initial Order") dated November 6, 2024 ("Initial Filing Date") 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 "First Reda Affidavit"), the affidavit of Ziad Reda sworn November 12, 2024 and the Exhibits thereto (the "Second Reda Affidavit"), the pre-filing report of BDO Canada Limited ("**BDO**"), in its capacity as the proposed monitor and then the monitor of the

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Applicants (in such capacity, the “Monitor”), dated October 29, 2024 (the “Pre-Filing Report”), the First Report of the Monitor dated November 13, 2024 (the “First Report”), and on 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 appearing for [NAME][†]the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service of [NAME] sworn [DATE]Affidavits of Service of Michelle Pham sworn October 29, 2024 and November 12, 2024, and on reading the consent of [MONITOR’S NAME]the Monitor to act as the Monitor, –monitor.

[†]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).

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application ~~and~~, the Application Record, the Motion Record, the Pre-Filing Report, and the First Report is hereby abridged and validated² so that this Application ~~is~~ and Motion are properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Initial Order, granted on the Initial Filing Date, is hereby amended and restated pursuant to this Order.

APPLICATION

3. ~~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.

PLAN OF ARRANGEMENT

4. ~~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”~~ “Plan”).

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.~~

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~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.

6. ~~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 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

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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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.}

7. ~~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 ~~this Order~~the Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the ~~date of this Order~~Initial Filing Date, 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;
- (c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below); and
- (d) amounts owing for goods, materials or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if, in the opinion of the Applicants, with the consent of the Monitor, the supplier is critical to the Business,

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ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply and/or services.

8. ~~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 the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after ~~this Order~~the Initial Filing Date, 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~~Initial Filing Date.

9. ~~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

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- (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 collected after the ~~date of this Order~~Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the ~~date of this Order~~Initial Filing Date but not required to be remitted until on or after the ~~date of this Order~~Initial Filing Date; 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.

10. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ ~~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

⁴The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

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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~~Initial Filing Date, 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~~Initial Filing Date shall also be paid.

11. ~~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 principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of ~~this date~~the Initial Filing 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

12. ~~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

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- assets not exceeding \$●50,000 in any one transaction or \$●100,000 in the aggregate⁵;
- (b) ~~terminate the employment of such of itstheir employees or temporarily lay off such of itstheir 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,

all of the foregoing to permit the ~~Applicant~~ Applicants to proceed with an orderly restructuring of the Business (the “Restructuring”).

13. ~~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

⁵ ~~Section 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.~~

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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.

14. ~~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

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~{DATE—MAX. 30 DAYS}~~ March 7, 2025, 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

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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 ApplicantNoya 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

16. ~~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 ApplicantNoya 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 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

17. ~~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

18. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the ~~Applicant~~ 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 ~~Applicant~~ 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 ~~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

19. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order or the Initial 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~~ Initial Filing Date, nor shall any Person be under any obligation on or

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after the ~~date of this Order~~Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to any of the ~~Applicant~~Noya Entities. Nothing in this Order or the Initial Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~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 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

21. ~~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

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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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.

22. ~~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"~~"Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~200,000~~200,000, as security for the indemnity provided in paragraph ~~[20]21~~ of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~[38]39~~ and ~~[40]41~~ herein.

23. ~~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'Charge and officers'Charge insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~[20]21~~ of this Order.

APPOINTMENT OF MONITOR

24. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME] is hereby~~BDO was, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to

⁷The 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~~.

⁸Section 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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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.

25. ~~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;
- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant, in its~~Applicants, in their dissemination, to the DIP Lender (as hereinafter defined) and its counsel ~~on a [TIME INTERVAL] basis~~ of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the ~~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

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- ~~on a periodic basis, but not less than [TIME INTERVAL], or as otherwise~~ as agreed to by the DIP Lender;
- (e) advise the ~~Applicant in its~~ Applicants in their development of the Plan and any amendments to the Plan;
- (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;
- (g) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;
- (h) ~~(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 or the Initial Order;
- (i) ~~(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 or the Initial Order; and
- (j) ~~(i)~~ perform such other duties as are required by this Order, the Initial Order, or by this Court from time to time.

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26. ~~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.

27. ~~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, the Initial Order or anything done in pursuance of the Monitor's duties and powers under

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this Order or the Initial 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.~~ Possession, and nothing in this Order or the Initial Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. ~~27.~~ **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the ~~Applicant~~ Applicants and the DIP Lender 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.

29. ~~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 or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

30. ~~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 incurred both before the Initial Filing Date and during the period for which this Order is effective. The 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.

31. ~~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.

32. ~~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 \$●400,000, 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~~the Initial Order in respect of these proceedings. Kronos Capital Partners Inc. (the "SISP Agent") shall also be entitled to the benefit of and is hereby granted the

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Administration Charge as security for the SISP Agent's outstanding work fee and expenses pursuant to the SISP Agent Agreement dated November 11, 2024. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~39 and ~~[40]~~41 hereof.

