

Court File No.:

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

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS
LTD.

Applicants

**APPLICATION RECORD
(RETURNABLE MARCH 25, 2022)**

March 23, 2022

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AND TO:	DEANS KNIGHT PRIVATE CREDIT LIMITED PARTNERSHIP, AND DK STRATEGIC YIELD U.S. GP LLC, as GENERAL PARTNER OT DK STRATEGIC YIELD MASTER TRUST LIMITED PARTNERSHIP Suite 1500, 999 West Hastings Street Vancouver, BC V6C 2W2 Att'n: Dillon Cameron dcameron@deansknight.com Proposed DIP Lender
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AND TO:	MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2
AND TO:	SALT CAPITAL INC. O/A CAPITAL NOW CANNABIS #121, 234-5149 Country Hills Blvd NW Calgary, AB T3A 5K8

AND TO:	MUNICIPALITY OF STRATHROY-CARADOC 52 Frank Street Strathroy, ON N74 2R4 Att'n: Legal Department
AND TO:	ATTORNEY GENERAL OF CANADA Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Diane Winters 647.256.7459 Diane.winters@justice.gc.ca Lawyers for the Minister of National Revenue
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Applicants

INDEX

Tab	Description	Page No.
1	Notice of Application, dated March 23, 2022	1-14
	Schedule A – Draft Order	15-34
2	Affidavit of Melinda Rombouts, sworn March 23, 2022	36-87
Exhibit		
A	Eve Group Organizational Chart	88-89
B	Corporate Profile Report (ON) - Eve & Co Incorporated	90-98
C	Corporate Profile Report (ON) - Natural Medco Ltd	99-107
D	Natural MedCo Ltd. - Articles of Amalgamation	108-146
E	Corporate Profile Report (ON) - Eve & Co International Holdings Ltd	147-154
F	August 2020 EveCo-Investor-Deck	155-177
G	Health Canada Cannabis Licence	178-180
H	<i>Excise Act</i> Cannabis Licence	181-184
I	EU-GMP Certificate	185-187
J	CUMCS Certificate	188-190
K	Eve & Co Consolidated Audited Financials as of December 31, 2020	191-228
L	Eve & Co Interim Consolidated Unaudited Statements to September 30, 2021	229-254
M	Cash Flow Forecast	255-260

Tab	Description	Page No.
N	RBC Credit Facility Agreement	261-284
O	RBC Charge	285-287
P	RBC Letter to Natural Medco Ltd., dated April 9, 2021	288-292
Q	RBC Letter to Natural MedCo Ltd., dated May 13, 2021	293-295
R	RBC Letter to Natural Medco Ltd., dated August 4, 2021 final	296-297
S	RBC Default Letter, dated November 12, 2021	298-300
T	Executed Forbearance Agreement	301-346
U	Loan Agreement (Executed) - with dates	347-395
V	Van Engelen Promissory Notes	396-398
W	Van Engelen General Security Agreements	399-409
X	Van Engelen Charge	410-412
Y	Personal Guarantees to Van Engelens	413-425
Z	CNC Naturel Medco Ltd Master Factoring Agreement	426-442
AA	CNC General Security Agreement	443-452
BB	PPR Searches	453-533
CC	Summary of PPR Searches	534-537
DD	Current Property Tax Bill	538-539
EE	Hydro One Settlement Agreement	540-542-
FF	Bavaria Weed Agreement	543-567
GG	Letter of Intent (Eve - Romanian Project) (Executed)	568-575
HH	Revised LOI Portugal (Eve) (Executed)	576-584
II	DIP Term Sheet	585-594
3	Draft Initial Order	596-615
4	Blackline to Model Order	616-639
5	Monitor's Consent to Act	640-641

TAB 1

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., and EVE & CO INTERNATIONAL
HOLDINGS LTD.

