

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 1001155163 ONTARIO INC.

Applicants

MOTION RECORD
(MOTION RETURNABLE APRIL 1, 2025)

March 27, 2025

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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 1001155163 ONTARIO INC.

Applicants

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TAB 1

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

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NOYA HOLDINGS INC. AND 1001155163 ONTARIO INC.

Applicants

**NOTICE OF MOTION
(Stay Extension, Fee Approval and CCAA Termination)
(Returnable April 1, 2025)**

The Applicants, Noya Holdings Inc. (“**NHI**”) and 1001155163 Ontario Inc. (“**ResidualCo**”, together with NHI, the “**Applicants**”), will make a motion to the Court on Tuesday, April 1, 2025 at 12:00 p.m. or as soon after that time as the motion can be heard virtually, at 330 University Avenue, Toronto, Ontario.

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 by the Court on Case Center.

THE MOTION IS FOR:

1. An order (“**Stay Extension, Fee Approval and CCAA Termination Order**”) substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record, among other things:
 - (a) extending the stay of proceedings up to and including April 22, 2025;
 - (b) approving the second amendment to the Stalking Horse Agreement;
 - (c) approving the Third Report of BDO Canada Limited, in its capacity as the monitor (“**BDO**” or the “**Monitor**”), filed for this motion (the “**Third Report**”), and the activities of the Monitor as set out therein;
 - (d) approving the fees and disbursements of the Monitor and its legal counsel as set out in the Third Report;
 - (e) upon the filing of a certificate of the Monitor in the form appended to the proposed Stay Extension, Fee Approval and CCAA Termination Order (“**Termination Certificate**”), terminating these CCAA proceedings and discharging the Monitor (the “**CCAA Termination Time**”);
 - (f) terminating the Court-ordered charges approved in these CCAA proceedings effective as at the CCAA Termination Time; and
 - (g) permitting ResidualCo and NHI to assign themselves into bankruptcy.

2. Such further and other relief as this Court may deem just and equitable.

THE GROUNDS FOR THE MOTION ARE:

Background

3. On November 6, 2024, NHI and Noya Cannabis Inc. (“**NCI**”, together with NHI, the “**Initial Applicants**”) obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c, C-36, as amended (“**CCAA**”).
4. At the initial application on November 6, 2024, the Honourable Justice Cavanagh made an order (“**Initial Order**”):
 - (a) granting a stay of proceedings until November 15, 2024;
 - (b) appointing BDO as the CCAA Monitor;
 - (c) granting the Monitor, counsel to the Monitor, and counsel to the Initial Applicants the benefit of a \$200,000 charge (“**Administration Charge**”) as security for their professional fees and disbursements; and
 - (d) granting a Director's Charge in the amount of \$100,000 (“**Director's Charge**”).
5. At the Comeback Hearing on November 15, 2024 (the “**Comeback Hearing**”), the Honourable Justice Cavanagh granted two orders:
 - (a) An amended and restated initial order (“**Amended and Restated Initial Order**” or “**ARIO**”), among other things:
 - (i) extending the stay of proceedings to and including March 7, 2025;

- (ii) approving a debtor-in-possession (“**DIP**”) term sheet dated November 11, 2024 (“**DIP Term Sheet**”) between the Initial Applicants and Lending Stream Inc. or its nominee in its capacity as the DIP lender (“**DIP Lender**”), authorizing a \$400,000 DIP loan (plus interest, fees and expenses) and granting a corresponding charge (“**DIP Lender's Charge**”) in favour of the DIP Lender;
 - (iii) approving an increase to the Administration Charge to the maximum amount of \$400,000;
 - (iv) approving an increase to the Director's Charge to the maximum amount of \$200,000; and
- (b) An order (“**Sale Process Approval Order**”), among other things:
- (i) authorizing and empowering the Company to enter into a stalking horse purchase agreement dated November 11, 2024 (the “**Stalking Horse Agreement**”) between the Company and the DIP Lender or its nominee in its capacity as stalking horse purchaser (the “**Stalking Horse Purchaser**”);
 - (ii) approving the sales process (“**Stalking Horse Sales Process**” or “**Sales Process**”) including the sales agent agreement dated November 11, 2024 (the “**Sales Agent Agreement**”), and the Stalking Horse Agreement;
 - (iii) 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;

- (iv) approving the appointment or engagement of Kronos Capital Partners Inc. under the Sales Agent Agreement as the sales agent (the “**Sales Agent**”) to assist with the implementation of the Stalking Horse Sales Process; and
 - (v) confirming that the Stalking Horse Agreement represents the “Stalking Horse Bid” as defined in and for purposes of the Sale Process Approval Order.
- 6. On March 5, 2025, the Honourable Justice Cavanagh granted two orders in these CCAA proceedings:
 - (a) An order (“**Approval and Reverse Vesting Order**”), among other things:
 - (i) extending the stay of proceedings up to and including April 11, 2025;
 - (ii) declaring the stalking horse purchase agreement dated November 11, 2024, as amended by the first amendment (the “**SPA**”) entered into between NHI (“**Vendor**”), NCI, and Lending Stream Inc. in its capacity as purchaser (“**Purchaser**”) as the successful bid, and approving the transaction contemplated thereby (the “**Transaction**”);
 - (iii) authorizing and directing the Initial Applicants to perform their obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
 - (iv) transferring and vesting all of NCI's right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the SPA) to and in a newly incorporated entity, 1001155163 Ontario Inc. or ResidualCo;

- (v) vesting in the Purchaser or its nominee all of the right, title and interest in and to the Purchased Shares (as defined in the SPA) free and clear of all Encumbrances, other than Permitted Encumbrances (each capitalized term as defined in the SPA), upon the filing of a certificate by the Monitor (the “**Monitor's Certificate**”);
 - (vi) releasing and discharging NCI and the Purchased Shares from the Excluded Liabilities and all related claims, litigation and encumbrances, including without limitation the alleged constructive or resulting trust asserted by Ignite International Brands (Canada) Ltd., in accordance with the SPA;
 - (vii) approving the releases (“**Releases**”) provided for in the SPA in favour of the officers and directors of the Initial Applicants, ResidualCo and Sales Agent, their advisors and representatives, the Monitor and the Monitor's counsel, and Lending Stream Inc., in its capacities as (i) the Purchaser or Stalking Horse Purchaser, (ii) the DIP Lender, and (iii) a secured creditor of the Initial Applicants, and its representatives (collectively, the “**Released Parties**”); and
 - (viii) expanding the powers and duties of the Monitor set out in the ARIO.
- (b) An order (“**Ancillary Order**”), among other things:
- (i) approving the Monitor's First Report dated November 13, 2024 (the “**First Report**”) and Second Report dated February 26, 2025 (the “**Second Report**”) filed in these CCAA proceedings, and the activities of the Monitor as set out therein; and
 - (ii) approving the fees and disbursements of the Monitor and its legal counsel as set out in the Second Report.
7. Under the Administration Charge, counsel to the Applicants (“**Foglers**”) is one of the beneficiaries or chargees entitled to the benefit of the Administration Charge. To facilitate

the closing of the Transaction, Foglers agreed to waive its entitlements under the Administration Charge in exchange for, among other things, a promissory note and general security agreement from NCI on or before the closing, covering or securing Foglers outstanding professional fees of approximately \$140,000. Under the second amendment to the Stalking Horse Agreement executed prior to the closing of the Transaction (the “**Second Amending Agreement**”), the above promissory note and general security agreement in favour of Foglers were added to the list of Assumed Contracts in Schedule "I" of the Stalking Horse Agreement. That is, NCI's obligations to Foglers under these agreements, as Assumed Contracts, will continue after the termination of these CCAA proceedings.

8. The Transaction closed on or about March 27, 2025.

Requested Extension of Stay of Proceedings

9. The current stay period expires on April 11, 2025.
10. The Applicants are requesting an extension of the stay up to and including April 22, 2025 (“**Extended Stay Period**”) to allow time to complete the post-closing steps regarding the Transaction, and to complete these CCAA proceedings.
11. The Applicants have acted, and continue to act, in good faith and with due diligence in furtherance of these CCAA proceedings.
12. It is just and convenient and in the interests of the Applicants and their stakeholders that the stay of proceedings be extended to April 22, 2025.

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

Approval of Monitor's Activities and Fees

14. The Applicants are seeking approval of the Monitor's activities as set out in its Third Report. The Monitor has played an important role in advancing the Applicants' restructuring efforts.
15. As required by the Initial Order and the Amended and Restated Initial Order, the fees and disbursements of the Monitor and its counsel must be approved by the Court.
16. The Applicants are also seeking approval of the fees and disbursements of the Monitor and its legal counsel incurred to date in connection with these CCAA proceedings, as well as the fee accruals through closing disclosed in the Third Report. The Monitor and its legal counsel have played a pivotal role in these proceedings. They will include fee affidavits providing a detailed summary of their fees and disbursements incurred during these CCAA proceedings, as well as their proposed fee accruals, in the Third Report of the Monitor.

Termination of the CCAA Proceedings and the Bankruptcy of ResidualCo and NHI

17. The Applicants also seek the proposed Stay Extension, Fee Approval and CCAA Termination Order for the orderly and efficient completion of these CCAA proceedings, including the assignment of ResidualCo and NHI into bankruptcy. Following completion of the Transaction, ResidualCo and NHI are not expected to have any material assets that can be realized for the benefit of their creditors.

18. The proposed Stay Extension, Fee Approval and CCAA Termination Order provides that these CCAA proceedings and the Stay Period will be terminated upon service by the Monitor of the Termination Certificate on the Service List in these CCAA proceedings certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with the CCAA proceedings have been completed.
19. At such time, BDO will be released and discharged as the Monitor and each of the charges, the Administration Charge, Director's Charge and DIP Lender's Charge, as set out in the ARIO, will be terminated, released and discharged.
20. Given that the Transaction did not provide sufficient proceeds to satisfy the Applicants' indebtedness with respect to the Excluded Liabilities, the Applicants do not intend to implement a process for the identification and resolution of claims with respect to the Excluded Assets, Excluded Contracts and Excluded Liabilities in these CCAA proceedings or file a plan of compromise or arrangement.
21. To facilitate the orderly and efficient wind-up of ResidualCo's estate and NHI's estate, the proposed Stay Extension, Fee Approval and the CCAA Termination Order authorizes ResidualCo and NHI to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) prior to the CCAA Termination Time.

General

22. The provisions of the CCAA, including sections 11, 11.02, 11.2, 11.03, and 18.6, and the statutory, inherent and equitable jurisdiction of this Court.

23. The provisions of the BIA, including without limitation, section 49, and the inherent and equitable jurisdiction of this Court.
24. Rules 1.04, 1.05, 2.01, 2.03, and 3.02, of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended,
25. Section 106 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended; and
26. Such further and other grounds as counsel may advise.

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

- (a) the Affidavit of Ziad Reda, sworn March 27, 2025 and the exhibits attached thereto;
- (b) the Third Report of the Monitor and the appendices thereto, to be filed; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

March 27, 2025

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Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**NOTICE OF MOTION
(Stay Extension, Fee Approval and CCAA Termination)
(Returnable April 1, 2025)**

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TAB 2

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

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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NOYA HOLDINGS INC. AND 1001155163 ONTARIO INC.

Applicants

**AFFIDAVIT OF ZIAD REDA
(Sworn March 27, 2025)**

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

A. INTRODUCTION

1. I am a director and Chief Executive Officer of the co-applicant, Noya Holdings Inc. (“**NHI**”).
2. I am also a director of 1001155163 Ontario Inc. (“**ResidualCo**”), the recent co-applicant in these CCAA proceedings.
3. I am or was the Chief Executive Officer and a director of Noya Cannabis Inc. (“**NCI**”).
4. NCI, as the operating entity and licensed producer of cannabis products under the *Cannabis Act*, S.C. 2018, c. 16, was a subsidiary of NHI and the initial co-applicant in these CCAA proceedings. NHI and NCI were the initial “Applicants” in these CCAA proceedings (“**CCAA Proceedings**”).

5. NHI and ResidualCo are the current “Applicants” in these CCAA Proceedings, and 2675383 Ontario Limited (“**267**”), owned primarily by NHI, is the “Non-Applicant Stay Party”.
6. 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.
7. I have sworn three previous affidavits in these CCAA Proceedings: my first Affidavit was sworn on October 28, 2024 (“**First Reda Affidavit**”); my second affidavit was sworn on November 12, 2024 (“**Second Reda Affidavit**”); and my third affidavit was sworn on February 25, 2025 (“**Third Reda Affidavit**”). Copies of the First Reda Affidavit, Second Reda Affidavit and Third Reda Affidavit (together, the “**Affidavits**”), without exhibits, are attached hereto as **Exhibit “A”**, **Exhibit “B”** and **Exhibit “C”**, respectively. Any capitalized terms in this Affidavit that are not defined have the meaning ascribed to them in my other Affidavits.

B. HISTORY OF THE CCAA PROCEEDINGS

8. The initial Applicants applied for urgent relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) on November 6, 2024, because a payment demand had been made by one of the secured creditors, there were pressing deadlines regarding certain litigation or arbitration proceedings, and there was a looming cash or liquidity shortage to sustain operations.

9. On November 6, 2024, the Honourable Justice Cavanagh made an order (the “**Initial Order**”) in these CCAA Proceedings, among other things:
- (a) granting a stay of proceedings in favour of the initial Applicants and 267 up to and including November 15, 2024;
 - (b) appointing BDO Canada Limited (“**BDO**”) as monitor of the initial Applicants (in such capacity, the “**Monitor**”);
 - (c) granting a \$200,000 first-priority administration charge in favour of counsel to the initial Applicants, the Monitor and counsel to the Monitor, to secure payment of their professional fees and disbursements to the maximum amount of \$200,000 (“**Administration Charge**”);
 - (d) granting a second-priority directors' charge in the amount of \$100,000 (“**Directors' Charge**”); and
 - (e) scheduling a return hearing date for November 15, 2024 (“**Comeback Hearing**”).
10. At the Comeback Hearing, Honourable Justice Cavanagh granted two orders:
- (a) An amended and restated initial order (“**Amended and Restated Initial Order**” or “**ARIO**”), among other things:
 - (i) extending the stay of proceedings to and including March 7, 2025;
 - (ii) approving a debtor-in-possession (“**DIP**”) term sheet dated November 11, 2024 (“**DIP Term Sheet**”), and approving a \$400,000 DIP loan (“**DIP**”

Loan”) and a corresponding third-priority charge (**“DIP Lender's Charge”**) in favour of Lending Stream Inc. (**“Lending Stream”**) in its capacity as the DIP lender (**“DIP Lender”**);

- (iii) approving an increase to the Directors' Charge to the maximum amount of \$200,000;
- (iv) approving an increase to the Administration Charge to the maximum amount of \$400,000; and
- (v) authorizing the initial Applicants to make payments to certain third-party suppliers for pre-filing expenses, with the consent of the Monitor.

(b) An order (**“Sale Process Approval Order”**), among other things:

- (i) authorizing and empowering NHI and NCI to enter into a stalking horse purchase agreement dated November 11, 2024 (the **“Stalking Horse Agreement”** or **“Stalking Horse SPA”**) between NHI, NCI and Lending Stream, or its nominee (in such capacity, the **“Stalking Horse Purchaser”**);
- (ii) approving the Stalking Horse SPA as well as the payment and priority of payment of the associated Break Fee, Professional Fees and Deposit Repayment;
- (iii) approving the sale process (**“Stalking Horse Sales Process”** or **“Sale Process”**) including the sales agent agreement dated November 11, 2024 (**“Sales Agent Agreement”**);

- (iv) authorizing and directing the Monitor to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Stalking Horse Sales Process, subject to prior approval of the court being obtained before completion of any transaction under the Stalking Horse Sales Process; and
 - (v) approving the appointment or engagement of Kronos Capital Partners Inc. as the sales agent (“**Sales Agent**”) to assist with the implementation of the Stalking Horse Sales Process.
- 11. The Initial Order of Justice Cavanagh dated November 6, 2024 and the accompanying Endorsement dated November 6, 2024 are attached hereto as **Exhibit “D”**.
- 12. The Amended and Restated Initial Order of Justice Cavanagh dated November 15, 2024 is attached hereto as **Exhibit “E”**.
- 13. The Sale Process Approval Order dated November 15, 2024 and the accompanying Endorsement of Justice Cavanagh dated November 15, 2024 (“**Sale Process Approval Endorsement**”) are attached hereto as **Exhibit “F”** and **Exhibit “G”**, respectively.
- 14. On March 5, 2025, the Honourable Justice Cavanagh granted two orders in these CCAA Proceedings:
 - (a) An order (“**Approval and Reverse Vesting Order**”), among other things:
 - (i) extending the stay of proceedings up to and including April 11, 2025;

- (ii) declaring the stalking horse purchase agreement dated November 11, 2024, as amended by the first amendment (the “**SPA**”) entered into between NHI (“**Vendor**”), NCI, and Lending Stream Inc. in its capacity as purchaser (“**Purchaser**”) as the successful bid, and approving the transaction contemplated thereby (the “**Transaction**”);
- (iii) authorizing and directing the initial Applicants to perform their obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
- (iv) transferring and vesting all of NCI's right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the SPA) to and in a newly incorporated entity, ResidualCo;
- (v) vesting in the Purchaser or its nominee all of the right, title and interest in and to the Purchased Shares (as defined in the SPA) free and clear of all Encumbrances, other than Permitted Encumbrances (each capitalized term as defined in the SPA), upon the filing of a certificate by the Monitor (the “**Monitor's Certificate**”);
- (vi) releasing and discharging NCI and the Purchased Shares from the Excluded Liabilities and all related claims, litigation and encumbrances in accordance with the SPA;
- (vii) approving the releases (“**Releases**”) provided for in the SPA in favour of the officers and directors of the initial Applicants, ResidualCo and Sales Agent, their advisors and representatives, the Monitor and the Monitor's counsel, and Lending Stream Inc., in its capacities as (i) the Purchaser or Stalking Horse Purchaser, (ii) the DIP Lender, and (iii) a secured creditor of the initial Applicants, and its representatives (collectively, the “**Released Parties**”); and

- (viii) expanding the powers and duties of the Monitor set out in the ARIO.
- (b) An order (“**Ancillary Order**”), among other things:
 - (i) approving the Monitor's First Report dated November 13, 2024 (the “**First Report**”) and Second Report dated February 26, 2025 (the “**Second Report**”) filed in these CCAA Proceedings, and the activities of the Monitor as set out therein; and
 - (ii) approving the fees and disbursements of the Monitor and its legal counsel as set out in the Second Report.
- 15. The Approval and Reverse Vesting Order, Ancillary Order and related Endorsement by the Court are attached hereto as **Exhibit “H”**.
- 16. Under the Administration Charge, counsel to the Applicants (“**Foglers**”) is one of the beneficiaries or chargees entitled to the benefit of the Administration Charge. To facilitate the closing of the Transaction, Foglers agreed to waive its entitlements under the Administration Charge in exchange for, among other things, a promissory note and general security agreement from NCI granted on or before the closing of the Transaction, in the amount or securing Foglers outstanding professional fees of approximately \$140,000. Under the second amendment to the Stalking Horse Agreement executed prior to the closing of the Transaction (the “**Second Amending Agreement**”), the above promissory note and general security agreement signed by NCI in favour of Foglers have been added to the list of Assumed Contracts in Schedule "I" of the Stalking Horse Agreement. My understanding is that NCI's obligations to Foglers under the above promissory note and

general security agreement, as Assumed Contracts under the Stalking Horse Agreement, will continue to be an obligation of NCI after the termination of these CCAA proceedings.