DIP FINANCING

33. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~Lending Stream Inc. or its nominee (the "DIP Lender") in order to finance the ~~Applicant's~~Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$~~400,000~~400,000 unless permitted by further Order of this Court.

34. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the ~~Applicant~~Applicants and the DIP Lender dated as of ~~[DATE]~~(the "Commitment Letter")November 11, 2024 (the "DIP Term Sheet"), substantially in the form attached as Exhibit "B" to the Second Reda Affidavit, filed.

35. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are 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~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant~~is Applicants are 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

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~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. ~~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~~Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before ~~this Order is made~~the Initial Filing Date. The DIP ~~Lender's~~Lender's Charge shall have the priority set out in paragraphs ~~[38]~~39 and ~~[40]~~41 hereof.

37. ~~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~~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~~Lender's Charge, the DIP Lender, upon ~~●~~seven days' notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter~~DIP Term Sheet, Definitive Documents and the DIP ~~Lender's~~Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents or the DIP ~~Lender's~~Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for

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the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~Applicants or the Property.

38. ~~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~~Applicants under the CCAA, or any proposal filed by the ~~Applicant~~Applicants 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

39. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors’ Charge, the Administration Charge and the DIP ~~Lender’s~~Lender's Charge (collectively, the “Charges”), as among them with respect to any Property to which they apply, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$●400,000);

⁹~~The 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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Second – ~~DIP Lender's~~Directors' Charge (to the maximum amount of \$200,000);
and

Third – ~~Directors'~~DIP Lender's Charge (to the maximum amount of \$~~400,000~~).

40. ~~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.

41. ~~40.~~ **THIS COURT ORDERS** that subject to the priorities set out in paragraph 39 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.

42. ~~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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43. ~~42.~~ THIS COURT ORDERS that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, Charges, the DIP Term Sheet and~~ the Definitive Documents ~~and the DIP Lender's Charge~~ 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~~ and the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~ DIP Term Sheet or the Definitive Documents shall not create or be deemed to constitute a breach by the ~~Applicant~~ Applicants of any Agreement to which ~~it is~~ they are 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~~ Applicants' entering into the ~~Commitment Letter~~ DIP Term Sheet, 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~~Initial Order, the DIP Term Sheet 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.

44. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order or the Initial 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

45. ~~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~~ OrderInitial Filing Date, (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.

46. ~~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**").

47. **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.

48. ~~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, the Initial Order, and 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 facsimile transmission shall be deemed to be received on the next

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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 LICENCES

49. **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.

GENERAL

50. **THIS COURT ORDERS** that, 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.

51. **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,

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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.

52. ~~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.

53. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order or the Initial 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.

54. ~~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.

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

56. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Service List and any other party or parties likely to be affected by the order sought or upon such other notice, if any, ~~as if~~as if 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 set forth in paragraphs 39 and 41 hereof with respect to any fees, expenses and disbursements incurred, advances or payments made and obligations incurred, as applicable, between the date of this Order or the Initial Order and the date this Order or the Initial Order may be amended, varied or stayed.

57. ~~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.

58. **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.

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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

AMENDED AND RESTATED INITIAL ORDER

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@foglers.com

Lawyers for the Applicants

TAB 6

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

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

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

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

Applicants

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

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

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

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

DEFINED TERMS

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

SERVICE

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

APPROVAL OF STALKING HORSE SALES PROCESS

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

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4. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicants of the SISP Agent Agreement is hereby ratified, authorized and approved.
5. **THIS COURT ORDERS** that the Monitor is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Sales Process and to take such steps and execute such documentation as may be necessary or incidental to the Sales Process, subject to the terms of the Sales Process and subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sales Process.
6. **THIS COURT ORDERS** that the Monitor, SISP Agent and their respective assistants, affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sales Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor or SISP Agent in performing their obligations under the Sales Process as determined by this Court.

STALKING HORSE PURCHASE AGREEMENT

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

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

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

PIPEDA

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

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

GENERAL

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

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

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

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

SALES PROCESS

Introduction

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

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

Opportunity

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

Timeline

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

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

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

Solicitation of Interest: Notice of the Sales Process

8. As soon as reasonably practicable, but in any event by no later than Friday, December 6, 2024:
- (a) The SISP Agent, in consultation with the Monitor and Applicants, will prepare a list of potential bidders, including: (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity; and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the Sales Process, in each case whether or not such party has submitted a letter of intent or similar document (collectively, “**Known Potential Bidders**”);
 - (b) the Monitor will arrange for a notice of the Sales Process (and such other relevant information which the Monitor, in consultation with the Applicants, considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition), and any other newspaper or journal as the Applicants, in consultation with the Monitor, consider appropriate, if any; and
 - (c) the SISP Agent, in consultation with the Monitor and Applicants, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the Sales Process and inviting recipients of the Teaser Letter to express their interest pursuant to the Sales Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor, and their respective counsel.