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing

by video conference

at the following location

<https://millerthomson.zoom.us/j/85248626043?pwd=U09TcEIPQnFNQXpkV2dEWGVNRE4vQT09>

Meeting ID: 852 4862 6043

Passcode: 773939

on Friday March 25, 2022, at 10:00 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of

service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: March 23, 2022

Issued by _____
Local registrar

Address of court office 330 University Avenue
Toronto, Ontario M5G 1R7

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APPLICATION

1. Eve & Co Incorporated (“**Eve & Co**”), Natural MedCo Ltd. (“**NMC**”), and Eve & Co International Holdings Ltd. (“**Eve International**”, collectively, the “**Applicants**” or the “**Eve Group**”) make application for an order, substantially in the form attached as Schedule “A” (“**Initial Order**”):

- (a) abridging the time for and validating service of this notice of application and application record and dispensing with service on any person other than those served;
- (b) declaring each of the Applicants to be a company to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”), applies;
- (c) authorizing the Applicants to carry on business in a manner consistent with the preservation of their business and property;
- (d) appointing BDO Canada Limited (“**BDO**”) as monitor of the Applicants with the rights and duties set out in the CCAA and the Initial Order (“**Proposed Monitor**”, and if appointed, the “**Monitor**”);
- (e) approving a debtor-in-possession (“**DIP**”) Term Sheet (“**DIP Term Sheet**”), dated March 22, 2022, between the Applicants and Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership, and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, the “**DIP Lender**”), a DIP loan (“**DIP Loan**”) and the authority to borrow up to \$1,200,000;
- (f) staying for an initial period of not more than ten (10) days, all proceedings, rights and remedies taken or that might be taken in respect of the Applicants, including their respective businesses and property, their directors and officers, and the Monitor (“**Stay of Proceedings**”);

- (g) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel and the Applicants' counsel;
- (h) granting the following charges over the Applicants' property (collectively, the "**Priority Charges**"):
 - (i) an Administration Charge in favour of counsel to the Applicants, the Monitor, and counsel to the Monitor (collectively, the "**Professional Group**") to secure payment of their professional fees and disbursements to a maximum amount of \$150,000 ("**Administration Charge**");
 - (ii) a DIP Lender's Charge to a maximum amount of \$1,200,000; and
 - (iii) a Directors' Charge in favour of the directors and officers of the Applicants to a maximum amount of \$150,000 ("**Directors' Charge**"), subject to the security held by Royal Bank of Canada ("**RBC**");
- (i) scheduling a comeback hearing on April 1, 2022 ("**Comeback Hearing**") to seek an amended and restated Initial Order ("**Amended and Restated Initial Order**"), including but not limited to the following relief:
 - (i) an extension of the Stay of Proceedings;
 - (ii) an increase in the amount of the Priority Charges;
 - (iii) approval to make payments to certain 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 Applicants' ongoing operations and preserve value during the CCAA proceedings;
 - (iv) approval of the Sale Process (as defined below) and related bidding procedures;

(j) such further and other relief as this Court may deem just and equitable.

2. The grounds for the application are:

Background

- (a) The Eve Group is a licenced producers and distributor of cannabis flower, cannabis plants, and cannabis products, located in Strathroy, Ontario.
- (b) Eve & Co is a publicly traded company and is listed on the TSX Venture Exchange under the trading symbol "EVE" and posted for trading on the OTCQX Best Market in the United States under the symbol "EEVVF".
- (c) Eve & Co is a holding company that owns NMC and Eve International.
- (d) The Eve Group's operations are substantially conducted through NMC.
- (e) NMC holds four cannabis licenses: (i) a license from Health Canada for the cultivation, processing and sale of cannabis and cannabis extracts, edibles, and topicals; (ii) a cannabis license under the *Excise Act, 2001*, S.C. 2002, c. 22, as amended; (iii) a European Union Certificate of Good Manufacturing Practice issued by the Government of Upper Bavaria, Germany permitting it to export medical grade cannabis throughout the European Union; and (iv) a CUMCS-GA certificate as recognized by the Israeli Medical Cannabis Agency it to export medical-grade cannabis to Israel.
- (f) NMC owns approximately 32 acres of land in Strathroy, Ontario, on which the Eve Group operates one of the largest cannabis cultivation and processing facilities in the world at 1,000,000 square feet ("**Facility**").
- (g) Eve International is a holding company that was incorporated to expand the Eve Group's international partnerships, including in Romania and Portugal.