17. The Transaction closed on or about March 27, 2025.
18. As set out in detail in the First Reda Affidavit, certain unsecured contingent claims led to this CCAA filing. As noted in the First Reda Affidavit, these included the Pure Claim (approximately \$2.8 million), Ignite Claim (approximately \$2 million) and Herbes Claim (approximately \$360,000). I inadvertently forgot to disclose in the First Reda Affidavit and my other Affidavits, a “slip and fall” lawsuit commenced by Selvira Peckovic (“**Peckovic**”) in Ontario in 2022 against NCI, and 2138825 Ontario Inc. and Chokey Real Estate Limited (together, the “**Landlord**”) for damages in the amount of \$200,000 (the “**Peckovic Lawsuit**”). NCI and the Landlord have each filed a defence and crossclaim regarding the Peckovic Lawsuit. Attached hereto as **Exhibit “I”** are copies of the relevant pleadings regarding the Peckovic Lawsuit including Peckovic's Statement of Claim issued August 31, 2022, as amended on April 12, 2024; NCI's Statement of Defence and Crossclaim dated November 3, 2022; NCI's Notice of Change of Lawyer dated January 29, 2024; and the Landlord's Statement of Defence and Crossclaim dated June 19, 2024. I have been advised by NCI's litigation counsel in the Peckovic Lawsuit and do verily believe that examinations for discovery of the co-Defendants in the Peckovic Lawsuit are scheduled for April or May, 2025. I have also been advised by the Applicants' restructuring lawyer and do verily believe that on March 14, 2025, he emailed as attachments copies of the ARIIO and Approval and Reverse Vesting Order to counsel for Peckovic and the

Landlord, and that their names, on behalf of their clients, have been added to the Service List in these CCAA Proceedings.

19. A copy of the Second Amending Agreement with respect to the Stalking Horse Agreement is attached hereto as **Exhibit “J”**.

C. RELIEF SOUGHT ON THIS MOTION

20. As noted above, the Transaction is now or expected to be complete. Accordingly, I swear this affidavit in support of an order (“**Stay Extension, Fee Approval and CCAA Termination Order**”) for, among other things:

- (a) extending the stay of proceedings up to and including April 22, 2025 (the “**Extended Stay Period**”);
- (b) approving the Second Amending Agreement;
- (c) approving the Third Report of the Monitor, filed for this motion (the “**Third Report**”), and the activities of the Monitor as set out therein;
- (d) approving the fees and disbursements of the Monitor and its legal counsel as set out in the Third Report;
- (e) upon the filing of a certificate of the Monitor during the Extended Stay Period in the form appended to the proposed Stay Extension, Fee Approval and CCAA Termination Order (“**Termination Certificate**”), terminating these CCAA proceedings and discharging the Monitor (the “**CCAA Termination Time**”);

- (f) terminating the Court-ordered charges approved in these CCAA proceedings effective as at the CCAA Termination Time; and
- (g) permitting ResidualCo and NHI to assign themselves into bankruptcy during the Extended Stay Period prior to the CCAA Termination Time.

Requested Extension of Stay of Proceedings

- 21. The current stay period expires on April 11, 2025.
- 22. The Applicants are requesting an extension of the stay up to and including April 22, 2025 to allow time to complete the post-closing steps regarding the Transaction, and to complete these CCAA Proceedings.
- 23. The Applicants have acted, and continue to act, in good faith and with due diligence in furtherance of these CCAA Proceedings.
- 24. The Monitor supports, and no creditor will be prejudiced by, the extension of the stay period to April 22, 2025.

Approval of Monitor's Activities and Fees

- 25. The Applicants are seeking approval of the Monitor's activities as set out in its Third Report. The Monitor has played an important role in advancing the Applicants' restructuring efforts.
- 26. The Applicants are also seeking approval of the fees and disbursements of the Monitor and its legal counsel incurred to date in connection with these CCAA Proceedings, as well as

the fee accruals through closing disclosed in the Third Report. The Monitor and its legal counsel have played a significant role in these proceedings. They will include fee affidavits providing a detailed summary of their fees and disbursements incurred during these CCAA Proceedings, as well as their proposed fee accruals, in the Third Report of the Monitor.

Termination of the CCAA Proceedings and the Bankruptcy of ResidualCo and NHI

27. The Applicants also seek the proposed Stay Extension, Fee Approval and CCAA Termination Order for the orderly and efficient completion of these CCAA Proceedings, including the assignment of ResidualCo and NHI into bankruptcy. Following completion of the Transaction, ResidualCo and NHI are not expected to have any material assets that can be realized for the benefit of their creditors.
28. The proposed Stay Extension, Fee Approval and CCAA Termination Order provides that these CCAA Proceedings and the Extended Stay Period will be terminated upon service by the Monitor of the Termination Certificate on the Service List in these CCAA Proceedings certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with the CCAA Proceedings have been completed.
29. At such time, BDO will be released and discharged as the Monitor and each of the charges, the Administration Charge, Director's Charge and DIP Lender's Charge, as set out in the ARIO, will be terminated, released and discharged.
30. Given that the Transaction did not provide sufficient proceeds to satisfy the Applicants' indebtedness with respect to the Excluded Liabilities, the Applicants do not intend to implement a process for the identification and resolution of claims with respect to the


Excluded Assets, Excluded Contracts and Excluded Liabilities in these CCAA Proceedings or file a plan of compromise or arrangement.

31. To facilitate the orderly and efficient wind-up of ResidualCo's estate and NHI's estate, the proposed Stay Extension, Fee Approval and the CCAA Termination Order authorizes ResidualCo and NHI to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) during the Extended Stay Period prior to the CCAA Termination Time.

D. FORM OF ORDER AND CONCLUSION

32. Based on the above circumstances, the Applicants respectfully submit that it is appropriate that the Court grant the Stay Extension, Fee Approval and CCAA Termination Order. I understand that the Monitor and Lending Stream support the relief sought in this motion.
33. This affidavit is sworn in support of the order substantially in the form of the draft order at Tab “3” 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 Toronto of the Province of Ontario this 27th day of March, 2025 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.**



ZIAD REDA

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 March 27, 2025 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

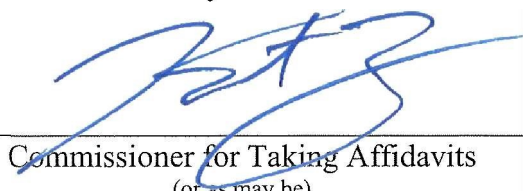
or accounts receivables, any delay or problem in collections could easily tip the Company into a liquidity crisis or “cash crunch”.

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

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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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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

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

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

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

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

Applicants

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 fulfilment 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.

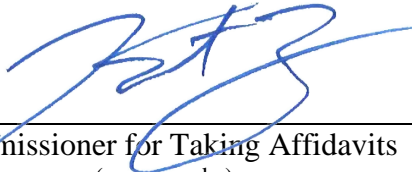
G Increase to Directors' Charge

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)

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



ZIAD REDA

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

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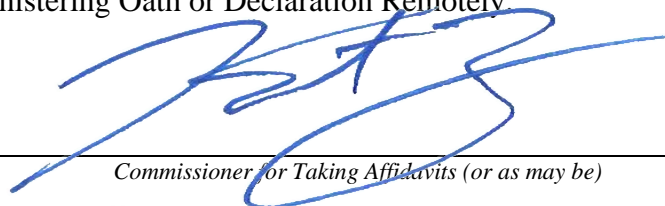
Tel: 416.941.8842

Fax: 416.941.8852

vdare@foglers.com

Lawyers for the Applicants

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 Octej 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely."



Commissioner for Taking Affidavits (or as may be)

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

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

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

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

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

Applicants

**AFFIDAVIT OF ZIAD REDA
(Sworn February 25, 2025)**

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

A. INTRODUCTION

1. I am a director and Chief Executive Officer of the applicant, Noya Holdings Inc. (formerly, Radicle Cannabis Holdings Inc.) (“**NHI**”).
2. I am also the Chief Executive Officer and a director of NHI's wholly-owned subsidiary and applicant, Noya Cannabis Inc. (formerly, Radicle Medical Marijuana Inc. and Radicle Remedy Inc.) (“**NCI**”).
3. As discussed below, NCI is the operating entity and a licensed producer of cannabis products under the *Cannabis Act*, S.C. 2018, c. 16.

4. NHI and NCI are the current “Applicants” in this CCAA proceeding (“**CCAA Proceedings**”), and 2675383 Ontario Limited (“**267**”), owned primarily by NHI, is the “Non-Applicant Stay Party”.
5. 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.
6. I have sworn two previous affidavits in these CCAA Proceedings: my first Affidavit was sworn on October 28, 2024 (“**First Reda Affidavit**”); and my second affidavit was sworn on November 12, 2024 (“**Second Reda Affidavit**”). Copies of the First Reda Affidavit and Second Reda Affidavit, without exhibits, are attached hereto as **Exhibit “A”** and **Exhibit “B”**, respectively. Any capitalized terms in this Affidavit that are not defined have the meaning ascribed to them in the First Reda Affidavit and Second Reda Affidavit.

B. HISTORY OF THE CCAA PROCEEDINGS

7. The Applicants applied for urgent relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) on November 6, 2024 (the “**CCAA Proceedings**”), because a payment demand had been made by one of the secured creditors, there were pressing deadlines regarding certain litigation or arbitration proceedings, and there was a looming cash or liquidity shortage to sustain operations.
8. On November 6, 2024, the Honourable Justice Cavanagh made an order (the “**Initial Order**”) in these CCAA Proceedings, among other things:

- (a) granting a stay of proceedings in favour of the Applicants and 267 up to and including November 15, 2024;
 - (b) appointing BDO Canada Limited as monitor of the Applicants (in such capacity, the “**Monitor**”);
 - (c) granting a \$200,000 first-priority administration charge in favour of counsel to the Applicants, the Monitor and counsel to the Monitor, to secure payment of their professional fees and disbursements to the maximum amount of \$200,000 (“**Administration Charge**”);
 - (d) granting a second-priority directors' charge in the amount of \$100,000 (“**Directors' Charge**”); and
 - (e) scheduling a return hearing date for November 15, 2024 (“**Comeback Hearing**”).
9. At the Comeback Hearing, Honourable Justice Cavanagh granted two orders:
- (a) An amended and restated initial order (“**Amended and Restated Initial Order**”), among other things:
 - (i) extending the stay of proceedings to and including March 7, 2025;
 - (ii) approving a debtor-in-possession (“**DIP**”) term sheet dated November 11, 2024 (“**DIP Term Sheet**”), and approving a \$400,000 DIP loan (“**DIP Loan**”) and a corresponding third-priority charge (“**DIP Lender's**”).

Charge") in favour of Lending Stream Inc. ("**Lending Stream**") in its capacity as the DIP lender ("**DIP Lender**");

- (iii) approving an increase to the Directors' Charge to the maximum amount of \$200,000;
- (iv) approving an increase to the Administration Charge to the maximum amount of \$400,000; and
- (v) authorizing the Applicants to make payments to certain third-party suppliers for pre-filing expenses, with the consent of the Monitor.

(b) An order ("**Sale Process Approval Order**"), among other things:

- (i) authorizing and empowering NHI and NCI to enter into a stalking horse purchase agreement dated November 11, 2024 (the "**Stalking Horse SPA**") between NHI, NCI and Lending Stream, or its nominee (in such capacity, the "**Stalking Horse Purchaser**");
- (ii) approving the Stalking Horse SPA as well as the payment and priority of payment of the associated Break Fee, Professional Fees and Deposit Repayment;
- (iii) approving the sale process ("**Stalking Horse Sales Process**" or "**Sale Process**") including the sales agent agreement dated November 11, 2024 ("**Sales Agent Agreement**");

- (iv) authorizing and directing the Monitor to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Stalking Horse Sales Process, subject to prior approval of the court being obtained before completion of any transaction under the Stalking Horse Sales Process; and
 - (v) approving the appointment or engagement of Kronos Capital Partners Inc. as the sales agent (“**Sales Agent**”) to assist with the implementation of the Stalking Horse Sales Process.
10. The Initial Order of Justice Cavanagh dated November 6, 2024 and the accompanying Endorsement dated November 6, 2024 is attached hereto as **Exhibit “C”**.
11. The Amended and Restated Initial Order of Justice Cavanagh dated November 15, 2024 is attached hereto as **Exhibit “D”**.
12. The Sale Process Approval Order dated November 15, 2024 and the accompanying Endorsement of Justice Cavanagh dated November 15, 2024 (“**Sale Process Approval Endorsement**”) are attached hereto as **Exhibit “E”** and **Exhibit “F”**, respectively. As noted above, under the Sale Process Approval Order, the Stalking Horse SPA was approved by the Court. A copy of the Stalking Horse SPA is attached hereto as **Exhibit “G”**.
13. As set out in detail in the First Reda Affidavit, certain contingent claims led to this CCAA filing. One of those claims is by Ignite International Brands (Canada) Ltd. (“**Ignite**”). Pursuant to a Statement of Claim dated December 2, 2021, as amended, Ignite commenced a claim in the Ontario Superior Court of Justice (the “**Ignite Lawsuit**”) against NCI and

NHI pursuant to a Sales and Distribution Agreement dated November 5, 2020 (the “**Ignite Agreement**”). In the Ignite Lawsuit, Ignite sought 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, unjust enrichment, constructive trust and the return of or part of the Advance Payment (as defined below). NCI opposed the Ignite Lawsuit and responded with a Statement of Defence and Counterclaim dated February 28, 2022, as amended (“**NCI's Defence and Counterclaim to the Ignite Lawsuit**”). Part of that defence denies that Ignite is entitled to damages on account of the Advance Payment and denies that Ignite has a constructive trust. NCI also counterclaimed against Ignite seeking, among other things, a declaration that NCI is entitled to retain the balance of the Advance Payment and damages for breach of contract. Regarding the Advance Payment, NCI also pleaded that it is entitled to set-off the full amount in relation to the costs and expenses incurred for the work performed under the Ignite Agreement and for the promised sales commissions NCI would receive under the Ignite Agreement. Ignite provided a Reply and Defence to Counterclaim dated May 2, 2022 (“**Ignite's Reply**”). Before the commencement of these CCAA Proceedings, the Ignite Lawsuit was scheduled, or was to be scheduled, for mediation in Ontario in early 2025. Attached hereto and marked as **Exhibit “H”** is a true copy of the Ignite Agreement; and attached hereto and marked as **Exhibit “I”** are true copies of the Ignite Lawsuit, NCI's Defence and Counterclaim to the Ignite Lawsuit and Ignite's Reply.

14. I am advised by Applicants' counsel and do verily believe the following: (i) Ignite's lawyer attended the Comeback Hearing in these CCAA Proceedings; (ii) Ignite did not oppose the

relief sought and granted at the Comeback Hearing pursuant to the ARIO and the Sale Process Approval Order; (iii) Ignite's lawyer did not raise Ignite's alleged Constructive Trust Claim (defined below) in submissions at the Comeback Hearing; and (iv) Ignite did not appeal the ARIO and Sale Process Approval Order. Pursuant to the ARIO, the Court granted, among other things, the super-priority DIP Lender's Charge, Directors' Charge and Administration Charge that shall “rank in priority to **all** other security interests, **trusts**, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise” (emphasis added). Under the Sale Process Approval Order, the Court approved, among other things, the Stalking Horse SPA. Pursuant to the Stalking Horse SPA, the Ignite Lawsuit is included as one of the Excluded Liabilities listed in Schedule “C” (listed at number 7), that is not an obligation of NCI and is not a claim against the Purchased Shares.

15. Four days after the Comeback Hearing, Ignite's lawyer wrote to the Monitor on November 19, 2024. In the letter, Ignite's counsel informed the Monitor that under the Ignite Lawsuit, Ignite has claimed damages against the Applicants for, among other things, unjust enrichment in the amount of \$957,537.39 representing an advance payment made by Ignite to NCI pursuant to section 4(c) of the Ignite Agreement, and Ignite is entitled to a constructive trust over the funds by which NCI was allegedly unjustly enriched, being \$957,537.39, and a constructive trust in any assets to which the funds trace (the “**Constructive Trust Claim**”). Attached hereto and marked as **Exhibit “J”** is a true copy of the November 19, 2024 letter (with enclosures) from Ignite's lawyer.
16. In reply, Monitor's counsel wrote to Ignite's lawyer on December 6, 2024. Part of that reply by Monitor's counsel provided as follows: “It is unclear why this position [i.e.,

Constructive Trust Claim] was not put to the Court at the Comeback Hearing, at which hearing counsel to Ignite appeared...As you are aware, the Monitor is not the arbiter of any claim advanced by Ignite. The Monitor has, however, undertaken a preliminary review of Ignite's pleadings and the applicable law, and we can advise that it is not clear to us based on the claim that a court would conclude that Ignite is entitled to a constructive trust, nor that any claim would impede the sale process approved by the CCAA Court...We also made inquiries with counsel to the Applicants. Not surprisingly, the Applicants' position is dismissive of Ignite's claim and rejects the claim for constructive trust claim.” (emphasis added). Attached hereto and marked as **Exhibit “K”** is a true copy of the December 6, 2024 letter from Monitor's counsel.

17. On or about January 31, 2025 (after the bid deadline in the court-ordered Sale Process), the Monitor and other parties were served with a Notice of Motion by Ignite, returnable on a date to be set by the Commercial List, in which part of the relief includes Ignite's alleged Constructive Trust Claim. As of today (being February 25, 2025), a returnable date for Ignite's motion has not been scheduled by Ignite. Attached hereto and marked as **Exhibit “L”** is a true copy of Ignite's Notice of Motion.
18. TerrAscend Corp. (“**TerrAscend**”), the owner of Gage Growth Corp., an alleged secured creditor of the Company, has raised some concerns, in a letter dated January 16, 2025 from its lawyer to Monitor's counsel, including that the ultimate owners of the Stalking Horse Purchaser and the Applicants are brothers; the Stalking Horse Bid is not an arm's length transaction; and the transaction may require additional scrutiny under the CCAA. The Applicants do not share or have these concerns, and I acknowledged this family

relationship in the First Reda Affidavit. The Monitor will consider TerrAscend's concerns in its Second Report. Attached hereto and marked as **Exhibit “M”** is a true copy of the letter dated January 16, 2025 from TerrAscend's lawyer.

19. On February 24, 2025, NHI, NCI and the Stalking Horse Purchaser made some amendments to the Stalking Horse SPA pursuant to an Amending Agreement of the same date, including extending the Outside Date to complete the transaction from March 3, 2025 to April 1, 2025 or such later date as the parties may agree to in writing. A copy of the said Amending Agreement is attached hereto as **Exhibit “N”**.

C. RELIEF SOUGHT ON THIS MOTION

20. As elaborated below, the Stalking Horse Sales Process is now complete. The Stalking Horse Purchaser was the successful bidder. Accordingly, I swear this affidavit in support of a motion by the Applicants for two orders:

- (a) an order (“**Approval and Reverse Vesting Order**”) substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record, among other things:
 - (i) extending the stay of proceedings up to and including April 11, 2025;
 - (ii) declaring the Stalking Horse SPA, as amended (the “**SPA**”), entered into between NHI (“**Vendor**”), NCI, and the Stalking Horse Purchaser (“**Purchaser**”), as the successful bid, and approving the transaction contemplated thereby (the “**Transaction**”);

- (iii) authorizing and directing the Applicants to perform their obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction;
- (iv) transferring and vesting all of the Applicants' right, title, and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the SPA) to and in a newly incorporated entity, 1001155163 Ontario Inc. (“**ResidualCo**”);
- (v) vesting in the Purchaser or its nominee all of the right, title and interest in and to the Purchased Shares (as defined in the SPA) free and clear of all Encumbrances, other than Permitted Encumbrances (each capitalized term as defined in the SPA), upon the filing of a certificate by the Monitor (as defined below) substantially in the form attached Schedule “A” to the draft Approval and Reverse Vesting Order (the “**Monitor's Certificate**”);
- (vi) releasing and discharging NCI and the Purchased Shares from the Excluded Liabilities and all related claims and encumbrances, including without limitation the Ignite Lawsuit including Ignite's asserted Constructive Trust Claim, in accordance with the SPA;
- (vii) approving the releases (“**Releases**”) provided for in the SPA in favour of the officers and directors of the Applicants, their advisors and representatives, the Monitor and the Monitor's counsel, and Lending Stream

Inc., in its capacities as (i) the Purchaser or Stalking Horse Purchaser, (ii) the DIP Lender, and (iii) a secured creditor of the Applicants, and its representatives (collectively, the “**Released Parties**”); and

(viii) expanding the powers and duties of the Monitor set out in the Amended and Restated Initial Order.

(b) An order (“**Ancillary Order**”), substantially in the form of the draft order at Tab 4 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; and

(ii) approving the First Report of the Monitor dated November 13, 2024 (“**First Report**”) and the Second Report of the Monitor to be filed in this motion (“**Second Report**”), and the activities of the Monitor as set out therein; and

(c) Such further and other relief as this Court may deem just and equitable.