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

Potential Bidders and Due Diligence Materials

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

it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

10. The SISP Agent, in consultation with the Monitor and the Applicants, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder who has signed and delivered an NDA to the Monitor and provided information as to their financial wherewithal to close a transaction such access to due diligence material and information relating to the Property and Business as the Applicants or the Monitor deem appropriate. Due diligence shall include access to an electronic data room containing information about the Applicants and the Business (the “**Data Room**”), and may also include management presentations, on-site inspections, and other matters which a Potential Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The SISP Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders and the manner in which such requests must be communicated. Neither the SISP Agent, Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Potential Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the SISP Agent, in consultation with Applicants and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information. Neither the SISP Agent, Applicants nor the Monitor is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the Sale of the Property and the Business.
11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the Sales Process and any transaction they enter into with the Applicants.

Continued Management of NCI

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

Stalking Horse Bid Non-Cash Purchase Price Finalized

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

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

Formal Binding Offers

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

- i. an executed copy of a sale agreement based on the Stalking Horse Agreement and a redline of the same, clearly showing the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Agreement;
 - ii. the Purchase Price in Canadian dollars and a description of any non-cash consideration, including details of any liabilities to be assumed by the Bidder and key assumptions supporting the valuation;
 - iii. a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
 - iv. a specific indication of the financial capability of the Bidder and the expected structure and financing of the transaction;
 - v. a description of the conditions and approvals required to complete the closing of the transaction, consistent with those contained in the Stalking Horse Bid;
 - vi. a description of those liabilities and obligations (including operating liabilities) which the Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
 - vii. any other terms or conditions of the Sale Proposal that the Bidder believes are material to the transaction; and
 - viii. a cash deposit equal to the greater of (i) 10% of the Purchase Price in the Sale Proposal and (ii) an amount sufficient to repay the Professional Fees, the Break Fee and the Deposit Repayment (as those terms are defined in the Stalking Horse Agreement).
- h. the Bid must include acknowledgements and representations of the Bidder that the Bidder:
- i. has had an opportunity to conduct any and all due diligence regarding the Property, the Business, and the Applicants prior to making its offer;
 - ii. has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
 - iii. did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;
- i. the Bid must be received by the Bid Deadline;

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

Evaluation of Competing Bids

20. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid; (ii) the identity, circumstances and ability of the Bidder to successfully complete such transactions; (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Applicants and the Monitor.

Auction

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

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

23. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid, shall be the Successful Bid.

Auction Procedure

24. The Auction shall be governed by the following procedures:
- (a) Participation at the Auction. Only the Applicants, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction. The Monitor shall provide all Qualified Parties with the details of the lead Bid by 5:00 PM (Eastern Time) two (2) business days after the Bid Deadline;
 - (b) No Collusion. Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith bona fide offer, and it intends to consummate the proposed transaction if selected as the Successful Bid;
 - (c) Minimum Overbid. The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor, in

consultation with the Applicants (the “**Initial Bid**” and any bid made at the Auction by a Qualified Party subsequent to the Monitors announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$100,000;

- (d) Bidding Disclosure. The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Monitor and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- (e) Bidding Conclusion. The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s);
- (f) No Post-Auction Bids. No bids will be considered for any purpose after the Auction has concluded; and
- (g) Auction Procedures. The Monitor shall be at liberty to set additional procedural rules at the Auction as it sees fit.

Selection of Successful Bid

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

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

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

- iv. any other factors the Applicants may, consistent with their fiduciary duties, reasonably deem relevant; and
 - b. identify the highest or otherwise best bid received at the Auction (the “**Successful Bid**” and the Qualified Party making such bid, the “**Successful Party**”).
26. The Successful Party shall, in good faith, complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Monitor, in consultation with and Approval from the Applicants, subject to the milestones set forth in paragraph 6.

Sale Approval Motion Hearing

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

Confidentiality and Access to Information

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

Supervision of the Sales Process

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

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

31. This Sales Process does not and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Potential Bidder, any Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.
32. Without limiting the preceding paragraph, the Monitor, the SISP Agent and its advisors shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Bidder, the Successful Bidder, the Applicants, the Stalking Horse Bidder or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this Sales Process, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Monitor. By submitting a Bid, each Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Monitor.
33. Participants in the Sales Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, the Auction and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
34. Without limiting in any way the intent and effect of the applicable provisions of the Stalking Horse Bid in respect of the Sales Process, the Applicants and the Monitor shall have the right to modify the Sales Process (including, without limitation, pursuant to the Bid process letter) with the prior written approval of the Applicants and consultation with the Stalking Horse Bidder if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sales Process; provided that the Service List in these CCAA proceedings shall be advised of any substantive modification to the procedures set forth herein.
35. The Monitor may seek advice and directions from the Court in relation to all matters associated with the implementation of the Sales Process.

Schedule "1"
Address of Monitor

To the Monitor:

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

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

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

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

Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

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

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@foglers.com

Lawyers for the Applicants

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(COMEBACK HEARING RETURNABLE NOVEMBER 15, 2024)

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@foglers.com

Lawyers for the Applicants