Urgent Need for Relief

- (h) The Applicants are insolvent, face an imminent liquidity crisis, and are in urgent need of relief under the CCAA. The Applicants have sufficient cash to sustain their operations for the week ending March 25, 2022, but will have insufficient funds thereafter without the ability to access the DIP Loan.
- (i) In the past year the Eve Group has faced significant financial and operational challenges including (i) a series of breached sales agreements that resulted in a loss of millions of dollars in expected annual revenue and the attendant spoilage of unsold inventory; (ii) investments in partnerships that did not come to fruition; (iii) the forced eviction of a leaseholder operating from the Facility for non-payment of rent and unacceptable operating practices; (iv) a breached share subscription; and (v) a global pandemic.
- (j) The Eve Group has made significant efforts to address these financial and operational challenges including, among other things, engaging with numerous credit unions to secure additional financing, negotiating a significant share subscription with an equity investor; engaging an investment bank to explore potential options for a sale of the businesses; and seeking to monetize its Facility through partial leases and/or a sale and lease-back arrangement. Such efforts have so far proved unsuccessful.

CCAA Applies

- (k) The Applicants are “debtor companies” to which the CCAA applies being Ontario corporations with their registered head offices in Ontario.
- (l) The current and contingent claims against the Applicants exceed \$5 million and the Applicants are insolvent.

Objective of the CCAA Proceeding

- (m) In consultation with their advisors, including the Proposed Monitor, the Applicants have determined that the CCAA process is the most beneficial way to maximize value for the Eve Group's stakeholders.
- (n) The stay of proceedings and the other relief set out in the Initial Order will provide breathing space to permit the Applicants to, among other things:
 - (i) continue operations in the ordinary course of business;
 - (ii) stabilize operations and protect the business;
 - (iii) manage liquidity issues;
 - (iv) prevent enforcement action by creditors; and
 - (v) identify and conclude a transaction with a potential purchaser or investor.
- (o) Absent the protection of the CCAA proceedings, the Applicants will not be able to continue operating.
- (p) An order under the CCAA is required to preserve the value of the Applicants' business for the benefit of Eve Group's stakeholders.

DIP Loan Urgently Needed

- (q) The Eve Group's cash position is critically low and financing is required to fund operations and restructuring costs during the initial 10-day stay of proceedings.
- (r) Unless the DIP Loan is approved and the DIP Lender's Charge is granted, the Applicants will likely cease operating and payroll obligations will not be met.
- (s) Under the DIP Term Sheet, if approved, the DIP Lender will provide an initial advance under the DIP Loan of \$1,200,000 to the Applicants.

- (t) The amount of the initial advance under the proposed DIP Loan is the amount estimated to be required to allow the Applicants to continue operations in the ordinary course during the initial 10-day stay of proceedings, including the payment of all pre-filing professional fees.
- (u) The proposed DIP Loan is conditional upon court approval of the DIP Loan and granting of the DIP Lender's Charge, which is proposed to have a second-ranking priority against the Applicants' property.

Stay of Proceedings

- (v) The Eve Group requires a stay of proceedings to allow it to maintain the status quo and continue to operate its business while it pursues court approval for a sale process with a view to preserving and maximizing value.
- (w) It is necessary and in the best interests of the Eve Group and their stakeholders that the Applicants be afforded the "breathing space" provided by the CCAA while they pursue a sale process for the benefit of their creditors and other stakeholders.

Priority Charges

- (x) The Eve Group is seeking the Administration Charge to secure the fees and disbursements of the Professional Group incurred in connection with services rendered to the Eve Group both before and after the commencement of these CCAA proceedings.
- (y) Similarly, the Eve Group will require the participation of its directors and officers during these CCAA proceedings and proposes to indemnify its directors and officers and to secure such indemnity by way of the Directors' Charge.
- (z) The granting of the Administration Charge and the Directors' Charge is appropriate in the circumstances and will facilitate the active involvement of the beneficiaries of the charges during the CCAA proceedings.

- (aa) The proposed Administration Charge will be a first-ranking charge on the Eve Group's property. The proposed Directors' Charge will be a fourth-ranking charge on the Eve Group's property, after the Administration Charge, the DIP Lender's Charge, and the security interests of the Eve Group's senior secured creditor, RBC.