D. OVERVIEW OF APPLICANTS AND THEIR BUSINESS

21. NCI, the Applicants' operating entity, is a Canadian licensed producer of cannabis products. Its customers include large and industry leading participants. Besides supplying the Canadian market, NCI, through one of its main customers, also supplies dried cannabis to international markets including Portugal, Germany and Israel.

22. NCI is primarily a business-to-business company.
23. The business operates out of a large state of the art cannabis production facility located in Hamilton, Ontario (“**Hamilton Facility**”). NCI uses advanced technologies at the Hamilton Facility to produce and supply cannabis products.
24. In early November 2024, the Applicants urgently sought protection under the CCAA on account of the financial pressures arising as a result of: (i) the loss of revenues in excess of \$500,000 due to certain customers filing under the CCAA; (ii) intense competition and an over-supply of cannabis products leading to significant price reductions; (iii) litigation costs related to certain contingent claims; (iv) the payment demand from a secured creditor; and (v) the low market demand for cannabis products, partially as a result of the illicit market for cannabis, causing a decline in orders.
25. From the start of this proceeding, the parties recognized and accepted the importance of the Sale Process, and, in particular, its “stalking horse component”, supported by the DIP Loan. This is because the value of the Applicants' business is dependant on the ability to continuously fulfil customer orders on a timely basis. As I described in the First Reda Affidavit and/or the Second Reda Affidavit, even a temporary cessation of operations would have been detrimental to enterprise value. Given the liquidity challenges, and dire cash flow situation of the Applicants, and as further detailed below, it was imperative that the Applicants pursue a going concern sale of the business to obtain value for stakeholders.
26. At the Comeback Hearing before Justice Cavanagh on November 15, 2024, with the Applicants seeking, among other things, approval of the Stalking Horse Sales Process,

Stalking Horse SPA, DIP Lender's Charge and increase in the amount of the Director's Charge and Administration Charge, there was no opposition to the relief, and, in particular, the Applicants' senior secured creditor, Lending Stream, and one of the contingent claimants, Ignite, or more specifically their counsel, attended and either expressed their support for or did not oppose the Stalking Horse Sales Process, Stalking Horse SPA and related relief. As noted above, at the Comeback Hearing on November 15, 2024, Justice Cavanagh granted the Amended and Restated Initial Order and the Sale Process Approval Order and provided reasons in his Endorsement, the Sale Process Approval Endorsement.

27. A few days later, on or about November 19, 2024, as I noted above, the Monitor received a letter from Ignite's lawyer alleging, among other things, Ignite's entitlement to a Constructive Trust Claim over the property of the Applicants based on their alleged unjust enrichment. The Constructive Trust Claim is part of the Ignite Lawsuit, which I described at paragraph 86 of the First Reda Affidavit and identified at Exhibit "U" of the First Reda Affidavit. As I noted in the First Reda Affidavit, NCI has defended the Ignite Claim and counterclaimed, and, in particular, denied any unjust enrichment, denied a constructive trust and claimed an entitlement or set-off regarding the Advance Payment. Ignite also served a Notice of Motion on or about January 31, 2025 regarding the Constructive Trust Claim, as I described above.
28. Since the date of the Initial Order, the Applicants have worked with the Monitor to stabilize and maintain operations, and with the Sales Agent and Monitor to conduct the Sale Process in accordance with the Sale Process Approval Order.

E. SALE PROCESS

Marketing Efforts

29. The Sale Process, including the stalking horse component, was designed to provide stability to the business and signal to the world that operations would continue, and that customer orders would be fulfilled, both during and after the restructuring.
30. The Monitor and the Sales Agent, in conjunction with the Applicants, conducted the Sale Process in accordance with the Sale Process Approval Order. Among other things, the Sales Agent, in conjunction with the Monitor, undertook a marketing process that broadly canvassed a comprehensive network of cannabis industry participants.
31. The Sales Agent placed an advertisement in the Globe and Mail – National Edition sometime in November, 2024, and prepared materials including, among other things (i) a non-disclosure agreement (“**NDA**”), and (ii) a teaser letter (together, the “**SISP Documents**”), all of which were made publicly available on the Monitor's or Sales Agent's case website. As part of the Sale Process, the Monitor and/or the Sales Agent established a secure online data room containing relevant business information for potential bidders.
32. The Second Report of the Monitor provides a detailed overview of all of the steps the Monitor and/or Sales Agent took to identify, market to, and provide an opportunity for interested parties to acquire NCI.

Results of Sale Process

33. A total of approximately 53 parties were invited or contacted to participate in the Stalking Horse Sales Process, 4 of which signed an NDA and received the SISP Documents directly.
34. In accordance with the Sale Process Approval Order, the initial bid deadline was Monday, January 27, 2025 (the “**Bid Deadline**”).
35. Except for the Stalking Horse Bid, there were no other bids or Qualified Bids received by the Bid Deadline. As a result, the Stalking Horse Bidder or Stalking Horse Purchaser was declared the Successful Bidder or the Successful Bid. The Monitor will report in detail on the results of the Sale Process in its Second Report.
36. To the greatest extent possible, I believe the Sale Process was conducted in a manner so as to create and maintain a “competitive tension” as between any interested parties, all with a view to promoting interest in the opportunity and yielding the highest and best sale price for the Applicants.
37. Given the breadth, duration and management of the Sale Process, I believe that all reasonable steps to obtain the best price have been taken and the Sale Process was commercially reasonable, professionally run and robust.
38. As a practical matter, there are no other offers and there is no additional funding to conduct further sales efforts.

F. SPA AND PROPOSED TRANSACTION***Purchaser***

39. The principal of the Purchaser has experience in the Canadian cannabis industry. The cannabis licences and operations of NCI have value to the Purchaser and I understand that the Purchaser's intention is to operate the business as a going concern, Health Canada-compliant operation. As I acknowledged in the First Reda Affidavit, the main principal or ultimate owner of the Purchaser or Lending Stream is my brother, Rami Reda.

“Reverse Vesting” Transaction

40. The Transaction contemplates the use of a “reverse vesting order” to preserve cannabis licences which are essential for NCI to continue operations as a going concern.
41. The Applicants seek the Approval and Reverse Vesting Order in furtherance of a Transaction whereby, subject to the satisfaction of other closing conditions, the Purchaser will acquire 100% of NCI's issued and outstanding shares. Following the Pre-Closing Reorganization defined and described below, NCI will hold only the Retained Assets and Assumed Liabilities, if applicable. The SPA requires an Approval and Reverse Vesting Order approving the Transaction, and seeking other relief including, among other things, the grant of certain Releases.
42. The Transaction uses a reverse vesting structure to affect the transfer into NCI of any Transferred Assets and the transfer out of NCI and into ResidualCo of the Excluded Assets and Excluded Liabilities. I understand from the Monitor and the Applicants' counsel that

this structure is commonly used in cannabis restructurings due to the highly regulated nature of the industry.

43. The SPA is the product of a Court-approved Sale Process and in my view is commercially reasonable in the circumstances. The parties to the SPA are sophisticated and were advised by professional and legal advisors. The Applicants are of the view that the SPA and the Transaction contemplated thereunder is in the best interest of stakeholders in the circumstances.
44. In my view, the Transaction is capable of being completed in a timely manner as closing is not conditional on obtaining the approval of Health Canada.
45. A summary of the key terms and conditions of the SPA are as follows (all capitalized terms not otherwise defined herein shall have the meaning given to them in the SPA):
 - (a) **Closing Date:** Subject to the terms and conditions of the SPA, the Closing shall occur 10 business days after an Approval and Reverse Vesting Order satisfactory to the Parties has been issued and entered, and no later than April 1, 2025 or such later date as agreed to by the Parties in writing.
 - (b) **Share Purchase:** The Purchaser shall purchase the Purchased Shares from the Vendor, free and clear of all Encumbrances (other than Permitted Encumbrances), with the result that the Purchaser shall become the sole shareholder of NCI at the Closing Time.

- (c) **Excluded Assets, Contracts and Liabilities:** All of the Excluded Assets, and Excluded Liabilities will be transferred to and assumed by ResidualCo. As noted above, the Excluded Liabilities include the Ignite Lawsuit including the asserted Constructive Trust Claim. All Claims related to the Excluded Liabilities will continue to exist as against ResidualCo and the Claims shall attach to the net Purchase Price and the Excluded Assets, if any, which will be available to satisfy such Claims.
 - (d) **Approval and Reverse Vesting Order:** the obligations of the Parties to close the Transaction is subject to the granting of the Approval and Reverse Vesting Order.
46. In addition to seeking approval of the Transaction through the Approval and Reverse Vesting Order, the Applicants are also seeking the approval of other relief critical to the completion of the Transaction, including, among other things:
- (a) adding ResidualCo as an Applicant;
 - (b) vesting all of the Excluded Assets, Excluded Contracts, and Excluded Liabilities in ResidualCo, and discharging all Encumbrances (other than the Permitted Encumbrances) against the Purchased Shares and the Retained Assets;
 - (c) granting the Releases; and
 - (d) granting certain enhanced powers to the Monitor in respect of ResidualCo.

Adding ResidualCo as an Applicant

47. In order to complete the proposed Transaction, the Applicants are seeking to add ResidualCo as an Applicant in these CCAA Proceedings. Doing so will allow the Purchaser to acquire the Purchased Shares free and clear of all Encumbrances, while allowing the claims of the Applicants' stakeholders to continue as against ResidualCo.
48. ResidualCo is a corporation that has recently been incorporated under the laws of Ontario. A copy of the Certificate and Articles of Incorporation of ResidualCo is attached hereto as **Exhibit "O"**. Immediately after the Excluded Assets and Excluded Liabilities are transferred to ResidualCo, ResidualCo will be balance sheet insolvent and the claims against ResidualCo will be in excess of the statutory threshold of \$5 million.
49. I understand that the Monitor supports adding ResidualCo as an Applicant.

Reverse Vesting to ResidualCo

50. The Transaction is contingent upon a pre-closing reorganization (the **"Pre-Closing Reorganization"**), whereby:
- (a) the Transferred Assets, if any, shall be transferred to NCI; and
 - (b) the Excluded Assets and Excluded Liabilities shall be transferred to and vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.
51. The Pre-Closing Reorganization, including its reverse vesting component, is critical to the Transaction. I am advised by Applicants' counsel that the reverse vesting structure will

preserve critical licences necessary for the operation of the purchased business which NCI would not otherwise be able to transfer in the ordinary course. I also understand that the reverse vesting structure contemplated by the Transaction has been effectively used in other similar transactions for licenced cannabis companies and has the effect of minimizing regulatory hurdles and decreasing closing uncertainty. I am advised by Applicants' counsel that the Purchaser was not prepared to proceed with a Transaction in respect of NCI by way of an ordinary asset sale structure due to, among other things, the regulatory restrictions on transferring cannabis licences.

52. NCI holds the following licences (“**Licences**”):
- (a) standard grow and sales licence issued under the *Cannabis Act* and the related Cannabis Regulations, and
 - (b) a licence issued by the CRA under the excise duty framework under the *Excise Act*, 2001 (Canada).
53. The Licences are essential to the Applicants' business. Without these Licences, the Applicants or NCI could not possess or produce cannabis, nor conduct its current business.
54. I understand from Applicants' counsel that the Licences would likely be lost if they were transferred to the Purchaser by way of a traditional vesting order given the regulatory regime within which the Applicants operate. A loss of the Licences would require the Purchaser to re-enter the licensing process with the attendant expense, uncertainty and delay.

55. A traditional vesting order would expose the Licences, on which the Applicants' or NCI's business is founded and, in turn, on which its going concern value is wholly reliant, to significant risk, regulatory uncertainty, and significant delays.
56. I therefore believe that the risk and uncertainties created by a traditional vesting order would render a going concern transaction impossible, resulting in the liquidation of the Applicants.

Benefits of the Transaction

57. The primary benefit of the proposed Transaction is the continuity of NCI's business operations. Completion of the Transaction will preserve NCI's structure of operations, maintain the current licences, and preserve the economic activity and customer and supply arrangements without interruption.
58. Importantly, a number of key individuals associated with the business will remain with NCI after the closing of the proposed Transaction. This, along with the “reverse vesting” structure of the Transaction, will ensure that the change in control of the business does not impact the preservation of the valuable cannabis licences.
59. At present, NCI employs approximately 18 people, ranging from Managers, Technicians, Machine Operators, and Quality Assurance Specialists to Facilities and Maintenance personnel. It is anticipated that almost all of these jobs will be preserved following the closing of the Transaction.

60. The implementation of the Transaction will minimize professional fees. It is anticipated that ResidualCo will not undertake any business and will likely file an assignment in bankruptcy at the appropriate time. The Transaction therefore minimizes costs to the benefit of the Applicants' creditors.
61. The Transaction will achieve the purpose of the CCAA Proceedings which is to ensure the business emerges from CCAA protection in a stronger form that preserves enterprise value and employment for as many of its employees as reasonably possible. Post-closing, NCI's business will continue as a going-concern. The Purchaser has advised me that it intends to keep the vast majority of employees in operational roles at the Hamilton Facility.
62. I have been advised by the Monitor that it supports the approval of the Transaction.
63. I believe the SPA and the proposed Transaction represent the best possible outcome for the Applicants, and will permit the Applicants or NCI to emerge from CCAA protection as a successful, going-concern business.
64. I understand that the Monitor will provide its view on (i) the Sale Process, (ii) the necessity of the reverse vesting structure, and (iii) the Transaction, in its Second Report.

G. REQUESTED EXTENSION OF STAY OF PROCEEDINGS

65. The current stay period expires on March 7, 2025.
66. The Applicants are requesting an extension of the stay up to and including April 11, 2025 (“**Extended Stay Period**”) to allow time to complete the necessary steps to close the Transaction.

67. The Applicants have acted, and continue to act, in good faith and with due diligence in furtherance of these CCAA Proceedings.
68. I understand that the Monitor supports, and no creditor will be prejudiced by, the extension of the stay for the Extended Stay Period.

H. RELEASES

69. The released claims encompass all claims related to the CCAA Proceedings, the SPA, and the Transaction against the Released Parties, excluding claims not permitted to be released under section 5.1(2) of the CCAA. I understand that these releases aim to provide certainty and finality for the Released Parties. The Applicants consider these releases suitable due to the significant contributions of the Released Parties in the CCAA Proceedings and the Transaction, enabling the Applicants to continue as a going concern.


I. CONSTRUCTIVE TRUST CLAIM

70. The Ignite Lawsuit includes the alleged Constructive Trust Claim. However, as noted above, pursuant to the ARIO, the Court granted, among other things, the super-priority DIP Lender's Charge, Directors' Charge and Administration Charge that shall "rank in priority to **all** other security interests, **trusts**, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise" (emphasis added); and pursuant to the Sale Process Approval Order, the Court approved, among other things, the Stalking Horse SPA, in which the Ignite Lawsuit is included as one of the Excluded Liabilities listed in Schedule "C", that is not an obligation of NCI and is not a claim against the Purchased Shares. Again, these Orders by the Court were not opposed or appealed by Ignite.

J. FORM OF ORDER AND CONCLUSION

71. In all of the above circumstances, the Applicants respectfully submit that it is appropriate that the Transaction be approved, and that the additional relief requested on this motion be granted. In particular, the Monitor's First Report and Second Report and the conduct and activities of the Monitor referred to therein should also be approved. I understand that the Monitor and Lending Stream support the relief sought in this motion.
72. This affidavit is sworn in support of orders substantially in the form of the draft orders at Tabs "3" and "4" 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 Toronto, in the Province of Ontario, this 25th day of February, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

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



ZIAD REDA

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

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Lawyers for the Applicants, Noya Holdings Inc. and
Noya Cannabis Inc.

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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

WEDNESDAY, THE 6TH

)

JUSTICE CAVANAGH

)

DAY OF NOVEMBER, 2024

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

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

Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Ziad Reda sworn October 28, 2024 and the Exhibits thereto (the "**Reda Affidavit**"), the consent of BDO Canada Limited ("**BDO**") to act as the Monitor (in such capacity, the "**Monitor**"), and the Pre-Filing Report of BDO in its capacity as the proposed Monitor dated October 29, 2024 (the "**Pre-Filing Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the proposed Monitor and those other parties that were present as listed on the counsel slip, no other party appearing

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although duly served as appears from the Affidavit of Service of Michelle Pham sworn October 29, 2024.

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Additionally, although not one of the Applicants but a related party, 2675383 Ontario Limited (the “**Non-Applicant Stay Party**” and together with the Applicants, the “**Noya Entities**”) shall enjoy certain benefits of the protections provided under the terms of this Order.

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to

further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

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- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

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

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and
- (c) payment for goods or services actually supplied to the Applicants following the date of this Order.

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

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

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under

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

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) Permanently or temporarily cease, downsize or shut down any of their Business or operations and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and

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- (c) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

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

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claims to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours’ prior written notice, and (b)

at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE NOYA ENTITIES OR THEIR RESPECTIVE PROPERTY

14. **THIS COURT ORDERS** that until and including November 15, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal and no arbitration or mediation (each, a “**Proceeding**”) shall be commenced or continued against or in respect of any of the Noya Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the Noya Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Noya Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Noya Entities and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, arbitrator, mediator, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of any of the Noya Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Noya Entities and the

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Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Noya Entities to carry on any business which the Noya Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

are paid by the applicable Noya Entities in accordance with normal payment practices of the applicable Noya Entities or such other practices as may be agreed upon by the supplier or service provider and the applicable Noya Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 32 and 34 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Applicants’ directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that BDO is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Noya

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Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Noya Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;
- (d) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

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Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (i) any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other

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law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada) the *Controlled Drugs and Substances Act* (Canada), the *Excise Tax Act* (Canada), the *Cannabis Control Act* (Ontario), or other such applicable federal or provincial legislation (“**Cannabis Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation or the Cannabis Legislation, unless it is actually in possession.

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

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at their standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

Second – Directors’ Charge (to the maximum amount of \$100,000).

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

34. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

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

36. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made

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pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner

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prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

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

40. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

STATUS QUO OF THE CANNABIS LICENCES

42. **THIS COURT ORDERS** that (a) the status quo in respect of the Health Canada and cannabis excise licences held by Noya Cannabis Inc. ("**NCI**"), one of the Applicants, and 2675383 Ontario Limited, the Non-Applicant Stay Party (collectively, the "**Licences**"), shall be preserved and maintained during the pendency of the Stay Period, including NCI's ability to sell cannabis inventory in the ordinary course under the respective Licence; and (b) to the extent any Licence may expire during the Stay Period, the term of such Licence shall be deemed to be extended by a period equal to the Stay Period.

COMEBACK HEARING

43. **THIS COURT ORDERS** that the balance of the relief sought by the Applicants in the Notice of Application dated October 28, 2024 be and is hereby reserved to be heard by this Court on November 15, 2024, along with any additional relief sought at that date, or such other date as determined by this Court (the "**Comeback Hearing**").

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44. **THIS COURT ORDERS** that the Applicants are authorized to serve their motion materials with respect to the Comeback Hearing by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Hearing by electronic transmission, where available, or by courier to the parties likely to be affected by the relief at such parties' respective addresses as soon as practicable.

45. **THIS COURT ORDERS** that, prior to the Comeback Hearing, any interested party (including the Applicants and the Monitor) may apply to this Court to amend or vary this Order on not less than three (3) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that notwithstanding any amendment, variation or stay of this Order, the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 32 and 34 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

GENERAL

46. **THIS COURT ORDERS** that, except with respect to any motion to be heard at the Comeback Hearing, and subject to further Order of this Court in respect of urgent motions, any interested party intending to respond or object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials stating its response or objection to the motion and the grounds for such response or objection by no later than 5:00 p.m. (Eastern Time) on the date that is three (3) days prior to the date such motion is returnable (the

“Responding Deadline”). The Monitor shall have the ability to extend the Responding Deadline after consulting with the Applicants.

47. **THIS COURT ORDERS** that following the expiry of the Responding Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including, without limitation, by way of a 9:30 a.m. (Eastern Time) appointment, of the absence or the status of any responses or objections to the applicable motion and the judge having carriage of such motion may determine: (i) whether a hearing in respect of the motion is necessary; (ii) if a hearing is necessary, the date and time of such hearing; (iii) whether such hearing will be in person, by telephone or videoconference, or by written submissions only; and (iv) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the applicable notice of motion.