Sales Process

- (bb) The Applicants intend to seek approval of a sale and investment solicitation process at the Comeback Hearing ("**Sale Process**").
- (cc) The purpose of the Sale Process is to solicit proposals for the sale of or acquisition of investment in the Applicants' business and assets, and to implement one or a combination of such proposals.
- (dd) The proposed Sale Process will identify the best opportunities in the circumstances for maximizing value for the Applicants' stakeholders.

Other Grounds

- (a) The provisions of the CCAA, including sections 9(1), 11, 11.02(1), 11.2, 11.03, 11.51, 11.52, and 11.7, and the statutory, inherent and equitable jurisdiction of this Court;
- (b) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14, 16, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended,
- (c) Section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and
- (d) Such further and other grounds as counsel may advise and this Honourable Court may permit;

3. The following documentary evidence will be used at the hearing of the application:

- (a) the Affidavit of Melinda Rombouts sworn March 23, 2022 and the exhibits attached thereto;
- (b) the Consent of BDO to act as Monitor in the CCAA proceedings;
- (c) the pre-filing report of the Proposed Monitor, to be filed;
- (d) such further and other evidence as counsel may advise and this Court may permit.

March 23, 2022

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Lawyers for the Applicants

Court File No.

Schedule "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)	FRIDAY, THE 25TH
)	
JUSTICE CONWAY)	DAY OF MARCH, 2022

**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 EVE
& CO INCORPORATED, NATURAL MEDCO LTD., and EVE & CO INTERNATIONAL
HOLDINGS LTD. (collectively, the "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 videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Melinda Rombouts sworn March 23, 2022 and the Exhibits thereto, and the pre-filing report of BDO Canada Limited, in its capacity as proposed monitor of the Applicants ("**Monitor**"), dated March ●, 2022, 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 Applicants and counsel for the Monitor, no one appearing for any other party although duly served as appears from the affidavit of service of ●, filed, and on reading the consent of BDO Canada Limited act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service 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.

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 a plan 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, licenses, 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 business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, 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 the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each

- case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (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; and
 - (c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below).

6. **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; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. **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 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 Taxes are accrued or collected after the date of this Order, or where such Sales 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.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **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 unless such payments are approved under the DIP Term Sheet, the Forbearance Agreement (as defined below), and/or the Definitive Documents (each as defined below) and consented to by the Monitor; (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

10. **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 defined below) and the Forbearance Agreement, 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 \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of its employees as it deems appropriate; and,
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

11. **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, they 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’ claim to the fixtures in dispute.

12. **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 APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including April 4, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants 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 Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, Royal Bank of Canada (the "**Secured Lender**") shall be unaffected by the stay of proceedings and shall be entitled to enforce its rights and remedies in accordance with the terms agreed to in the Forbearance Agreement, and subject to the jurisdiction of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants 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

15. **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, lease, sublease, licence or permit in favour of or held by any of the Applicants, except with the written consent of the applicable Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants 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, security services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, 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 Applicants, and that each of the Applicants 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 Applicant in accordance with normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **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 the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants 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 Applicants 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 applicable Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the applicable Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Applicants shall indemnify their 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.

20. **THIS COURT ORDERS** that the 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 \$150,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

21. **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 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that BDO Canada Limited 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 Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

23. **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 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 its 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 its preparation of the Applicants' cash flow statements and reporting required by the Secured Lender pursuant to the Forbearance Agreement, which information shall be reviewed with the Monitor and delivered to the Secured Lender and its counsel on a weekly basis, or as otherwise agreed to by the Secured Lender;
- (f) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (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;
- (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; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision 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, under the *Cannabis Act*, S.C. 2008, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, the *Ontario Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, or other such applicable federal or provincial legislation (collectively, the "**Cannabis Legislation**") 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 within the meaning of any Cannabis Legislation, or otherwise, and nothing in this 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.

25. **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 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**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental 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, unless it is actually in possession.

26. **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.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its

respective employees or representatives acting in such capacities, shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements related to these proceedings, 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 weekly basis.

29. **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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel 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 \$150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

31. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility ("**DIP Loan**") from Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, 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 \$1,200,000 unless permitted by further Order of this Court.

32. **THIS COURT ORDERS THAT** such DIP Loan shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of March 22, 2022 (the “**DIP Term Sheet**”), filed.

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their 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.

34. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 38 and 40 hereof.