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

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

50. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the

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Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

53. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing, provided that counsel to the Applicants shall have issued and entered this Order with the Court Office and circulate a copy of the issued and entered Order to the Service List.

Justice
Cavanagh

Digitally signed by Justice
Cavanagh
Date: 2024.11.06 12:00:44
-05'00'

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-24-00730120-000

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

INITIAL ORDER

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ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00730120-00CL

DATE: November 6, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: NOYA HOLDINGS INC. v BDO CANADA LIMITED et al

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Applicant:

Name of Person Appearing	Name of Party	Contact Info
Vern W. DaRe	Counsel for the Applicants	vdare@foglers.com
Youssef Reda	Counsel for the Applicants	youssefr@noyagrow.ca

For The Monitor:

Name of Person Appearing	Name of Party	Contact Info
Robyn Duwyn	Counsel for Proposed Monitor	rduwyn@bdo.ca
Graham Phoenix	Counsel for Proposed Monitor	gphoenix@LN.Law
John D. Leslie	Counsel for Lending Stream Inc.	jleslie@dickinsonwright.com
David Z. Seifer	Counsel for Lending Stream Inc	dseifer@dickinson-wright.com
Shahrzad Hamraz	Counsel for Proposed Monitor	shamraz@ln.law

ENDORSEMENT OF JUSTICE CAVANAGH:

- [1] The Applicants, Noya Holdings Inc. (“NHI”) and Noya Cannabis Inc. (NCI”) bring this application for an initial order under the *Companies’ Creditors Arrangement Act*, as amended (the “CCAA”).
- [2] The facts underlying this application are more fully set out in the affidavit of Ziad Reda sworn October 28, 2024. Mr. Reda is the Chief Executive Officer of NHI as well as a member of the Board of Directors. He is also the Chief Executive Officer and a member of the Board of Directors of NCI, a wholly-owned subsidiary of NHI.
- [3] NHI is the ultimate parent company of NCI and 2675383 Ontario Limited (“267”). NCI holds the grow and sales cannabis license, and 267 holds of the micro-cultivation cannabis license.
- [4] NHI, through its wholly-owned subsidiary, NCI, operates a cannabis production business. NCI is the operating entity. It holds the necessary cannabis licenses and operates the production business out of a licensed facility located at property municipally known as 90 Beach Road, Hamilton, Ontario.
- [5] NCI is a licensed producer of premium cannabis products under the *Cannabis Act*. 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. NCI’s production process involves growing its plants in a tightly controlled indoor environment, and then hand-drying and hand-curing the trimmings before they are used to produce various cannabis products.
- [6] The Applicants’ currently employ 18 employees.
- [7] Lending Stream Inc. (“Lending Stream”) is the Applicants’ senior secured creditor. As of August 31, 2024, NHI was indebted to Lending Stream pursuant to a convertible debenture in the approximate amount of \$1,850,000; and NCI was indebted to Lending Stream pursuant to a royalty agreement in the approximate amount of \$3,360,000. Lending Stream holds various security regarding these obligations. On or about September 23, 2024, Lending Stream demanded payment and issued *BIA* notices regarding these debts. The owner of Lending Stream is the brother of the owner of the Applicants.
- [8] 1955185 Ontario Inc. (“195”) is another secured creditor that provided to loans to NHI pursuant to two sets of loan and security documents. As of September 30, 2024, 195 had loaned the approximate amount of \$3.8 million to NHI. 195 is owned or controlled by the parents or relatives of the owner of the Applicants.
- [9] Another secured creditor is Gage Growth Corp. or TerrAscend Corp. As of September 30, 2024, NHI was indebted to TerrAscend or Gage under a limited guarantee, supported by a general security agreement, in the approximate amount of \$1.3 million.

- [10] There are inter-creditor agreements that govern the relationship of Lending Stream and TerrAscend or Gage regarding the Applicants.
- [11] The Applicants are also facing various contingent claims including from Pure Sunfarms Corp., Ignite International Brands (Canada) LTD, and 10805696 Canada Inc. o/a Mauve & Herbes. These claims arise primarily from contractual disputes and are unsecured claims. These claims are at different stages of litigation, mediation or arbitration and have upcoming deadlines which will require the Applicants to expend additional time, money and resources to meet those deadlines. These claims are in excess of \$5 million.
- [12] The secured creditors have registered security interests under the *PPSA*. The only other *PPSA* registration appears to be against the predecessor company of NCI by Alterna Savings and Credit Unit Limited on May 11, 2023, in the amount of \$34,500 regarding a secured corporate Visa.
- [13] The Applicants are up-to-date with payments to the Canada Revenue Agency in respective employment insurance and Canada Pension Plan deductions but owe excise tax remittances and HST remittances.
- [14] The Applicant owe various amounts to trade creditors.
- [15] The Applicants have faced pressures similar to other 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. The Applicants are facing payment demands from their main secured creditor, Lending Stream, and contingent claims at different stages of litigation or arbitration, and are indebted to other secured creditors, in respect of claims totaling over \$10 million.
- [16] The Applicants' evidence is that they are insolvent and cannot meet their liabilities as they become due. They have determined that a *CCAA* proceeding is required to complete a sale process and otherwise address their current challenges by restructuring their operations.
- [17] The Applicants are proposing that BDO Canada Limited ("BDO") act as monitor of the Applicants in these proceedings.
- [18] Each of the Applicants is incorporated pursuant to the laws of Ontario and they have their registered head offices in Ontario. I am satisfied that the Applicants are unable to meet their obligations as they generally become due, and they face the risk of a liquidity challenge or "cash crunch" in the near future. The Applicants have total debts well in excess of the \$5 million threshold.
- [19] I am satisfied that the Applicants are debtor companies to which *CCAA* applies.

- [20] Pursuant to section 11.02 of the *CCAA*, a court may grant a stay of proceedings on an initial application under the *CCAA* for a period of no more than 10 days, provided that the court is satisfied that circumstances exist that make the order appropriate.
- [21] A stay of proceedings is appropriate where provides a debtor with breathing space as the debtor seeks to restore solvency and emerge from the *CCAA* on a going concern basis. During that period, the purpose of the *CCAA* stay of proceedings is to maintain the *status quo* to provide a structured environment in which an insolvent company can continue to carry on business and develop a restructuring plan for the benefit of the Company and all of its stakeholders. See *Century Services v. Canada (Attorney General)*, 2010 SCC 60, at para. 60.
- [22] Absent exceptional circumstances, the relief to be granted at the initial hearing should be limited and, whenever possible, the *status quo* should be maintained during the initial 10-day period. This 10-day period allows for, among other things, a negotiating window followed by a comeback hearing where the request for expanded relief can be considered on proper notice to all affected parties. See *Re Lydian* 2019 ONSC 7473, at para. 26.
- [23] I am satisfied that given the current financial condition of the Applicants, the payment demand from Lending Screen, and the claims by contingent creditors, a stay of proceedings for an initial period of 10 days is appropriate. The Applicants have limited the relief sought in this application under section 11.001 of the *CCAA* to relief that is reasonably necessary in the circumstances to maintain the status quo and to give the Applicants the breathing room necessary to stabilize their operations, seek and finalize DIP financing and develop a sale process for the benefit of their stakeholders.
- [24] I am satisfied that the stay of proceeding should be extended to the Applicants' directors and officers so that they may focus on the *CCAA* proceedings, including developing and implementing the sale process. Section 11.03 of the *CCAA* allows for the extension of the stay to a debtor's directors.
- [25] I am satisfied that the stay of proceedings should also cover NCI's cannabis licenses. The cannabis licenses of NCI are valuable assets, and they are required to permit the Applicants to continue operating their underlying business.
- [26] The Applicants are also seeking to extend the stay of proceedings to 267 because it holds a cannabis micro-cultivation license and an excise cannabis license, it is integrated with the business and/or operations of the Applicants, and 267's licenses may be a part of or impacted by the anticipated sale process. The requested extension of the stay of proceedings 2267 is intended partly to prevent any regulatory actions related to 267's licenses due to the commencement of the *CCAA* proceeding by the Applicants.

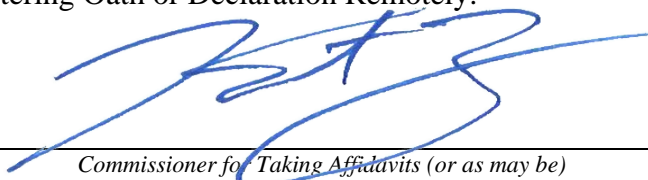
- [27] The Court has authority to extend the stay of proceedings to 267 pursuant to section 11 and 11.02(1) of the *CCAA*, which allows it to make an initial order on any terms that the court may impose. In determining whether a stay should be extended to non-parties, courts have considered numerous factors, including whether the subsidiaries of the applicants had guaranteed secured loans of the applicants, whether the non-applicants were deeply integrated into the business operations of the applicants, and whether the claims against the non-applicants were derivative of the primary liability of the applicants. See *BZAM Ltd. Plan of Arrangement*, 2024 ONSC 1645, at paras. 42-45.
- [28] I am satisfied that the stay of proceedings should apply to 267 including its directors and include a regulatory stay over the 267 licenses. 267 is integrated with the business and/or operations of the Applicants. 267's licenses may be part of or impacted by the anticipated sale process. The stay will prevent uncoordinated realization and enforcement attempts. The directors and officers of 267 should be permitted to focus on the *CCAA* proceeding, including developing and implementing the sale process.
- [29] The Applicant seek a first-ranking court-order charge in the amount of \$200,000 over the Applicants' Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor, and counsel to the Applicants to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order (the "Administration Charge").
- [30] Under section 11.52 of the *CCAA*, courts have jurisdiction to grant a priority administration charge. I am satisfied that the requested Administration Charge should be granted. The nature of the Applicants' business requires the expertise, knowledge and continuing participation of the beneficiaries of the Administration Charge. Each proposed beneficiary of the Administration Charge is performing distinct functions and there is no duplication of roles. I am satisfied that the amount of the proposed Administration Charge is reasonable.
- [31] The Applicants seek a Directors' 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 of \$100,000. Pursuant to section 11.51 of the *CCAA*, a court may grant a directors' charge on a super-priority basis.
- [32] I am satisfied that in order to ensure the ongoing stability of the Applicants' business during the *CCAA* proceedings, the continued participation of its officers and directors is necessary. While the Applicants' directors and officers have the benefit of a D&O insurance policy that provides them of coverage for certain claims and liabilities that may arise, the policy coverage is generally limited to the amount of \$1 million and may contain exclusions to coverage. The Applicants' ordinary course operations during the *CCAA* proceedings will give rise to potential director or officer liability, including for employees' source deductions and sales tax. The directors and officers have requested reasonable protection against personal liability that might arise during the post-filing period.

- [33] The amount of the Directors' Charge was developed with the assistance and support of the proposed Monitor. I am satisfied that the requested Directors' Charge should be granted and that the amount is reasonable to address circumstances that could lead to potential directors' liability prior to the comeback hearing.
- [34] A court is required to appoint a person to monitor the business and financial affairs of a debtor company at the time that an initial *CCAA* order is made pursuant to section 11.7 of the *CCAA*. I am satisfied that BDO should be appointed monitor of the Applicants during the *CCAA* proceedings.
- [35] The comeback hearing is scheduled for November 15, 2024, at 9:30 a.m. by Zoom.
- [36] Order to issue in the form of the Order signed by me today.

Justice
Cavanagh

Digitally signed by Justice
Cavanagh
Date: 2024.11.06 11:59:32
-05'00'

This is Exhibit “E” 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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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



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

**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

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

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

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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 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,

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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.

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.

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.

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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

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

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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**”).

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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.

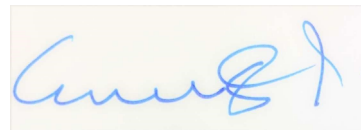
55. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order,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

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Suite 3000, P.O. Box 95
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Toronto, ON M5K 1G8

Vern W. DaRe (LSO# 32591E)

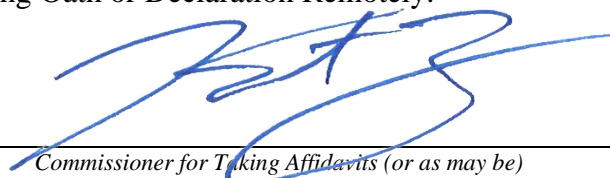
Tel: 416.941.8842

Fax: 416.941.8852

vdare@foglers.com

Lawyers for the Applicants

This is Exhibit “F” 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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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



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

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 Redacted 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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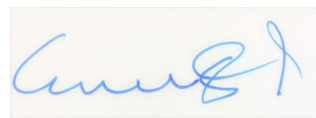
the Applicants are hereby authorized and permitted to disclose and transfer to each potential bidder (the "**Bidders**") and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in 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.

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13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
14. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
15. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



SCHEDULE “A”

SALES PROCESS

Introduction

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

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

Opportunity

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

Timeline

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

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

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

Solicitation of Interest: Notice of the Sales Process

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

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

Potential Bidders and Due Diligence Materials

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

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

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

Continued Management of NCI

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

Stalking Horse Bid Non-Cash Purchase Price Finalized

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

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

Formal Binding Offers

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

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

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

Evaluation of Competing Bids

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

Auction

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

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

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

Auction Procedure

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

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

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

Selection of Successful Bid

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

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

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

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

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

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

Sale Approval Motion Hearing

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

Confidentiality and Access to Information

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

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

Supervision of the Sales Process

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

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

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

**Schedule “1”
Address of Monitor**

To the Monitor:

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

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

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

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

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

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

FOGLER, RUBINOFF LLP
Lawyers
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Lawyers for the Applicants

This is Exhibit “G” 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 March 27, 2025 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.**



SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-24-00730120-00CL DATE: Friday 15th November 2024
REGISTRAR: Christopher Riley

NO. ON LIST: 1 of 1

TITLE OF PROCEEDING: RE: PLAN OF COMPROMISE OR ARRANGEMENT OF
NOYA HOLDINGS INC. and NOYA CANNABIS INC

BEFORE: Mr Justice Cavanagh, P.

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Dare, Vern (Counsel)	Noya Holdings Inc and Noya Cannabis Inc	vdare@foglers.com T: 416-941-8842

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
David Seifer (Counsel)	Lending Stream Inc.	dseifer@dickinsonwright.com T: 416-646-6867
Maria Naimark (Counsel)	Ignite International Canada Ltd.	dseifer@dickinsonwright.com T: 416-646-6867

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Phoenix, R. Graham (Counsel)	BDO Canada Ltd as Monitor	gphoenix@LN.law T: 416-748-4776 : (416) 558-4492

ENDORSEMENT OF JUSTICE CAVANAGH:

[1] On November 6, 2024, I granted an initial order under the *Companies' Creditors Arrangement Act*, as amended ("CCAA") granting, among other things, the Applicants and 2675383 Ontario Limited (the "Non-Applicant Stay Party") protection from their creditors, an administration charge and a directors' charge, and appointing BDO Canada Limited as monitor (the "Monitor") of the Applicants.

[2] At this comeback hearing, the Applicants move for an Amended and Restated Initial Order ("ARIO") and a Sales Process Approval Order.

[3] The background facts underlying this motion are more fully set out in the affidavit of Ziad Reda sworn October 28, 2024 in the affidavit of Mr. Reda sworn November 12, 2024. The background facts are summarized in my endorsement dated November 6, 2024 and in the Applicants' factum at paragraphs 8-25.

[4] Defined terms used in this endorsement have the meanings given in the motion materials.

[5] I first address the relief sought in the requested ARIO.

[6] The Applicants seek an order extending the stay of proceedings to and including March 7, 2025.

[7] The Court may grant an extension of the stay of proceedings where it is satisfied that (a) circumstances exist that make the order appropriate; and (b) the Applicants have acted, and are acting, in good faith and with due diligence. A stay of proceedings is appropriate to provide a debtor with breathing room while it seeks to restore solvency and emerge from the CCAA on a going concern basis.

[8] I am satisfied that the requested extension of the stay of proceedings should be granted for the following reasons:

- a. I am satisfied on the motion materials before me that 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 while continuing to operate in the ordinary course of business to preserve the value of their business.
- b. The Cash Flow Forecast appended to the Monitor's First Report shows sufficient liquidity during the extended stay period to fund obligations and the costs of the CCAA proceedings.
- c. The extension of the stay in favour of the Applicants and the Non-Applicant Stay Party is required to complete the Stalking Horse Sales Process without having to incur costs during that process to return to Court to seek a further extension.
- d. The Monitor supports the requested extension.

[9] The Applicants seek approval of a DIP Loan and a DIP Lender's Charge. Section 11.2 of the CCAA allows the Court to make such an order. In determining whether the DIP Lender's Charge is appropriate, a court is required to consider the factors set out in section 11.2 (4) of the CCAA.

[10] In accordance with the DIP Term Sheet, the Applicants are seeking \$400,000 to be made available upon the issuance of the requested ARIQ. Interest on the advance or advances will be at the rate of 12% per annum. The DIP Term Sheet includes a commitment fee in the amount of \$25,000, representing 6.25% of the total amount available under the DIP facility. As indicated in the Cash Flow Forecasts, with the DIP loan, the Applicants will have sufficient liquidity to meet payroll and finance their operations during the extended stay period.

[11] I am satisfied that the DIP Term Sheet should be approved and that the DIP Lender's Charge should be granted for the following reasons:

- a. The DIP loan is essential for the Applicants because it provides them with interim financing needed to preserve the enterprise value of their business pending determination of a sale process. I accept that the benefits of such new financing outweigh the potential prejudice to any particular creditors. I accept that the interest rate and commitment fee are within the range of reasonableness in the circumstances.
- b. The availability of the DIP loan is contingent on an order approving the DIP Term Sheet and the DIP Lender's Charge being granted to secure any advances made thereunder.
- c. The need for the DIP loan is shown and supported by the Cash Flow Forecast.
- d. The Applicants' business will be managed by its directors and senior management, in consultation with the Monitor.
- e. In the absence of the DIP loan by the Applicants will be unable to continue to carry on business or carry out the sale process and will be forced to shut down their operations to the detriment of stakeholders.
- f. The Monitor is supportive of the DIP loan, the DIP Term Sheet and the DIP Lender's Charge.
- g. The secured creditors have had notice of this motion and are supportive.

[12] The Applicants request an order approving payments to critical suppliers. The Court has jurisdiction to make such an order that will facilitate a restructuring of the business as a going concern.

[13] I am satisfied that an order granting approval to make payments to certain critical suppliers, with the consent of the Monitor, advances the goal of the Applicants to continue operating in the ordinary course of business throughout the sale process, to the benefit of their stakeholders. The amount is not expected to exceed \$110,000.

[14] The Applicants seek approval to increase the amount of the Administration Charge approved in the Initial Order from \$200,000 to \$400,000. The Applicants seek this increase in order to remain consistent with the projected fees and disbursements of the professional group during the extended stay period to secure the SISF Agent's outstanding work fee and expenses under the SISF Agent Agreement. I am satisfied that this increase should be approved.

[15] The Court has jurisdiction to grant an Administration charge pursuant to section 11.52 of the CCAA. I am satisfied that the requested increase in the Administration Charge should be approved for the following reasons:

- a. the cannabis industry is complex, highly regulated and subject to statutory and regulatory restrictions and requirements. Successful restructuring will require extensive input of the professional group including the SISP Agent regarding implementing the Stalking Horse Sales Process.
- b. The beneficiaries of the Administration Charge will have to contribute to the CCAA proceedings and assist the Applicants with achieving their objectives.
- c. The proposed beneficiaries of the Administration Charge are each performing unique functions without duplication of roles.
- d. The amount of the proposed increase to the Administration Charge is fair and reasonable in the circumstances.
- e. The Monitor, the DIP Lender and the Applicants' senior secured lender, Lending Stream, are supportive of the increase in the Administration Charge.

[16] The Applicants seek an increase in the amount of the Directors' Charge approved in the Initial Order from \$100,000 to \$200,000 in order to provide adequate protection for the remaining officer(s) and director(s) of the Applicants during the extended stay period. Pursuant to section 11.51 of the CCAA, a court may grant a director's charge on a super-priority basis.

[17] I am satisfied that the requested increase should be approved following reasons:

- a. The secured creditors who do not oppose.
- b. The amount of the requested increase is reasonable in the circumstances. Available insurance provides limited coverage and has exclusions that may expose the officers and directors to personal liability.
- c. The Monitor supports the requested increase.

[18] I now turn to the requested Sales Process Approval Order.

[19] The Applicants seek approval requested Stalking Horse Share Purchase Agreement. Stalking horse agreements or bids, including credit bid stalking horse bids, have been recognized as reasonable and useful components of a sales process. They have been approved and used in any insolvency proceedings to establish a baseline price and transactional structure for superior bids from interested parties.

[20] On November 11, 2024, the Applicants and the Stalking Horse purchaser finalized negotiations and entered into the Stalking Horse SPA. The Stalking Horse SPA is structured as a purchase of the retained assets of the Applicants by way of a share sale and reverse vesting order. The purchase price under the Stalking Horse SPA is approximately \$2.8 million subject to adjustments and will generally be satisfied by way of a credit bid. The Stalking Horse SPA contemplates that, in the event that the Stalking Horse Bid is not the successful bid, the Stalking Horse Bidder shall be entitled to a break fee in the amount of \$175,000 and, in addition, repayment of professional fees to a maximum of \$100,000 as well as repayment of all amounts advanced under the DIP Term Sheet in priority to claims against the Applicants.

[21] I am satisfied that the Stalking Horse SPA should be approved for the following reasons:

- a. The Stalking Horse SPA provides some certainty that the Applicants' business will continue as a going concern. If it is not approved in conjunction with the DIP Loan, the Applicants will not have sufficient funds to continue operating, to the detriment of their stakeholders.
- b. The baseline price and the Stalking Horse SPA will assist in allowing the Applicants to fairly canvass the market to obtain the best bids for their business.
- c. No better or other alternative has been identified.
- d. The break fee and expense reimbursements compensate a stalking horse bidder for the time and resources expended and risks taken in developing a stalking horse agreement. Bid protections reflect the price of stability. Bid protections are subject to the debtors' business judgment, provided that they lie within a range of reasonable alternatives.
- e. The Monitor is of the view that the break fee and expense reimbursements are reasonable in the circumstances.

[22] The Applicants seek approval of a sales process. The Stalking Horse Sales Process was developed in consultation with the Monitor and the SISP Agent and takes into account the current financial circumstances of the Applicants. Subject to approval, the Stalking Horse Sales Process will be administered by the Monitor and the SISP Agent in consultation with the Applicants. Under the proposed Stalking Horse Sales Process, the Monitor retains certain rights in connection with material decisions (for example, extending timelines).


[23] I have considered the factors in s. 36(3) of the CCAA. I am satisfied that the timeline established for the Stalking Horse Sales Process will adequately expose the Applicants' business to the market. The Monitor is supportive of the length and structure of the Stalking Horse Sales Process.

[24] The Applicants request approval of the SISP Agent Agreement. Under this agreement, the Applicants have retained Kronos Capital Partners Inc. as the sales agent to assist with the implementation of the Stalking Horse Sales Process pursuant to the sales agent agreement dated November 11, 2020 for the Stalking Horse SPA. There is generally a fixed work fee (\$60,000 plus HST) and success fee (\$150,000 plus HST that does not apply if the Stalking Horse Bid is the successful bid), as well as provision for legal and non-legal expenses (\$12,500) provided for under the SISP Agent Agreement. The SISP Agent has significant experience implementing the sales processes regarding cannabis companies.

[25] I approve the SISP Agent Agreement and authorize the Applicants, *nunc pro tunc*, to pay amounts due to the SISP Agent Agreement for the following reasons:

- a. The SISP Agent is expected to enhance the prospect of value maximizing actions.
- b. The SISP Agent has significant experience in the cannabis sector.
- c. The SISP Agent is familiar with, and well-positioned to solicit interest in, the business.
- d. The Applicants, exercising their business judgment, support retention of the SISP Agent on the terms proposed.
- e. The Monitor supports the SISP Agent's engagement and approval of the SISP Agent Agreement.

[26] I am satisfied that the requested Orders should be made. Orders to issue in forms of Orders signed by me today.

A handwritten signature in blue ink, appearing to read 'Cavanagh J.', is shown within a light gray rectangular box.

Cavanagh J.

Date: November 15, 2024

This is Exhibit “H” 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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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



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

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

THE HONOURABLE)	WEDNESDAY, THE 5 TH
)	
JUSTICE CAVANAGH)	DAY OF MARCH, 2025

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

APPROVAL AND REVERSE VESTING 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, among other things: (i) approving the transactions (collectively, the "**Transaction**") contemplated by the stalking horse purchase agreement dated November 11, 2024, as amended (the "**SPA**"), entered into among Noya Holdings Inc. (the "**Vendor**"), Noya Cannabis Inc. (the "**Company**") and Lending Stream Inc. (the "**Purchaser**", "**DIP Lender**" or "**Lending Stream**") for the purchase and sale of all of the issued and outstanding shares of the Company ("**Purchased Shares**") and the Company Property (defined below); (ii) adding 1001155163 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA Proceedings in order to carry out the Transaction; (iii) vesting in the Company all of the Vendor's right, title and interest in and to the Transferred Assets, if any, free and clear from any Encumbrances; (iv) transferring and vesting absolutely and exclusively in ResidualCo all Excluded Liabilities, Excluded Assets, and Excluded Contracts; (v) vesting all of

the Vendor's right, title and interest in and to the Purchased Shares in the Purchaser, free and clear of any Encumbrances; (vi) discharging all Encumbrances against the Company and the Company Property other than Permitted Encumbrances; (vii) approving releases in favour of the current and former directors, officers, employees, legal counsel and advisors of the Applicants, Monitor and Purchaser; (viii) approving the first and second report of BDO Canada Limited (“**BDO**”), in its capacity as Monitor of the Applicants (the “**Monitor**”), respectively dated November 13, 2024 (the “**First Report**”) and February 26, 2025 (the “**Second Report**”), including activities, fees and disbursements; and (ix) extending the stay of proceedings to April 11, 2025 (the “**Stay Period**”), was heard this day by judicial video conference via Zoom.

ON READING the Applicants' notice of motion dated February 26, 2025, the Affidavit of Ziad Reda sworn February 25, 2025, and the Second Report, to be filed, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for those other parties appearing as indicated by the counsel slip or participant information form, no one appearing for any other party although duly served as appears from the Affidavit of Service of Michelle Pham sworn February 26, 2025, filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the SPA.

RESIDUALCO

3. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:
- (a) ResidualCo shall be a company to which the CCAA applies; and
 - (b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to: (i) an “Applicant” or the “Applicants” shall refer to and include ResidualCo; and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each of the Charges (as defined in the Initial Order), shall constitute a charge on the ResidualCo Property

APPROVAL OF SPA, TRANSACTION AND PRE-CLOSING REORGANIZATION

4. **THIS COURT ORDERS AND DECLARES** that the SPA is approved as the Successful Bid (as that term is defined in the Order of Justice Cavanagh dated November 15, 2024 in these CCAA Proceedings), and the Transaction and the Pre-Closing Reorganization are hereby approved. The Applicants are hereby authorized and directed to perform their obligations under the SPA and to take such additional steps and execute

such additional documents as may be necessary or desirable to effect the completion of the Transaction and for the conveyance of the Purchased Shares to the Purchaser, including the Pre-Closing Reorganization steps.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith.

VESTING & PRE-CLOSING REORGANIZATION

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

- (a) First, all of the Vendor's right, title and interest in and to the Transferred Assets, if any, shall vest absolutely and exclusively in the Company, free and clear of and from any and all Claims and Encumbrances (each as defined below) and, for greater certainty, this Court orders that all of the Encumbrances in respect of the Transferred Assets are hereby expunged and discharged as against the Transferred Assets;
- (b) Second, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets and to the

Proceeds (defined below) in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

- (c) Third, all Excluded Contracts and Excluded Liabilities (which for certainty includes, without limitation, all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Company (other than the Assumed Liabilities) shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Company, and the Company and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situated (including, for certainty, the Transferred Assets and the Retained Assets) (collectively, the “**Company Property**”) shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Company Property are hereby expunged and discharged as against the Company Property;
- (d) Fourth, in consideration for the Purchase Price, all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual,

statutory, or otherwise, including without limitation the constructive trust asserted by Ignite International Brands (Canada) Ltd.), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other orders in these CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) those Claims listed on Schedule “B” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on Schedule “C” hereto with respect to the SPA) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares;

- (e) Fifth, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) and are convertible or exchangeable for any securities of the Company, or which require the issuance, sale or transfer by the Company of any shares or other securities of the Company and/or the share capital of the Company, or otherwise relating thereto, shall be deemed terminated and cancelled; and

(f) Sixth, the Company shall, and shall be deemed to, cease being an Applicant in these CCAA Proceedings, and shall be deemed to be released from the purview of the Initial Order and all other orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Company and ResidualCo) shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction.
8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.
9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares, if any (the "**Proceeds**") and the Excluded Assets, if any, shall be allocated to ResidualCo, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Company Property immediately prior to the sale, as if: (i) the Company Property and Purchased Shares had not been sold and remained owned by and in the possession or control of the Person who owned and had possession or control immediately prior to the sale; and (ii) the Excluded Contracts and Excluded Liabilities had not been transferred to

and vested in ResidualCo and had remained liabilities of the Company immediately prior to the transfer.

10. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Certificate, the Purchaser and its counsel and/or their respective agents shall be authorized to take all steps to file or register, as applicable, all such financing change statements and other instruments as may be necessary to cancel and discharge all registrations against the Company pursuant to the *Personal Property Security Act* (Ontario) or any similar legislation.
11. **THIS COURT ORDERS** that, for greater certainty, upon delivery of the Monitor's Certificate, and upon filing of a copy of this Order together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicants or the Applicants' Property, business or operations (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Certificate and a copy of this Order as though they were originals and to enter into records, make, amend or discharge such registrations and transfers of interests as the Purchaser, the Company, ResidualCo or the Monitor may require to give effect to the terms of this Order and the Share Purchase Agreement. Presentment of a copy of this Order and a copy of the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to enter into records, make, amend or discharge registrations and transfers of interests as required by this paragraph, including, without limitation, to effect the discharge of the Claims and Encumbrances as against the Company Property.

12. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Applicants or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Company's records pertaining to past and current employees of the Company. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Company.
13. **THIS COURT DECLARES AND ORDERS** that the Purchased Shares are being purchased by the Purchaser from the Vendor and that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Company shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any taxes (including penalties and interest thereon) of, or that relate to, the Applicants or the Company Property (provided as it relates to the Company, such release shall not apply to taxes in respect of the business and operations conducted by the Company on or after November 6, 2024).
14. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all contracts to which the Applicants are parties upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right

15. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and the Company arising directly or indirectly

from the filing of the Company under the CCAA and the implementation of the Transaction and Pre-Closing Reorganization, including without limitation any of the matters or events listed in paragraph 14 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company from performing its obligations under the SPA or be a waiver of defaults by the Company under the SPA and the related documents.

16. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, indirectly, derivatively or otherwise, and including without limitation, administrative hearings, arbitrations, mediations, and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company or the Company Property relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

17. **THIS COURT ORDERS** that from and after the Effective Time:

- (a) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Effective Time had a valid right, Claim or Encumbrance against the Company under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right, Claim or Encumbrance against the Company but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

CANADA REVENUE AGENCY SET OFF

18. **THIS COURT ORDERS** that the Canada Revenue Agency's right of set off is preserved to the extent that: (i) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising prior to the CCAA filing date of November 6, 2024 are applied against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising prior to that date on a consolidated basis; or (ii) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising on or after the CCAA filing date of November 6, 2024 are applied

against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising on or after that date.

RELEASES

19. **THIS COURT ORDERS** that effective upon the filing of the Monitor's Certificate: (i) the current directors, officers, employees, legal counsel and advisors of the Applicants; (ii) the current directors, officers, employees, legal counsel and advisors to ResidualCo; (iii) the Monitor and its legal counsel; (iv) Kronos Capital Partners Inc., in its capacity as sales agent, and its legal counsel; (v) the current directors, officers, employees, legal counsel and advisors of the DIP Lender; (vi) Lending Stream, in its capacity as secured creditor; and (vii) the current directors, officers, employees, legal counsel and advisors of the Purchaser (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate: (a) undertaken or completed pursuant to the terms of this Order; (b) arising in connection with or relating to the SPA or the completion of the Transaction; (c) arising in connection with or relating to the within CCAA Proceedings; or (d) related to the management,

operations or administration of the Applicants (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

20. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the “**BIA**”), in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants; the SPA, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the Transferred Assets in and to the Company, and the transfer and vesting of the Purchased Shares in and to the Purchaser) and any payments by or to the Purchaser, the Applicants or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and/or ResidualCo and shall not be void or voidable by creditors of the Applicants or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction

under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR'S ENHANCED POWERS

21. **THIS COURT ORDERS** that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in these CCAA Proceedings, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required to:

- (a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of ResidualCo, including with respect to any Excluded Liability Claim, and to carry out the Monitor's duties under this Order or any other Order of this Court in these CCAA Proceedings;
- (b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;
- (c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;
- (d) open one or more new accounts (the “**ResidualCo Accounts**”) into which all funds, monies, cheques, instruments and other forms of payment payable to

ResidualCo shall be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

- (e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds of the ResidualCo Property or any other related activities, including in connection with bringing these CCAA Proceedings to an end;
- (f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo (including any governmental authority) in the name of or on behalf of ResidualCo;
- (g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;
- (h) have access to all books and records that are the property of ResidualCo in ResidualCo's possession or control, in addition to the books and records of the Applicants in accordance with the terms of the SPA;
- (i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

- (j) consult with Canada Revenue Agency or Health Canada with respect to any issues arising in respect of these CCAA Proceedings; and
- (k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

GENERAL

- 22. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Company Property.
- 23. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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

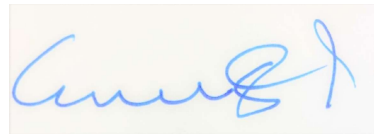
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NOYA
HOLDINGS INC. AND 1001155163 ONTARIO INC.

STAY PERIOD

- 24. **THIS COURT ORDERS** that the Stay Period referred to in the Amended and Restated Initial Order be and is hereby extended to April 11, 2025.

OTHER

25. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the 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.
26. **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.
27. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the 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.



SCHEDULE “A” – FORM OF MONITOR'S CERTIFICATE

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

RECITALS

1. Pursuant to the Amended and Restated Initial Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) dated November 15, 2024, the Applicants were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and BDO Canada Limited was appointed as the monitor (“**Monitor**”) of the Applicants.
2. Pursuant to the Approval and Reverse Vesting Order of the Court, dated March 5, 2025 (the “**Order**”), the court approved the transaction (the “**Transaction**”) contemplated by the Stalking Horse Purchase Agreement dated November 11, 2024, as amended (the “**SPA**”), among Noya Holdings Inc. (the “**Vendor**”), Noya Cannabis Inc. (the “**Company**”) and Lending Stream Inc. (the “**Purchaser**”) and ordered, *inter alia*, that: (i) 1001155163 Ontario Inc. (“**ResidualCo**”) be added as an Applicant to these CCAA Proceedings; (ii) all of the Vendor's right, title and interest in and to the Transferred Assets be vested in the Company, free and clear from any Encumbrances; (iii) the Excluded Assets, Excluded Liabilities and Excluded Contracts be vested absolutely and exclusively in ResidualCo; (iv) all of the Vendor's right, title and interest in and to the Purchased Shares be vested absolutely and exclusively in the Purchaser, free and clear from any Encumbrances, except for the Permitted Encumbrances, which vesting is, in

each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Purchaser and the Vendor that all conditions to closing have been satisfied or waived by the parties to the SPA.

3. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and from the Vendor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.
2. This Monitor's certificate was delivered by the Monitor at ◆ on ◆, 2025.

**BDO CANADA LIMITED, IN ITS CAPACITY
AS MONITOR OF THE APPLICANTS, AND
NOT IN ITS PERSONAL CAPACITY**

Per:

Name: Name

Title: Title

I have authority to bind the Corporation

SCHEDULE “B”
SPECIFIC CLAIMS OR ENCUMBRANCES TO BE DISCHARGED

(A) Personal Property Security Interests

1. Ontario

(i) Personal Property Security Act (Ontario)

Debtor Name	Secured Party Name	File Number	Expiry Date
Noya Holdings Inc.	Lending Stream Inc.	730150461	July 25, 2042
Noya Cannabis Inc.	Lending Stream Inc.	730149462	July 25, 2042
Noya Holdings Inc.	1000593616 Ontario Inc.	748600272	February 26, 2026
Noya Holdings Inc.	1000593616 Ontario Inc.	751191768	May 14, 2026
Radicle Medical Marijuana Inc. (now Noya Cannabis Inc.)	Alternia Savings and Credit Union Limited	793239372	May 11, 2028

(B) Litigation

1. Ontario

Plaintiff/Appellant	Defendant/Respondent	Jurisdiction/Court File No.	Case Status
Ignite International Brands (Canada) Ltd.	Noya Cannabis Inc. and Noya Holdings Inc.	SCJ – Toronto (CV-21-00673047-0000)	Prior to the commencement of these CCAA proceedings, the parties were scheduled to attend mediation on or about February, 2025
10805696 Canada Inc., o/a Mauve &	Noya Cannabis Inc.	Arbitration pursuant to the	Notice of Arbitration dated

Herbes		<i>Arbitration Act, 1991</i> SO 1991, c. 17	September 23, 2024
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2. British Columbia

Plaintiff/Appellant	Defendant/Respondent	Jurisdiction/Court File No.	Case Status
Pure Sunfarms Corp.	Noya Cannabis Inc.	Arbitration pursuant to the <i>Arbitration Act</i> , S.B.C. 2020, c. 2	Before the commencement of these CCAA proceedings, the parties were scheduled to attend an arbitration hearing in mid-December, 2024 pursuant to Procedural Order No. 1 – Procedural Timetable dated October 8, 2024

(C) Real Property Registrations

Ontario-nil

British Columbia-nil

**SCHEDULE “C”
PERMITTED ENCUMBRANCES**

NIL

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

APPROVAL AND REVERSE VESTING ORDER

FOGLER, RUBINOFF LLP

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Lawyers for the Applicants, Noya Holdings Inc. and Noya Cannabis Inc.



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

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

THE HONOURABLE

)

WEDNESDAY, THE 5TH

)

JUSTICE CAVANAGH

)

DAY OF MARCH, 2025

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

ANCILLARY 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**"), was heard this day by way of judicial video conference.

ON READING the Applicants' notice of motion dated February 26, 2025, the Affidavit of Ziad Reda dated February 25, 2025 (the "**Third Reda Affidavit**"), and the Second Report dated February 26, 2025 ("**Second Report**") of BDO Canada Limited, in its capacity as the monitor (the "**Monitor**"), including the First Report of the Monitor dated November 13, 2024 ("**First Report**"), and on hearing the submissions of counsel for the Applicants and counsel for the Monitor and counsel for those other parties appearing as indicated by the counsel slip or participant information form, no one appearing for any other party although duly served as appears from the Affidavit of Service of Michelle Pham sworn February 26, 2025, filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Third Reda Affidavit.

MONITOR'S REPORTS AND ACTIVITIES APPROVAL

3. **THIS COURT ORDERS** that the First Report and Second Report of the Monitor and the activities and conduct of the Monitor described therein are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES OF THE MONITOR AND ITS COUNSEL

4. **THIS COURT ORDERS** that the professional fees of the Monitor for the period from October 1, 2024 to February 14, 2025, in the amount of \$103,832.50, plus disbursements of \$6,065.27 and Harmonized Sales Tax ("**HST**") of \$14,286.72, for a total of \$124,184.49, as set out in the Second Report and the Affidavit of Robyn Duwyn sworn February 26, 2025, attached as Appendix "I" to the Second Report, are hereby approved.