35. **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 five business days written notice to the Applicants, the Monitor, and the Secured Lender, and with the leave of this Court to lift the Stay Period, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender’s Charge, including without limitation, to cease making advances to the Applicants and set off

and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

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

36. **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 (the "**BIA**"), with respect to any advances made under the Definitive Documents.

FORBEARANCE AGREEMENT

37. **THIS COURT ORDERS AND DECLARES** that the entering into of the forbearance agreement dated as of March 22, 2022 between the Secured Lender and the Applicants, Natural Medco Ltd. and Eve & Co Incorporated (the "**Forbearance Agreement**"), providing for, among other things, the continuation and amendment of the loan agreement as between the Secured Lender and Natural Medco Ltd. dated June 11, 2020 (as previously amended from time to time) and the repayment of all indebtedness owing by the Applicant, Natural Medco Ltd. to the Secured Lender, is hereby approved, ratified and confirmed, as are the terms thereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge, and any and all charges, liens, encumbrances and other security held by the Secured Lender (the "**RBC Security**") as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000);

Second – DIP Lender’s Charge (to the maximum amount of \$1,200,000);

Third – the RBC Security; and,

Fourth – Directors’ Charge (to the maximum amount of \$150,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **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 and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

41. **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 obtain the prior written consent of the Monitor, the DIP Lender, the Secured Lender, and the beneficiaries of the Directors’ Charge and the Administration Charge, or further Order of this Court.

42. **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**”) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or

provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants or any one of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which any of them 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, or any one of them, pursuant to this 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.

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

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor (and its directors, officers, employees or representatives) shall have any personal liability for the Applicants failure to file annual information forms, annual and quarterly management discussion and analysis, annual and quarterly financial statements (including related audits, reports, and certifications) for the Stay Period, which period may be extended pursuant to further Order of the Court.

SERVICE AND NOTICE

45. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of 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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 ‘<@>’.

47. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

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, 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.

GENERAL

49. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order or in the interpretation or application of this Order.

50. **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.

51. **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.

52. **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.

53. **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 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.

54. **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.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED**
**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS
LTD.**

Court File No.:

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

INITIAL ORDER

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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 THE COMPROMISE OR ARRANGEMENT OF EVE & CO
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Court File No.:

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

NOTICE OF APPLICATION

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Lawyers for the Applicants

TAB 2

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF
EVE & CO INCORPORATED, NATURAL MEDCO LTD., AND
EVE & CO INTERNATIONAL HOLDINGS LTD.

Applicants

AFFIDAVIT OF MELINDA ROMBOUITS

(Sworn March 23, 2022)

I, Melinda Rombouts of the municipality of Lambton Shores, in the County of Lambton, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. OVERVIEW

1. I am the President and Chief Executive Officer ("**CEO**") of Eve & Co Incorporated ("**Eve & Co**"), as well as a member of the board of directors, having served in these positions since I founded the company in 2014.

2. I am also the CEO and a member of the board of directors of each of Eve & Co's two wholly-owned subsidiaries, Natural MedCo Ltd. ("**NMC**") and Eve & Co International Holdings Ltd. ("**Eve International**"). Eve & Co, NMC and Eve International are collectively the "**Applicants**" herein or the "**Eve Group**".

3. Prior to founding Eve & Co, I was the president, manager and owner of numerous large-scale businesses in the agricultural, food, real estate and pharmaceutical industries. I hold a B.A. and B.Sc. from the University of Waterloo with

- 2 -

specialization in Plant Biology and Microbiology, and I have completed various specialized training courses related to good manufacturing processes (“**GMP**”).

4. As the CEO of the Applicants, my primary responsibilities include managing the companies’ overall operations and resources, making strategic corporate decisions, and acting as the main point of contact between the board of directors and the senior management team.