5. **THIS COURT ORDERS** that the professional fees of Loopstra Nixon LLP, counsel to the Monitor, for the period from October 9, 2024 to January 31, 2025, in the amount of \$48,442.50, plus disbursements of \$809.20 and HST of \$6,402.73, for a total of \$55,654.43, as set out in the Second Report and the Affidavit of Shahrzad Hamraz sworn February 26, 2025, attached as Appendix "J" to the Second Report, are hereby approved.

GENERAL

6. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the 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-24-00730120-00C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ANCILLARY ORDER

FOGLER, RUBINOFF LLP

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Noya Cannabis Inc.



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00730120-00CL

DATE: March 5, 2025

NO. ON LIST: 2

TITLE OF PROCEEDINGS:

Noya Holdings Inc. / Noya Cannabis Inc.

vs.

Ignite International Brands (Canada) Ltd. And BDO Canada Limited

BEFORE: Justice Cavanagh

PARTICIPANT INFORMATION

For Plaintiff, Applicant:

Name of Person Appearing	Name of Party	Contact Info
Vern DaRe	Counsel for the Applicants	vdare@foglers.com

For Defendant, Respondent:

Name of Person Appearing	Name of Party	Contact Info
Not Present	Not Present	Not Present

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
John Leslie Dickison	Counsel for Lending Stream	jleslie@dickinsonwright.com
David Z. Seifer	Counsel for Lending Stream	dseifer@dickinsonwright.com
Graham Phoenix Shahrazad Hamraz	Counsel for the Monitor	gphoenix@ln.law shamraz@ln.law
Robert Duwyn	Monitor	rduwn@bdo.ca

ENDORSEMENT OF JUSTICE CAVANAGH:

- [1] On November 6, 2024 the Applicants commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") pursuant to the Initial Order (as amended and restated on November 15, 2024 (the "ARIO")). On November 15, 2024, the Court granted the Sale Process Approval Order that, among other things, approve the Stalking Horse SPA and authorize the Applicants, Sales Agent and the Monitor to commence the Sale Process.
- [2] At this hearing, the Applicants seek two orders: an Approval and Reverse Vesting Order and an Ancillary Order.
- [3] The relief sought is supported by the Monitor. No one appeared to oppose this relief.
- [4] The relevant facts are set out in the first affidavit of Ziad Reda sworn October 28, 2024 and his second affidavit sworn November 12, 2024. These facts are summarized in the Applicant's factum.
- [5] Defined Terms have the meanings assigned to them in the application materials.

Should the Court approve the Transaction?

- [6] When applying under section 11 of the *CCAA* to approve a reverse vesting transaction, this Court has considered the non-exhaustive factors listed under subsection 36(3) of the *CCAA* and those identified in *Royal Bank of Canada v. Soundair Corp.*, 1991 CanLII 2727 (ON CA). These factors include:
 - a. whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - b. whether the Monitor approved the process leading to the proposed sale or disposition;
 - c. whether the Monitor filed with the court a report stating that in its opinion the sale or disposition would be more beneficial to creditors than a sale or disposition under a bankruptcy;
 - d. the extent to which creditors were consulted;
 - e. the effects of the proposed sale or disposition on the creditors and other interested parties;
 - f. whether the consideration to be received for the assets is reasonable and fair, taking into account their market value; and
 - g. whether sufficient effort has been made to obtain the best price and that the debtors have not acted improvidently.
- [7] These factors support approval of the Transaction for the following reasons:
 - a. The process leading to the Stalking Horse SPA and the Transaction was reasonable. During the *CCAA* proceeding, the Sales Agent, in consultation with the Monitor and the Applicants, broadly canvassed the market under the Sale Process. The Sale Process was developed in consultation

with the Monitor, and the Monitor and Sales Agent administered it in accordance with its terms and the Sale Process Approval Order.

- b. The Second Report expresses the Monitor's view that the Transaction is more favourable than a liquidation. The Monitor reports that a liquidation of the Applicants' assets under a bankruptcy would produce a worse result, or no more favourable result as the reverse vesting structure would produce, for all stakeholders.
- c. The Purchaser, being the Applicants' principal and senior secured creditor, was consulted in the development and negotiation of the Sale Process and supports the relief sought by the Applicants. In addition, the Applicants' or the Monitor's counsel has had communications with counsel for other creditors and stakeholders during the *CCAA* proceedings.
- d. I am satisfied that the Applicants' stakeholders are no worse off than they would have been under any other viable alternative.
- e. The Monitor and the Sales Agent, in consultation with the Applicants, undertook extensive solicitation efforts during the Sale Process, which resulted in a competitive process for the Applicants' business. Further, prior to the commencement of the *CCAA* proceedings, the Applicants pursued various debt or equity opportunities as part of their comprehensive review of options to address liquidity issues, all of which were unsuccessful.
- f. The Monitor supports the approval of the Stalking Horse SPA and the Transaction.

Should the court grant the Approval and Reverse Vesting Order?

[8] In *Harte Gold Corp. (Re)*, 2022 ONSC 653, Penny J., at para. 38, expressed his view that it would be wrong to regard the employment of the RVO structure in insolvency situations as the "norm" or something that is routine or ordinary course. Justice Penny considered that the RVO should continue to be regarded as an unusual or extraordinary measure; not an approach appropriate in any case merely because it may be more convenient or beneficial for the purchaser. Justice Penny identified questions which should be addressed when a court is asked to decide whether an RVO transaction should be approved:

- a. why is the RVO necessary in this case?
- b. does the RVO structure produces an economic result at least as favourable as any other viable alternative?
- c. is any stakeholder worse off under the RVO structure than they would have been under any other viable alternative? and
- d. does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the RVO structure?

[9] In *Hart Gold*, Penney J. observed that in that case, the principal objective and benefit of employing the RVO approach is the preservation of the applicant's many permits and licenses necessary to conduct operations. He noted that under a traditional asset sale and AVO structure, the purchaser would have to apply to the various agencies and regulatory authorities for transfers of existing licenses and permits or, if

transfers are not possible, for new licenses and permits. The RVO structure achieves the timely and efficient preservation of the necessary licenses and permits.

- [10] The Applicant NCI operates in the cannabis business which is heavily regulated. In order for NCI to carry on business, it is required to maintain various cannabis licenses. They would be at considerable risk of being lost if a traditional asset transfer were implemented. The Applicants do not have sufficient liquidity to remain in a CCAA process for the extended amount of time transferring the licenses would entail.
- [11] I am satisfied that the Transaction will achieve the best possible outcome for the Applicants and their stakeholders in the circumstances. Without the Approval and Reverse Vesting Order, which is a condition to the Stalking Horse SPA, there would be substantial delay in transferring the licenses, and the ability to transfer some or all of them at all would be at risk. I accept that there is no other viable alternative to the Transaction. I am satisfied that no bids ultimately materialized under the Sale Process that provided for better collective recoveries to the Applicants' stakeholders than those provided by the Stalking Horse SPA.
- [12] I am satisfied that stakeholders are no worse off under the reverse vesting structure. In a liquidation, after the payment of professional fees, the DIP Lender and the first secured creditor, it is unlikely that there would be any significant funds available for distribution to any creditors. Employees would also lose the ongoing employment provided by the Transaction, the landlord would be without a tenant and various suppliers would be impacted.
- [13] The purchase price for the shares is estimated at approximately \$3.8 million. I am satisfied that this purchase price is fair and reasonable, as result of the Court-approved Sale Process. The consideration, primarily a credit bid, being paid by the Purchaser is directly attributable to the value and importance of NCI's licenses.
- [14] I am satisfied that the reverse vesting structure is appropriate in the circumstances.

Should the Court grant the releases in the requested Approval and Reverse Vesting Order?

- [15] The requested form of order includes releases in favour of certain released parties. The proposed released parties include (i) the current directors, officers, employees, legal counsel and advisors of the Applicant; (ii) the Sales Agent and its legal counsel; (iii) the current directors, officers, employees, legal counsel and advisors of the DIP lender; (iv) Lending Stream way in its capacity as secured creditor; and (vii) the current directors, officers, employees, legal counsel and advisors of the Purchaser.
- [16] The released claims include any and all present and future claims against the released parties based upon any fact or matter or occurrence in respect of the CCAA proceedings, the stalking Horse SPA, and completion of the Transaction. The released claims do not release claims which are not permitted to be released pursuant to section 5.1 (2) of the CCAA.
- [17] In *Lydian International Limited (Re)*, 2020 ONSC 4006, Chief Justice Morawetz identified a list of factors to guide the court when considering if a release is appropriate in the circumstances:
 - a. whether the claims to be released are rationally connected to the purpose of the plan;
 - b. whether the plan can succeed without the releases;

- c. whether the parties being released contributed to the plan;
- d. whether the releases benefit the debtors as well as the creditors generally;
- e. whether the creditors voting on the plan have knowledge of the nature and effect of the releases;
and
- f. whether the releases are fair, reasonable and not overly-broad.

[18] I am satisfied that the requested released claims are rationally connected to the Applicants' restructuring because they are limited to claims arising during the *CCAA* proceedings, or in connection with the Stalking Horse SPA and the Transaction. I accept that the proposed released parties made significant contributions to the Applicants' restructuring, both prior to and throughout the *CCAA* proceedings. I accept that the efforts of the directors and management of the Applicants were instrumental to the conduct of the Sale Process and the continued operations of the Applicants during the *CCAA* proceedings. Lending Stream provided the DIP loan necessary to support the Applicants during the restructuring and agreed to the Stalking Horse bid to provide certainty that a going-concern solution for the Applicants had been identified. The released parties contributed time, effort and resources to achieve a positive outcome. I accept that the releases are sufficiently narrow in the circumstances. The service list was served with materials related to this motion. No creditor or stakeholder objected to the releases sought.

Should the requested stay extension be granted?

- [19] The stay period currently expires on March 7, 2025. The Applicants request an extension to April 11, 2025.
- [20] The Applicants are projected to have sufficient cash to continue their operations during the requested extended stay period. The Monitor and the DIP lender are both supportive of the requested extension of the stay period.
- [21] I accept that the extension is necessary and appropriate in the circumstances to provide the Applicants the time necessary to close the Transaction.

Should the Monitor's reports, activities and fees be approved?

- [22] I am satisfied that the Monitor's reports, activities and fees should be approved.

Letter sent by counsel for Ignite.

- [23] In the Monitor's Second Report, the Monitor refers to a claim made by Ignite International Brands (Canada) Ltd. ("Ignite") in a statement of claim issued on September 2, 2021, as amended. The Monitor refers to a letter sent by counsel for Ignite after the comeback hearing (attended by Ignite's counsel) in which Ignite's counsel informed the Monitor that it asserts a constructive trust claim over funds held by NCI. On January 31, 2025, Ignite served the Monitor and other parties with a notice of motion in this proceeding in which Ignite seeks relief in respect of its constructive trust claim. No date has been set for the hearing of this motion.
- [24] No one appeared on behalf of Ignite at the hearing to oppose the relief sought. If Ignite opposed the Sale Process or the Stalking Horse SPA because of its claim, the time to have done so was at the Comeback

Hearing, before orders were made that were relied upon in the Sale Process. The evidence before me does not support a conclusion that Ignite has a valid constructive trust claim. There is no proper basis to deny the relief sought today based on this claim.

[25] Orders to issue in forms of Orders signed by me today.

A handwritten signature in blue ink, appearing to read "Amir", is written on a light-colored rectangular background.

This is Exhibit "I" 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 March 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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



Court File No.

213 8825

9/7/22

16

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

SELVIRA PECKOVIC

Plaintiff

- and -

NOYA CANNABIS INC. and 2138825 ONTARIO INC.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the rules of court, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the rules of court. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date:

Issued by _____

Local registrar

Address of court office:

45 Main Street East

Suite #110

Hamilton, Ontario

L8N 2B7

TO: **NOYA CANNABIS INC.**
90 Beach Road
Hamilton, Ontario
L8P 2J7

AND TO: **2138825 ONTARIO INC.**
90 Beach Road
Hamilton, Ontario
L8P 2J7

Or: 50 Markland Street
Hamilton, Ontario
L8P 2J7

**THIS ACTION IS BROUGHT AGAINST YOU UNDER THE SIMPLIFIED
PROCEDURE PROVIDED IN RULE 76 OF THE RULES OF CIVIL
PROCEDURE**

CLAIM

1. The Plaintiff, **SELVIRA PECKOVIC**, claims:
 - (a) Damages in the amount of \$200,000.00;
 - (b) Pre-judgment interest and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (c) Costs of this action on a solicitor and client basis, together with any Harmonized Tax which may be payable thereon; and
 - (d) Such further and other relief as this Honourable Court may deem just.
2. The Plaintiff, **SELVIRA PECKOVIC**, resides in the City of Hamilton, in the Province of Ontario and was, at all material times, a pedestrian and worker attending Noya Cannabis Inc. located at or adjacent to a property identified as 90 Beach Road, in the City of Hamilton, in the Province of Ontario (the "Premises").
3. The Defendant, **NOYA CANNABIS INC.** (hereinafter referred to as the ("NOYA")) is a company carrying on business activities pursuant to the laws of the Province of Ontario with an office in the City of Hamilton and was, at all material times, the owner/lessor, occupier and supervisor of the property and its adjacent areas where the Premises is located and was responsible for the administration and the maintenance of the Premises with obligations to ensure the safety of the pedestrians and workers attending the Premises.

4. The Defendant, **2138825 ONTARIO INC.**, is a company carrying on business activities pursuant to the laws of the Province of Ontario with an office in the City of Hamilton, in the Province of Ontario and was, at all material times, the owner/lessor, occupier and supervisor of the property and its adjacent areas where the Premises is located and was responsible for the administration and the maintenance the Premises with obligations to ensure its safety.
5. On or about the 9th day of February, 2022 at approximately 7:40 a.m., the Plaintiff attended the Premises and was walking near the entrance/exit gate of the building at the Premises. Suddenly and without warning, the Plaintiff slipped on a patch of ice and snow which was accumulated on the ground without any notice or warning causing her violently fell to the ground (the "Fall). As a result of the Fall, the Plaintiff sustained serious and permanent injuries including fracture in her left arm. The Plaintiff was, at all material times, walking at the Premises in a careful and prudent manner and was attired in proper footwear.
6. The Plaintiff states and the fact is that the Fall and resulting injuries were caused as a result of the negligence of the Defendants and/or its employees, servants and/or agents, for whose negligence the Defendant is responsible at law. The particulars of such negligence are that they:
 - (a) caused and permitted the area of the Premises to be left with unremoved ice and snow and unsalted despite weather conditions which presented a

danger to the pedestrians/visitors when they knew or ought to have known that such danger existed and took no reasonable steps to prevent the danger from arising;

- (b) failed to properly maintain the area of the Premises;
- (c) caused and permitted a situation of unusual danger to exist when, by the use of reasonable efforts, they could have prevented the situation of danger;
- (d) failed to frequently clean and salt the Premises and its adjacent areas or barricade or cordon it off properly and timely for access by the pedestrians/visitors;
- (e) failed to instruct their employees, servants or agents to warn the patrons/visitors of the danger;
- (f) failed to instruct their employees, servants or agents to inspect and supervise the general condition, safety and maintenance of the Premises;
- (g) ailed to instruct their employees, servants or agents to inspect and supervise the area where the Fall occurred;
- (h) failed to adequately secure and maintain the Premises in a condition fit for the Plaintiff;
- (i) failed to warn the Plaintiff adequately or at all, of the existence of the said danger by means of signs, barricades, warning lights or otherwise;

- (j) failed to take any steps to assist the Plaintiff when they knew or ought to have known that the Plaintiff might face a situation of danger;
- (k) failed to take any or reasonable care to prevent injury or damage to the Plaintiff caused by hidden or unusual dangers at the Premises when they knew or ought to have known that such danger existed;
- (l) knew or ought to have known that the Premises and area of the Fall was in a condition of unusual danger and/or they knew or ought to have known that a trap existed causing the Plaintiff to fall; and
- (m) failed to take any or reasonable precautions for the safety of the Plaintiff at the Premises.

7. The Plaintiff states that the Defendants are and were, at all material times, responsible for the general condition, safety, maintenance and other obligations in relation to the Premises.
8. In the alternative, the Plaintiff states that the cause of the Fall and the surrounding circumstances are within the exclusive knowledge and control of the Defendants, their employees, servants, and/or agents and that the Fall would not have occurred but for their negligence. The Plaintiff pleads and relies upon the doctrine of *res ipsa loquitur*.

9. As a result of the Fall, the Plaintiff sustained serious and permanent injuries including a general tearing, spraining and damaging of the nerves, muscles and ligaments throughout her body and abrasions, contusions and lacerations to various parts of her body. In particular and without limiting the generality of the foregoing, the Plaintiff suffered injuries to her hands, wrists, back, buttocks, thighs, knees, ankles, hips, legs, shoulders, arms, chest, and neck. The full extent of the injuries suffered by the Plaintiff is not yet known but particulars will be provided at or before the trial of this action.
10. As a further result of the Fall, the Plaintiff requires, and will continue to require in the future, the use of assistive devices and has undergone, and will continue to undergo in the future, surgical intervention, hospitalization, physiotherapy, rehabilitation and other forms of medical treatment.
11. The Plaintiff's injuries have been accompanied by profound physical and emotional shock, memory problems, lack of concentration, anxiety, depression, shock, numbness, detachment, weakness, confusion, disorientation, diminished energy, headaches, stiffness and the limited use of her hands, wrists, back, knees, ankles, hips, legs, shoulders, arms, chest, and neck which continue to the present and will continue in the future. The Plaintiff has sustained and will continue to sustain pain and suffering, loss of enjoyment of life and loss of amenities. The Plaintiff is unable to participate in those household, caregiving, social and athletic activities to the extent in which she participated in such activities prior to

the Fall and will not be able to resume her previous lifestyle for an indefinite period of time.

12. The Plaintiff's ability to work and her earning capacity have been permanently impaired. The Plaintiff has suffered and will continue to suffer a loss of competitive advantage in the workplace.
13. As a result of her aforesaid injuries, the Plaintiff has lost wages and income and will continue to lose wages and income in the future. The full particulars of these lost wages and income are not yet known but will be provided at or before the trial of this action.
14. As a result of her aforesaid injuries, the Plaintiff has incurred hospital, medical, x-ray, physiotherapy and other out of pocket expenses and will continue to incur such expenses in the future. The full particulars of these expenses are not yet known but will be provided at or before the trial of this action.
15. The Plaintiff pleads and relies upon the provisions of the following statutes, as amended:
 - (i) *Negligence Act*, R.S.O. 1990, c.N.1;
 - (ii) *Insurance Act*, R.S.O. 1990, c.1.8;
 - (iii) *Occupiers' Liability Act*, R.S.O. 1990 O.2;
 - (iv) *Courts of Justice Act*, R.S.O. 1990, c. C.43;

16. The Plaintiff proposes that this action be tried in the City of Hamilton, in the
Province of Ontario.

Date:

ALAM LAW FIRM, PC
Injury Lawyers
5100 Dixie Road
Mississauga, Ontario, L4W 1C9

MUHAMMAD M. ALAM
LSUC#54200N

TEL: 905-564-5953
FAX: 905-564-5903

Lawyers for the Plaintiff

ELECTRONICALLY AMENDED on this 12th day of

April, 2024 pursuant to the Order of The Honourable

Court File No. CV-22-00079556-0000

Justice Parayeski dated the 4th day of

April, 2024. Sarah K. Bermiso
Digitally signed
by Sarah K.
Bermiso
Date: 2024.04.16
10:54:36 -04'00'

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

SELVIRA PECKOVIC

Plaintiff

- and -

**NOYA CANNABIS INC., and 2138825 ONTARIO INC. and CHOKEY REAL
ESTATE LIMITED**

Defendants

AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the rules of court, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

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Date: August 31, 2022

Issued by E-filed claim

Local registrar

Address of court office:

45 Main Street East

Suite #110

Hamilton, Ontario

L8N 2B7

TO: **BLANEY MCMURTRY LLP**
Barristers & Solicitors
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Deema Elshourfa
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Lawyers for the Defendant, Noya Cannabis Inc.

NOYA CANNABIS INC.
90 Beach Road
Hamilton, Ontario
L8P 2J7

AND TO: **2138825 ONTARIO INC.**
90 Beach Road
Hamilton, Ontario
L8P 2J7
Or: 50 Markland Street
Hamilton, Ontario
L8P 2J7

AND TO: **CHOKEY REAL ESTATE LIMITED**
1818 Burlington St East,
Hamilton, Ontario
L8H 3L4

**THIS ACTION IS BROUGHT AGAINST YOU UNDER THE SIMPLIFIED
PROCEDURE PROVIDED IN RULE 76 OF THE RULES OF CIVIL
PROCEDURE**

CLAIM

1. The Plaintiff, **SELVIRA PECKOVIC**, claims:
 - (a) Damages in the amount of \$200,000.00;
 - (b) Pre-judgment interest and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (c) Costs of this action on a solicitor and client basis, together with any Harmonized Tax which may be payable thereon; and
 - (d) Such further and other relief as this Honourable Court may deem just.
2. The Plaintiff, **SELVIRA PECKOVIC**, resides in the City of Hamilton, in the Province of Ontario and was, at all material times, a pedestrian and worker attending Noya Cannabis Inc. located at or adjacent to a property identified as 90 Beach Road, in the City of Hamilton, in the Province of Ontario (the “Premises”).
3. The Defendant, **NOYA CANNABIS INC.** (hereinafter referred to as the (“**NOYA**”) is a company carrying on business activities pursuant to the laws of the Province of Ontario with an office in the City of Hamilton and was, at all material times, the tenant/lessee ~~owner/lessor~~, occupier and supervisor of the property and its adjacent areas where the Premises is located and was responsible for the administration and the maintenance of the Premises with obligations to ensure the safety of the pedestrians and workers attending the Premises.

4. The Defendant, **2138825 ONTARIO INC.**, is a company carrying on business activities pursuant to the laws of the Province of Ontario with an office in the City of Hamilton, in the Province of Ontario and was, at all material times, the owner/lessor, occupier and supervisor of the property and its adjacent areas where the Premises is located and was responsible for the administration and the maintenance of the Premises with obligations to ensure its safety.

5. The Defendant, **CHOKEY REAL ESTATE LIMITED**, is a company carrying on business activities pursuant to the laws of the Province of Ontario with an office in the City of Hamilton, in the Province of Ontario, and was at all material times the landlord and agent of the owner of the property and its adjacent areas where the Premises is located, and was responsible for the administration and the maintenance of the Premises with obligations to ensure its safety.

5. 6. On or about the 9th day of February, 2022 at approximately 7:40 a.m., the Plaintiff attended the Premises and was walking near the entrance/exit gate of the building at the Premises. Suddenly and without warning, the Plaintiff slipped on a patch of ice and snow which was accumulated on the ground without any notice or warning causing her violently fell to the ground (the “Fall”). As a result of the Fall, the Plaintiff sustained serious and permanent injuries including fracture in her left arm. The Plaintiff was, at all material times, walking at the Premises in a careful and prudent manner and was attired in proper footwear.

7.

6. The Plaintiff states and the fact is that the Fall and resulting injuries were caused as a result of the negligence of the Defendants and/or its employees, servants and/or agents, for whose negligence the Defendant is responsible at law. The particulars of such negligence are that they:

- (a) caused and permitted the area of the Premises to be left with unremoved ice and snow and unsalted despite weather conditions which presented a danger to the pedestrians/visitors when they knew or ought to have known that such danger existed and took no reasonable steps to prevent the danger from arising;
- (b) failed to properly maintain the area of the Premises;
- (c) caused and permitted a situation of unusual danger to exist when, by the use of reasonable efforts, they could have prevented the situation of danger;
- (d) failed to frequently clean and salt the Premises and its adjacent areas or barricade or cordon it off properly and timely for access by the pedestrians/visitors;
- (e) failed to instruct their employees, servants or agents to warn the patrons/visitors of the danger;
- (f) failed to instruct their employees, servants or agents to inspect and supervise the general condition, safety and maintenance of the Premises;

- (g) ailed to instruct their employees, servants or agents to inspect and supervise the area where the Fall occurred;
- (h) failed to adequately secure and maintain the Premises in a condition fit for the Plaintiff;
- (i) failed to warn the Plaintiff adequately or at all, of the existence of the said danger by means of signs, barricades, warning lights or otherwise;
- (j) failed to take any steps to assist the Plaintiff when they knew or ought to have known that the Plaintiff might face a situation of danger;
- (k) failed to take any or reasonable care to prevent injury or damage to the Plaintiff caused by hidden or unusual dangers at the Premises when they knew or ought to have known that such danger existed;
- (l) knew or ought to have known that the Premises and area of the Fall was in a condition of unusual danger and/or they knew or ought to have known that a trap existed causing the Plaintiff to fall; and
- (m) failed to take any or reasonable precautions for the safety of the Plaintiff at the Premises.

7. 8. The Plaintiff states that the Defendants are and were, at all material times, responsible for the general condition, safety, maintenance and other obligations in relation to the Premises.

8 9. In the alternative, the Plaintiff states that the cause of the Fall and the surrounding circumstances are within the exclusive knowledge and control of the Defendants, their employees, servants, and/or agents and that the Fall would not have occurred but for their negligence. The Plaintiff pleads and relies upon the doctrine of *res ipsa loquitur*.

9. 10. As a result of the Fall, the Plaintiff sustained serious and permanent injuries including a general tearing, spraining and damaging of the nerves, muscles and ligaments throughout her body and abrasions, contusions and lacerations to various parts of her body. In particular and without limiting the generality of the foregoing, the Plaintiff suffered injuries to her hands, wrists, back, buttocks, thighs, knees, ankles, hips, legs, shoulders, arms, chest, and neck. The full extent of the injuries suffered by the Plaintiff is not yet known but particulars will be provided at or before the trial of this action.

10. 11. As a further result of the Fall, the Plaintiff requires, and will continue to require in the future, the use of assistive devices and has undergone, and will continue to undergo in the future, surgical intervention, hospitalization, physiotherapy, rehabilitation and other forms of medical treatment.

11. 12. The Plaintiff's injuries have been accompanied by profound physical and emotional shock, memory problems, lack of concentration, anxiety, depression,

shock, numbness, detachment, weakness, confusion, disorientation, diminished energy, headaches, stiffness and the limited use of her hands, wrists, back, knees, ankles, hips, legs, shoulders, arms, chest, and neck which continue to the present and will continue in the future. The Plaintiff has sustained and will continue to sustain pain and suffering, loss of enjoyment of life and loss of amenities. The Plaintiff is unable to participate in those household, caregiving, social and athletic activities to the extent in which she participated in such activities prior to the Fall and will not be able to resume her previous lifestyle for an indefinite period of time.

~~12.~~ 13. The Plaintiff's ability to work and her earning capacity have been permanently impaired. The Plaintiff has suffered and will continue to suffer a loss of competitive advantage in the workplace.

~~13.~~ 14. As a result of her aforesaid injuries, the Plaintiff has lost wages and income and will continue to lose wages and income in the future. The full particulars of these lost wages and income are not yet known but will be provided at or before the trial of this action.

~~14.~~ 15. As a result of her aforesaid injuries, the Plaintiff has incurred hospital, medical, x-ray, physiotherapy and other out of pocket expenses and will continue to incur such expenses in the future. The full particulars of these expenses are not yet known but will be provided at or before the trial of this action.

~~15.~~ 16. The Plaintiff pleads and relies upon the provisions of the following statutes, as

amended:

- (i) *Negligence Act*, R.S.O. 1990, c.N.1;
- (ii) *Insurance Act*, R.S.O. 1990, c.1.8;
- (iii) *Occupiers' Liability Act*, R.S.O. 1990 O.2;
- (iv) *Courts of Justice Act*, R.S.O. 1990, c. C.43;

~~16.~~ 17. The Plaintiff proposes that this action be tried in the City of Hamilton, in the
Province of Ontario.

Date:

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Injury Lawyers
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Mississauga, Ontario, L4W 1C9

MUHAMMAD M. ALAM
LSUC#54200N

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Lawyers for the Plaintiff

-and-

NOTA CANNABIS INC. et al.
Defendants

Court File No.: CV-22-00079556-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at **Hamilton**

AMENDED
STATEMENT OF CLAIM

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Lawyers for the Plaintiff

Court File No. CV-22-00079556-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

SELVIRA PECKOVIC

Plaintiff

-and-

NOYA CANNABIS INC. and 2138825 ONTARIO INC.

Defendants

STATEMENT OF DEFENCE AND CROSSCLAIM

1. The Defendant, Noya Cannabis Inc. (hereinafter referred to as “Noya”), admits the allegations at paragraphs 2 and 16 of the Statement of Claim.
2. Noya denies all other allegations in the Statement of Claim, unless otherwise stated in this Defence and Crossclaim.
3. Noya admits that it is a company incorporated pursuant to the laws of the Province of Ontario and, at all material times, operated at 90 Beach Road, Hamilton, Ontario (hereinafter the “Premises”).
4. Noya pleads that, on February 9, 2022, the Plaintiff attended at its Premises in the usual course and scope of her employment with Noya as a cleaner.
5. Noya pleads that the Plaintiff entered the Premises through a back entrance that was only for vehicular traffic, which was known to the Plaintiff; and, yet, she used this entrance as a shortcut, even though it was not intended for foot traffic, and thereby voluntarily assumed the risk of a fall.

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6. Noya specifically denies that the Plaintiff is entitled to the relief sought in paragraph 1 of the Statement of Claim, and puts the Plaintiff to the strictest proof thereof.

7. Noya specifically denies that the Plaintiff slipped and fell in the manner alleged in the Statement of Claim or at all, and puts the Plaintiff to the strictest proof thereof.

8. Noya pleads that the Plaintiff was at all material times employed as a cleaner with Noya, and was attending the Premises as per her scheduled shift and within the scope of her usual duties and employment.

9. Noya pleads that if the Plaintiff was injured in any manner on February 9, 2022, at the Premises, or as alleged in the Statement of Claim (which is denied), then the said incident arose out of and occurred while the Plaintiff was in the course and scope of her employment. Therefore, this action is barred by virtue Sections 28 and 29 of the *Workplace Safety and Insurance Act*, R.S.O. 1997, c.16, as amended.

10. In the alternative, Noya pleads that if the Plaintiff was injured in any manner on February 9, 2022, at the Premises, or as alleged in the Statement of Claim (which is denied), then the incident did not result from any negligence, want of care, fault, omission, breach of duty or breach of statute on the part of Noya, or on the part of any person for whom this Defendant is in law responsible.

11. Noya pleads that if the Plaintiffs sustained the injuries, damages and losses alleged in the Statement of Claim (which is denied), such injuries, damages and losses were not caused by and/or the result of some other incident or trauma and not related to any want of care, breach of duty or negligence on the part of Noya.

12. Noya pleads that the Plaintiff knew and appreciated the risks of walking through the vehicle only entrance, which was not intended for pedestrians, and assumed such risks. Noya pleads and relies on the doctrine of *volenti non fit injuria*. Accordingly, Noya pleads that section 3(1) of the *Occupier's Liability Act*, R.S.O. 1990, c.O.2 does not apply with respect to the Plaintiff's fall, in accordance with section 4(1) of the *Occupier's Liability Act*, R.S.O. 1990, c.O.2, as amended.

13. Accordingly, Noya pleads that it did not create a danger with the deliberate intent of doing harm or damage to the Plaintiffs, and it did not act with reckless disregard of the presence of the Plaintiff.

14. Noya further pleads that it had contracted for outdoor winter maintenance in the area of the alleged fall, and relies upon section 6(1) of the *Occupier's Liability Act*, R.S.O. 1990, c.O.2, as amended.

15. Noya pleads that at all material times it was operating in a lawful fashion, and met all standards of skill, care and attention, which is required when dealing with individual on its Premises.

16. Further, Noya pleads that, at all material times, its staff properly supervised the Premises, fostering a safe environment, and denies breach of the standard of care.

17. Noya pleads that if the Plaintiff sustained the injuries or damages as alleged in the Statement of Claim (which are not admitted but denied), such injuries or damages were caused by the negligence of the Plaintiff in that:

- (a) She failed to keep a proper lookout;
- (b) She failed to use proper care for her own safety;

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- (c) She wore improper, imprudent or unsafe footwear;
- (d) She failed to wear or employ corrective eyewear which he reasonably required;
- (e) She hurried along her path without looking at the ground;
- (f) She chose a path not intended for pedestrian travel;
- (g) She chose a path that posed a hazard to pedestrian traffic when other, clear paths were available to her;
- (h) She was holding or carrying too many objects that interfered with her ability to inspect the area or caused her to lose her balance;
- (i) At the time of the alleged slip and fall, her faculties of observation, perception, judgment and self-control were impaired due to alcohol, drugs and/or fatigue;
- (j) She was in a rush due to the cold weather;
- (k) She permitted her attention to become distracted by other persons with her or in the vicinity of the area in which the fall is alleged to have occurred;
- (l) She chose an unsafe route to her destination, when he knew or ought to have known that a clearer and safer route was available;
- (m) On the occasion in question, she just lost her balance; and
- (n) She was the author of her own misfortune

18. Noya denies that the Plaintiff sustained any loss or damages as alleged and puts the Plaintiff to the strict proof thereof.

19. Noya pleads that if the Plaintiff sustained the injuries and damages alleged in the Statement of Claim (which is not admitted but denied), such injuries and damages were caused or contributed

to by injuries, illnesses or other medical conditions suffered by the Plaintiff, either before or after the circumstances described in the Statement of Claim, and not as a result thereof.

20. Noya pleads that the damages claimed are excessive and remote and puts the Plaintiff to the strict proof thereof.

21. Noya pleads that if the Plaintiff sustained the injuries as alleged (which is not admitted but denied), the said injuries resulted from a pre-existing medical, physical or psychological condition.

22. Noya denies that the Plaintiff has suffered or will suffer in the future, any income loss, loss of earning capacity, competitive advantage or any other pecuniary losses, including but not limited to medical or rehabilitation expenses, household and handyman expenses, or out of pocket expenses.

23. Noya specifically pleads that the Plaintiff abandoned her employment by her own election.

24. Noya further states that if it is liable to the Plaintiffs (which is not admitted but specifically denied), it is entitled to a deduction for any and all collateral benefits that were or are available to the Plaintiff, including the present value of any and all health or disability policies of insurance, income replacement benefit plans, long-term disability benefit plans or any other alternative source of income or benefits, which may have been received or are available to the Plaintiff to receive.

25. Noya pleads that the Plaintiff is not entitled to interest as claimed, or at all, or in the alternative, that this is an appropriate case for the exercise by the Court of its discretion in awarding interest, if any, pursuant to the provisions of section 30 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended.

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26. Noya pleads and relies upon the *Occupier's Liability Act*, R.S.O. 1990, c.O.2, *Workplace Safety and Insurance Act, 1997*, S.O. 1997, Chapter 16, and the *Negligence Act*, R.S.O. 1990, c.N.1, *Courts of Justice Act*, R.S.O. 1990, c. C.43, and all amendments to the Acts.

27. Noya submits that the Plaintiff's action be dismissed with costs.

CROSSCLAIM

1. The Defendant, Noya Cannabis Inc. (hereafter “Noya”), claims against the Co-Defendant, 2138825 Ontario Inc., for:

- (a) contribution and indemnity under sections 2 and 3 of the *Negligence Act*, R.S.O. 1990, c. N.1, as amended, for any amounts which Noya may be found to be responsible to the Plaintiff;
- (b) contribution and indemnity under the common law and equity for any amounts which Noya may be found to be responsible to the Plaintiff;
- (c) the costs of the main action, plus all applicable taxes;
- (d) the costs of this Crossclaim, plus all applicable taxes; and,
- (e) Such further and other Relief as to this Honourable Court may seem just.

2. Noya repeats and relies upon the allegations contained in the Statement of Defence in support of the Crossclaim, except as they relate, in any manner, to Noya.

3. Noya pleads that if the Plaintiff, Selvira Peckovic, sustained the injuries or damages as alleged in the Statement of Claim (which are not admitted but denied), such injuries or damages were caused by the negligence of the Co-Defendant, the particular of which include, but are not limited to the following:

- (a) it failed to maintain the parking lot in a reasonable state of repair;
- (b) it failed to employ a reasonable system of maintenance in respect of the parking lot;
- (c) it failed to act upon notice of disrepair; and
- (d) it knew or ought to have known by its employees or representatives that the parking lot was in a state of disrepair;

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- (e) it knew or ought to have known by its employees or representatives that capital funding should be reallocated to address the parking lot disrepair;
 - (f) it failed to hire competent and experienced employees, agents or representatives to manage, supervise and address seasonal changes with respect to the parking lot disrepair;
 - (g) it failed to properly supervise employees, agents or representatives to with respect to their duties to manage, supervise and address seasonal changes with respect the parking lot disrepair; and
 - (h) further particulars now not known but to be addressed before trial.
4. Noya adopts and relies upon the allegations of negligence, as against the Co-Defendant, at paragraph 6 of the Statement of Claim.
5. Noya pleads and relies upon all provisions of its lease agreement dated May 1, 2018; and, specifically, without limiting the generality of the foregoing, section 8.
6. Noya pleads and relies upon the *Occupier's Liability Act*, R.S.O. 1990, c.O.2, *Workplace Safety and Insurance Act*, 1997, S.O. 1997, Chapter 16, and the *Negligence Act*, R.S.O. 1990, c.N.1, *Courts of Justice Act*, R.S.O. 1990, c. C.43, and all amendments to the Acts.
7. Noya requests that this Crossclaim be tried with or immediately after the main action, as the trial Judge may direct.

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November 3, 2022

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Defendant

RCP-E 28A (July 1, 2007)

SELVIRA PECKOVIC
Plaintiff

-and- NOYA CANNABIS INC. et al.
Defendants

Court File No. CV-22-00079556-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
HAMILTON

STATEMENT OF DEFENCE AND CROSSCLAIM

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RCP-F 4C (September 1, 2020)

Court File No. CV-22-00079556-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

SELVIRA PECKOVIC

Plaintiff

-and-

NOYA CANNABIS INC. and 2138825 ONTARIO INC.

Defendants

NOTICE OF CHANGE OF LAWYER

The Defendant, Noya Cannabis Inc., formerly represented by Isana Nagla of Torkin Manes LLP, has appointed Isana Nagla and Deema Elshourfa of BLANEY MCMURTRY LLP as lawyers of record.

January 29, 2024

BLANEY MCMURTRY LLP

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-2-

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Defendant

RCP-E 15A (July 1, 2007)

SELVIRA PECKOVIC
Plaintiff

-and-

Court File No. CV-22-00079556-0000
NOYA CANNABIS INC. et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
HAMILTON

NOTICE OF CHANGE OF LAWYER

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Lawyers for the Defendant, Noya Cannabis Inc.

Email for parties served:

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RCP-F 4C (September 1, 2020)

Court File No. CV-22-00079556-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

SELVIRA PECKOVIC

Plaintiff

and

NOYA CANNABIS INC., ~~and~~ 2138825 ONTARIO INC. and CHOCKEY
REAL ESTATE LIMITED

Defendants

**STATEMENT OF DEFENCE AND CROSSCLAIM OF THE
DEFENDANTS, 2138825 ONTARIO INC. AND CHOCKEY REAL ESTATE
LIMITED**

1. The defendants, 2138825 Ontario Inc. and Chockey Real Estate Limited (hereinafter referred to as “the Defendants”), specifically deny that the plaintiff, Selvira Peckovic (hereinafter referred to as “the Plaintiff”) is entitled to the relief sought in paragraph 1 of the Amended Statement of Claim and deny each and every allegation of fact contained in the remainder of the Amended Statement of Claim, unless otherwise expressly admitted below.

2. The Defendants admit that they were the owner and property management company, respectively, for 90 Beach Road, in the City of Hamilton (hereinafter referred to as “the Premises”) on the date of the alleged incident.

3. The Defendants specifically deny that any slip and fall incident occurred in the manner described in the Amended Statement of Claim and put the Plaintiff to the strict proof thereof.

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4. The Defendants deny that they were an occupier of the Premises and/or the location where this incident allegedly occurred, as defined pursuant to the *Occupiers' Liability Act*, R.S.O. 1990, c.O.2, s. 10(2) as amended, and further deny that they were responsible for the care, custody and control of the said Premises and/or location.

5. In the alternative, the Defendants state that at all material times they exercised all reasonable care to ensure that all persons entering onto the Premises would be reasonably safe and pleads and relies upon the *Occupiers' Liability Act*, R.S.O. 1990, c.O.2, as amended.