5. As such, 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 swear this affidavit in support of, among other things, an application by the Eve Group for protection from its creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

7. The Applicants are seeking an order (the “**Initial Order**”) approving:

- (a) the DIP Term Sheet (as defined below), the DIP Loan (as defined below), the authority to borrow up to \$2,200,000, and a charge in favour of Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership, and DK Strategic Yield U.S. GP LLC, as General Partner of Deans Knight Strategic Yield Master Trust Limited Partnership (in this capacity the “**DIP Lender**”) of \$1,200,000 (the “**DIP Lender’s Charge**”);
- (b) an administration charge of \$150,000 (the “**Administration Charge**”);

– 3 –

- (c) a directors' charge of \$150,000 (the "**Directors' Charge**" and together with the DIP Lender's Charge and the Administration Charge, the "**Priority Charges**"); and
 - (d) an initial stay of proceedings to April 4, 2022 (the "**Stay Period**").
8. If the Initial Order is granted, the Applicants intend to return to Court on April 1, 2022 (the "**Comeback Hearing**") to seek the issuance of an order (the "**Amended and Restated Initial Order**") that would:
- (a) extend the Stay Period;
 - (b) increase the amount of the Priority Charges as follows:
 - (i) the DIP Lender's Charge to \$2,200,000; and
 - (ii) the Administration Charge to \$500,000;
 - (c) provide approval to make payment to certain critical suppliers for pre-filing expenses or to honour cheques issued to providers of goods and services prior to the Initial Order, with consent of the Monitor, which are necessary to facilitate the Applicants' ongoing operations and preserve value during the CCAA proceedings; and
 - (d) approve a sale and investment solicitation process.
9. The Eve Group, through NMC as borrower and Eve & Co as guarantor, is in default of its obligations to its senior secured creditor, the Royal Bank of Canada ("**RBC**"). RBC has issued a demand for payment and notices of intention to enforce

– 4 –

security to NMC and a demand for payment to Eve & Co. RBC is prepared to work collaboratively with the Eve Group through this CCAA proceeding. To this end, RBC has entered into a forbearance agreement with NMC and Eve & Co, described in greater detail below, which includes provisions that will operate in the event that this Court grants the Initial Order.

10. The Eve Group, through NMC as borrower and Eve & Co, David Burch, and myself as guarantors, is also in default to its second ranking secured creditors, Brian Van Engelen and Joann Van Engelen.

11. For these reasons and the reasons set out herein, I do verily believe that the Applicants are insolvent and are companies to which the CCAA applies.

II. URGENT NEED FOR RELIEF

12. The Eve Group is a licenced producer and distributor of cannabis flower, cannabis plants, and cannabis products, located in Strathroy, Ontario.

13. The Eve Group is insolvent, faces a severe liquidity crisis, and is in urgent need of relief under the CCAA.

14. Currently, the Applicants' ordinary course monthly cash expenditures exceed its cash receipts. Based on the Cash Flow Forecast (as defined below), the Applicants will have sufficient cash to sustain operations for the week ending March 25, 2022, including payroll, but will have insufficient funds thereafter without a draw under the DIP Loan.

15. The cannabis industry is nascent, highly regulated and has experienced rapid change. The uncertainty caused by these changes has created challenges for companies in the industry, including the ability to obtain investment or financing for operations and capital expenditures.

16. In the past year, the Applicants have suffered, among other things: a series of breached sales agreements that resulted in a loss of millions of dollars in expected annual revenue, along with the attendant spoilage of valuable unsold inventory that could not be salvaged; investments in partnerships that did not come to fruition; the forced eviction of a leaseholder operating from the NMC Facility (as defined below) for non-payment of rent and unacceptable operating practices; a breached share subscription; and a global pandemic.

17. The Eve Group's management team has made determined efforts to address its financial challenges including, among other things: engaging with numerous credit unions to secure additional financing; negotiating a significant share subscription with an equity investor; engaging an investment bank to explore potential options for a sale of the businesses; and seeking to monetize its cannabis Facility, as defined below, through partial leases and/or a sale and lease-back arrangement. Such efforts have so far proved unsuccessful.