6. The Defendants plead that the Plaintiff assumed the risk of walking at the location where she allegedly fell and she voluntarily assumed any minor risk that may have been present on the floor or ground at the time, if any.

7. The Defendants state that, at all material times, they exercised reasonable care and took all reasonable measures within its contractual obligations, if any, to ensure that persons entering the Premises would be reasonably safe.

8. The Defendants specifically deny that the injuries and damages suffered by the Plaintiff, which are not admitted, were caused or contributed to by any breach of contract, breach of duty, want of care or negligence on their part or on the part of anyone for whom they are in law responsible.

9. The Defendants state that the injuries and damages suffered by the Plaintiff as alleged in the Amended Statement of Claim, which are not admitted, were caused or

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contributed to by the negligence of the Plaintiff, the particulars of such negligence being as follows:

- a) she failed to keep a proper lookout;
- b) she failed to have proper regard for the surface on which she was walking;
- c) she failed to take any or adequate precautions for her safety in light of the prevailing conditions;
- d) she failed to take proper and/or any precautions for her own safety;
- e) she was wearing inadequate or improper footwear;
- f) her ability to walk safely was impaired by reason of illness, injury, fatigue, alcohol, medication or a combination thereof;
- g) she was walking too quickly when she knew or ought to have known that it would be dangerous to do so;
- h) she knew or ought to have known that her vision was impaired but failed to make use of proper corrective lenses;
- i) she was carrying objects which obstructed her vision or which impaired her balance;
- j) she was walking alone without aids, assistive devices or personal assistance when she knew or ought to have known that it was potentially dangerous to do so;
- k) despite her knowledge of the area in question, at the material time, she failed to move with proper care and attention;

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- l) she disregarded or failed to pay attention to signage warning her not to traverse the area where the accident allegedly occurred;
- m) she failed to take measures to diminish the impact of her fall;
- n) she was wearing garments which impaired her balance and/or ability to move properly; and
- o) such further particulars of negligence as will be provided by this defendant prior to trial.

10. The Defendants further plead that the damages and losses as alleged by the Plaintiff in the Amended Statement of Claim, which are not admitted, were caused or contributed to by the negligence of the co-Defendant, Noya Cannabis Inc. The particulars of such negligence being as follows:

- (a) it created or allowed to exist a dangerous situation about which it knew or ought to have known;
- (b) it failed to properly or adequately inspect, maintain and keep the Premises and /or the location where the alleged fall took place in a safe condition;
- (c) it employed employees, servants and agents who failed to take any steps to ensure that the Premises were in a safe condition;
- (d) it failed to inspect the condition of the floor for the existence of a dangerous condition, properly or at all;
- (e) it failed to employ competent staff to keep the area in question safe; and
- (f) such further particulars of negligence as will be provided by this defendant prior to trial.

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11. The Defendants plead and rely upon the provisions of the *Negligence Act*, R.S.O. 1990, c.N.1, as amended.

12. In the alternative the Defendants plead that by reason of the fact that the plaintiff was in the course of her employment at the material time, this claim is statute barred. In that regard, the Defendants plead and rely upon the provisions of the *Workplace Safety and Insurance Act*, 1997, S.O. 1997, c.16, Schedule A., as amended.

13. The Defendants plead that the injuries and damages as alleged by the Plaintiff in the Amended Statement of Claim, which are not admitted, were caused or contributed to by incidents and/or medical conditions which occurred prior to or subsequent to the incident in question, for which the Defendants are not in law responsible.

14. The Defendants deny that the Plaintiff sustained the damages as alleged. In particular, the Defendants state that the incident in question was of a very minor nature, which could not cause or contribute to the injuries and complaints set out in the Amended Statement of Claim.

15. The Defendants plead that if the Plaintiff has sustained the damages and injuries as alleged in the Amended Statement of Claim, which are not admitted, such damages and injuries are excessive and too remote and therefore not recoverable at law.

16. The Defendants specifically deny that the Plaintiff suffered a loss of income, loss of economic advantage, loss of work capacity, out of pocket expenses, or an inability to perform household duties and put the Plaintiff to the strict proof thereof.

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17. The Defendants state that the Plaintiff has failed to mitigate her damages, thereby making them unrecoverable at law.

18. The Defendants further state that they are released to the extent that collateral benefits were paid or were otherwise available to the Plaintiff.

19. The Defendants state, and the fact is, that the Plaintiff has failed to provide to the Defendant in a timely fashion the particulars of her damages and injuries as alleged in order that the Defendants may accurately assess the damages and losses of the Plaintiff, if any, and the Plaintiff is thereby disentitled to prejudgment interest.

20. The Defendants therefore request that this action be dismissed with costs.

CROSSCLAIM

21. The Defendants, 2138825 Ontario Inc. and Chockey Real Estate Limited ("the Defendants"), claim against the defendant Noya Cannabis Inc. for:

- (a) contribution and indemnity under sections 2 and 3 of the *Negligence Act*, R.S.O. 1990, c. N.1, as amended, for any amounts which the Defendants may be found to be responsible to the Plaintiff;
- (b) contribution and indemnity under the common law and equity for any amounts which the Defendants may be found to be responsible to the Plaintiff;
- (c) prejudgment and post-judgment interest pursuant to the *Court of Justice Act*, R.S.O. 1990 c. C.43, as amended;

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- (d) the costs of the main action, plus all applicable taxes, on a substantial indemnity scale;
- (e) the costs of this Crossclaim, plus all applicable taxes, on a substantial indemnity scale; and,
- (f) Such further and other Relief as to this Honourable Court may seem just.

22. The Defendants repeat and rely upon the allegations contained in the Statement of Defence in support of the Crossclaim.

23. The Defendants plead and rely on the allegations of negligence contained in the Amended Statement of Claim as they relate to the co-Defendant Noya Cannabis Inc. as if specifically pleaded herein, but only as they related to the co-Defendant.

23. The Defendants plead and rely upon the provisions of the *Negligence Act*, R.S.O. 1990, c.N.1, as amended, the *Occupier's Liability Act*, R.S.O. 1990, c.O2, as amended, and the *Insurance Act*, R.S.O. 1990, c.I.8, as amended.

-8-

25. The Defendants request that this Crossclaim be tried together with or immediately after the trial of the main action.

June 19, 2024

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Noya Cannabis Inc.

SELVIRA PECKOVIC
Plaintiff

-and-

Court File No. CV-22-00079556-0000
2138825 ONTARIO INC. et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
HAMILTON

**STATEMENT OF DEFENCE AND CROSSCLAIM OF
THE DEFENDANTS 2138825 ONTARIO INC. AND
CHOCKEY REAL ESTATE LIMITED**

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Lawyer for the defendants,
2138825 Ontario Inc. and Chockey Real Estate Limited

RCP-F 4C (September 1, 2020)

This is Exhibit “J” 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 March 27, 2025 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.**

SECOND AMENDING AGREEMENT

THIS AMENDING AGREEMENT is entered into by and among Lending Stream Inc. (the “**Purchaser**”), Noya Holdings Inc. (the “**Vendor**”) and Noya Cannabis Inc. (the “**Company**”) on the 26th day of March, 2025.

WHEREAS, the Purchaser, the Vendor and the Company have entered into a stalking horse share purchase agreement dated November 11, 2024, as amended by an amending agreement dated February 24, 2025 (collectively, the “**Purchase Agreement**”).

AND WHEREAS, the Parties hereto wish to amend certain provisions of the Purchase Agreement.

AND WHEREAS, pursuant to Section 11.7 of the Purchase Agreement, the Purchase Agreement may only be amended or modified in writing and signed by the Vendor and the Purchaser.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

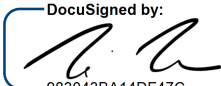
1. **Recitals.** The foregoing recitals are true and correct in all material respects and are a material part of this Second Amending Agreement.
2. **Definitions.** All capitalized terms not defined herein shall have the terms ascribed to them in the Purchase Agreement.
3. **Amendments.**
 - (a) Schedule I (Assumed Contracts) of the Purchase Agreement is deleted in its entirety and replaced with the schedule attached to this Second Amending Agreement as Schedule “I”.
 - (b) Unless specifically amended by this Second Amending Agreement, all other terms of the Purchase Agreement shall remain in full force and effect. Time shall remain of the essence.
4. **Governing Law.** This Second Amending 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.
5. **Amendment and Modification; Waiver.** This Second Amending Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Second Amending Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy,

power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

6. **Severability.** Notwithstanding any provision herein, if 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.
7. **Successors and Assigns.** This Second Amending 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 to this Second Amending Agreement or any further amendment to the Purchase Agreement.
8. **Counterparts.** This Second Amending 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 Second Amending Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature Page Follows]

LENDING STREAM INC.

Per:  _____
Name: Rami Reda
Title: President

NOYA HOLDINGS INC.

Per: _____
Name: Ziad Reda
Title: President

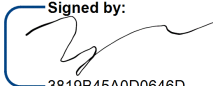
NOYA CANNABIS INC.

Per: _____
Name: Ziad Reda
Title: President

LENDING STREAM INC.

Per: _____
Name: Rami Reda
Title: President

NOYA HOLDINGS INC.

Per:  Signed by:

3819B45A0D0646D
Name: Ziad Reda
Title: President

NOYA CANNABIS INC.

Per:  Signed by:

3819B45A0D0646D...
Name: Ziad Reda
Title: President

SCHEDULE “I”

ASSUMED CONTRACTS

1. Software Proposal between Ample Organics and Radicle Medical Marijuana Inc. dated April 26, 2016.
2. Standard Rental Service Agreement between Noya Cannabis Inc. and Cintas Canada Limited dated February 10, 2023, and all pricing addendums thereto.
3. Rental Agreement between Noya Cannabis Inc. and Toromont Power Systems dated June 10, 2021.
4. Mutual Non-Disclosure Agreement between Pathogenia Inc. and Noya Cannabis Inc. and all related service agreements thereto.
5. All agreements between High North Laboratories and Noya Cannabis Inc.
6. Reciprocal Non-Disclosure Agreement between A&L Canada Laboratories Inc. and Noya Cannabis Inc. dated June 22, 2021 and all related service agreements thereto.
7. Cannabis Supply Agreement between SNDL Inc. and Noya Cannabis Inc. dated January 1, 2024.
8. Lease Agreement between Chokey Real Estate Limited and Radicle Medical Marijuana Inc. dated November 1, 2016, as amended by an amending agreement dated July 18, 2018, as further amended by an amending agreement dated July 28, 2017, and as further amended by an amending agreement dated June 1, 2018.
9. Lease Agreement between Chokey Real Estate Limited and Radicle Medical Marijuana Inc. dated June 1, 2018.
10. Service Proposal between Abell Pest Control Inc. and RMMI – Ziad Reda (Radical Medical Marijuana Inc.) dated December 1, 2017.
11. Agreement between Advanced Alarm Systems, Division of Leeds Electric Ltd. and Radicle Medical Marijuana Inc.
12. Account Agreement between Noya Cannabis Inc. and Linde Canada Inc. dated August 17, 2021.
13. Group Benefits Policy between Noya Cannabis Inc. and Sun Life Financial (Contract Number 187361) effective as of December 1, 2021, as renewed pursuant to the Renewal Letter dated September 1, 2024.
14. Service Agreement between White Pine Waste Services Inc. and Noya Cannabis Inc. dated July 22, 2024.
15. Rental Agreement between Noya Cannabis Inc. and Green Storage Hamilton Partnership dated September 16, 2021.

16. Promissory Note issued by Noya Cannabis Inc., as debtor, in favour of Fogler, Rubinoff LLP, as lender, dated March 26, 2025.
17. General Security Agreement between Noya Cannabis Inc. and Fogler, Rubinoff LLP dated March 26, 2025.

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 1001155163 ONTARIO INC.

Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF ZIAD REDA

FOGLER, RUBINOFF LLP

Lawyers
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40 King Street West, Suite 2400
P.O. Box #215
Toronto, ON M5H 3Y2

Vern W. DaRe

Tel: 416.941.8842
Fax: 416.941.8852
Email: 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)	TUESDAY, THE 1 ST
)	
JUSTICE CAVANAGH)	DAY OF APRIL, 2025

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 1001155163 ONTARIO INC.

Applicants

**ORDER
(Stay Extension, Fee Approval and CCAA Termination)**

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, among other things: (i) extending the stay of proceedings to April 22, 2025; (ii) approving the Second Amending Agreement (as defined below); (iii) approving the Monitor's Third Report (as defined below), and the Monitor's activities, conduct and decisions set out therein; (iv) approving the fees and disbursements of the Monitor (as defined below) and its legal counsel; (v) terminating these CCAA proceedings and discharging the Monitor at the CCAA Termination Time (as defined below); (vi) terminating the Court-ordered charges approved in these CCAA proceedings effective as at the CCAA Termination Time; and (vii) permitting ResidualCo (as defined below) and Noya Holdings Inc. to file for bankruptcy, was heard this day by judicial video conference via Zoom.

ON READING the Applicants' Notice of Motion dated March 27, 2025, the Affidavit of Ziad Reda sworn March 27, 2025 (the “**Reda Affidavit**”) including Exhibit “J”, the Second Amending Agreement dated March 26, 2025 (the “**Second Amending Agreement**”), and the Third Report of BDO Canada Limited, in its capacity as Monitor of the Applicants (in such capacity, the “**Monitor**”), dated March 28, 2025 (the “**Third Report**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for those other parties appearing as indicated by the counsel slip or Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service of Michelle Pham sworn March 27, 2025, filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Amended and Restated Initial Order dated November 15, 2024 (as may have been amended, the “**ARIO**”) and the Reda Affidavit.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to and including April 22, 2025.

SECOND AMENDING AGREEMENT

4. **THIS COURT ORDERS** that the second amendment to the Stalking Horse Agreement pursuant to the Second Amending Agreement is hereby approved.

APPROVAL OF MONITOR'S REPORT AND ACTIVITIES

5. **THIS COURT ORDERS** that the Third Report of the Monitor and the activities, conduct and decisions of the Monitor described therein are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES OF THE MONITOR AND ITS COUNSEL

6. **THIS COURT ORDERS** that the professional fees of the Monitor for the period from February 15, 2025 to March 25, 2025, in the amount of \$34,952.50, plus a completion accrual of \$7,547.50 and Harmonized Sales Tax ("**HST**") of \$5,525.00, for a total of \$48,025.00, as set out in the Third Report and the Affidavit of Robyn Duwyn sworn March 27, 2025, attached as Appendix "D" to the Third Report, are hereby approved.
7. **THIS COURT ORDERS** that the professional fees of Loopstra Nixon LLP ("**LN**"), counsel to the Monitor, for the period from February 1, 2025 to March 25, 2025, in the amount of \$28,586.50, plus disbursements of \$137.76 and HST of \$3,734.16, for a total of \$32,458.42, as well as LN's estimated professional fees and disbursements plus HST to the CCAA Termination Time in the amount of \$19,474.15 and any other fee accruals, as set out in the Third Report and the Affidavit of Shahrzad Hamraz sworn March 26, 2025, attached as Appendix "E" to the Third Report, are hereby approved.

TERMINATION OF CCAA PROCEEDINGS

8. **THIS COURT ORDERS** that during the Stay Period, upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule “A”** (the **“Termination Certificate”**) on the Service List in these CCAA proceedings certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with the CCAA proceedings have been completed, the within CCAA proceedings shall be terminated without any other act or formality (the **“CCAA Termination Time”**), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any action or steps taken by any Person pursuant thereto.
9. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the Service List in these CCAA proceedings.
10. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

DISCHARGE OF MONITOR

11. **THIS COURT ORDERS** that effective at the CCAA Termination Time, BDO Canada Limited (**“BDO”**) shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, BDO shall have the authority to carry out, complete or address any matters in its role as

Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required or appropriate (**“Monitor Incidental Matters”**).

12. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor's discharge or the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, or any other Order of this Court in these CCAA proceedings or otherwise, all of which are expressly continued and confirmed following and after the CCAA Termination Time, including in connection with any Monitor Incidental Matters and other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicants, ResidualCo (as defined below) or these CCAA proceedings.
13. **THIS COURT ORDERS** that from and after the CCAA Termination Time, no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor, except with the prior leave of this Court and on prior written notice to the Monitor.

ASSIGNMENT IN BANKRUPTCY

14. **THIS COURT ORDERS** that at such time as 1001155163 Ontario Inc. (**“ResidualCo”**) determines that it is necessary or desirable to do so, including for greater certainty at a time during the Stay Period prior to the CCAA Termination Time:

- (a) ResidualCo is hereby authorized to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“**BIA**”); and
 - (b) BDO is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of ResidualCo.
- 15. **THIS COURT ORDERS** that the director of ResidualCo may resign upon ResidualCo being assigned into bankruptcy and such resignation is hereby authorized and ratified.
- 16. **THIS COURT ORDERS** that at such time as Noya Holdings Inc. (“**NHI**”) determines that it is necessary or desirable to do so, including for greater certainty at a time during the Stay Period prior to the CCAA Termination Time:
 - (a) NHI is hereby authorized to make an assignment in bankruptcy pursuant to the BIA; and
 - (b) BDO is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of NHI.
- 17. **THIS COURT ORDERS** that the directors of NHI may resign upon NHI being assigned into bankruptcy and such resignations are hereby authorized and ratified.

GENERAL

- 18. **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.

19. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
 20. **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.
 21. **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.
 22. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the 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.
-

SCHEDULE “A” – FORM OF TERMINATION CERTIFICATE

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

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NOYA HOLDINGS INC. AND 1001155163 ONTARIO INC.

Applicants

TERMINATION CERTIFICATE

RECITALS

1. Pursuant to the Amended and Restated Initial Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) dated November 15, 2024 (as further amended and restated from time to time, the “**ARIO**”), the Applicants were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and BDO Canada Limited (“**BDO**”) was appointed as the monitor (“**Monitor**”) of the Applicants.
2. Pursuant to the Approval and Reverse Vesting Order of the Court, dated March 5, 2025, the court approved the transaction (the “**Transaction**”) contemplated by the Stalking Horse Purchase Agreement dated November 11, 2024, as amended (the “**SPA**”), among Noya Holdings Inc. (the “**Vendor**”), Noya Cannabis Inc. (the “**Company**”) and Lending Stream Inc. (the “**Purchaser**”) and ordered, *inter alia*, that: (i) 1001155163 Ontario Inc. (“**ResidualCo**”) be added as an Applicant to these CCAA Proceedings; (ii) all of the

Vendor's right, title and interest in and to the Transferred Assets be vested in the Company, free and clear from any Encumbrances; (iii) the Excluded Assets, Excluded Liabilities and Excluded Contracts be vested absolutely and exclusively in ResidualCo; (iv) all of the Vendor's right, title and interest in and to the Purchased Shares be vested absolutely and exclusively in the Purchaser, free and clear from any Encumbrances, except for the Permitted Encumbrances, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Purchaser and the Vendor that all conditions to closing have been satisfied or waived by the parties to the SPA.

3. Pursuant to an Order of this Court dated April 1, 2025 (the “**CCAA Termination Order**”), among other things, BDO shall be discharged as the Monitor and the Applicants' CCAA proceedings shall be terminated upon the service of this Termination Certificate on the service list in these CCAA proceedings, all in accordance with the terms of the CCAA Termination Order.
4. Capitalized terms not defined herein shall have the meaning given to them in the ARIO or the CCAA Termination Order, as applicable.

THE MONITOR CERTIFIES the following:

1. To the knowledge of the Monitor, all matters to be attended too in connection with the Applicants' CCAA Proceedings (Court File No. CV-24-00730120-00CL) have been completed.
2. Accordingly, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this ____ day of April, 2025.

**BDO CANADA LIMITED, IN ITS CAPACITY
AS MONITOR OF THE APPLICANTS, AND
NOT IN ITS PERSONAL OR CORPORATE
CAPACITY**

Per: _____

Name: **Name**

Title: **Title**

I have authority to bind the Corporation

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NOYA HOLDINGS INC. AND 1001155163 ONTARIO INC.

Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

(Stay Extension, Fee Approval and CCAA Termination)

FOGLER, RUBINOFF LLP

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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 1001155163 ONTARIO INC.

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(MOTION RETURNABLE APRIL 1, 2025)

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