18. Despite its recent material setbacks, the Eve Group has significant value as a going concern:

- (a) NMC owns approximately 32 acres of land in Strathroy, Ontario (the "**Property**") on which the Eve Group operates one of the largest cannabis

– 6 –

cultivation and processing facilities in the world at 1,000,000 square feet (the **“Facility”**);

- (b) Although the Facility is purpose built for cannabis production, it is easily adaptable to other agricultural crops. In terms of cannabis, the Facility meets European Union cannabis production specifications. It features an automated fertilization and irrigation system that recirculates and accurately monitors plant nutrients, precision environmental controls to optimize plant growth, and a unique, full-length butterfly roof to improve air circulation and ventilation;
- (c) NMC holds a Standard Cultivation Licence and Standard Processing Licence in Canada and is authorized to sell plants, seeds, dried and fresh cannabis, as well as cannabis derived products;
- (d) NMC holds a European Union Certificate of Good Manufacturing Practice (**“EU-GMP Certificate”**) permitting it to supply cannabis to the European medicinal cannabis market;
- (e) NMC has recently obtained its Control Union Medical Cannabis Standard GAP certification (**“CUMCS-GAP Certificate”**) permitting it to supply cannabis to the Israeli medicinal cannabis market;
- (f) The Eve Group’s domestic licences and global certifications allow it to operate in a highly regulated industry. As the Eve Group’s licences and certifications are non-transferable, their value is derived only by the Eve Group continuing as a going concern;

– 7 –

- (g) The Eve Group has broad, business-to-business sales channels domestically – in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, New Brunswick, and the Yukon; and
- (h) As one of the few, female-led cannabis companies, the Eve Group has formed strategic partnerships with well-established brands for female-focused cannabis 2.0 products.

19. However, given the imminent liquidity crisis, the Eve Group requires the breathing room afforded by the CCAA in order to stabilize its operations for the benefit of all of the stakeholders of the Eve Group – whether that is through debt financing, an equity infusion, and/or a sale of the businesses. I therefore believe that the CCAA provides the most appropriate forum for the Eve Group to restructure its affairs.

III. OVERVIEW OF THE APPLICANTS

A. Eve Group Background and Corporate Structure

20. Eve & Co is a publicly traded company. It is listed for trading on the TSX Venture Exchange (“**TSX-V**”) under the trading symbol “EVE” and on the OTCQX Best Market in the United States under the symbol “EEVVF”. As at January 31, 2022, 31,931,195 shares of Eve & Co were issued and outstanding.

21. Eve & Co is a holding company. The Eve Group’s operations are substantially conducted through NMC, which owns the Property and holds the necessary licences and certifications, further described below. Attached as **Exhibit “A”** is a copy of the corporate organizational chart for the Eve Group.

22. The registered head office of each of Eve & Co, NMC, and Eve International is the NMC-owned Property located at 2941 Napperton Drive, Strathroy, Ontario.

23. NMC holds a cannabis licence under the *Cannabis Act*, S.C. 2018, c. 16 (the “**Act**”) and the Cannabis Regulations, SOR/2018-144 (the “**Regulations**”) for the cultivation, processing and sale of cannabis and cannabis extracts, edibles, and topicals (as amended from time to time, the “**Cannabis Licence**”). On April 28, 2020, NMC was issued an EU-GMP Certificate by the Government of Upper Bavaria, Germany. This EU-GMP Certificate permits the export of medical grade cannabis throughout the EU. On March 15, 2022, NMC was issued a CUMCS-GAP Certificate by Control Union Certifications, as recognized by the Israeli Medical Cannabis Agency. This permits the export of NMC medical-grade cannabis into Israel.

24. The Eve Group has incurred net operating losses for each of the past four years. During the nine months ended September 30, 2021, the Eve Group had incurred a net loss of \$2,136,163.00, and an accumulated deficit of \$28,392,789.00.

25. The Eve Group’s fiscal year end is December 31. The Eve Group’s last audited financial statements were prepared as at and for the year ending December 31, 2021.

B. Eve & Co

26. Eve & Co was initially incorporated as Carlaw Capital V Corp. on June 6, 2014. Carlaw Capital V Corp. changed its name to Eve & Co in June 2018. Attached as **Exhibit “B”** is a copy of the corporation profile for Eve & Co. Eve & Co is a reporting issuer in Alberta, British Columbia, and Ontario.

27. On July 4, 2018, the common shares of Eve & Co commenced trading on the TSX-V under the symbol "EVE" and as of June 21, 2019, on the OTCQX Best Market in the United States under the symbol "EEVVF".

28. Eve & Co is the direct owner of NMC and Eve International.

C. NMC

29. NMC was created on June 28, 2018 by an amalgamation of 1600978 Ontario Inc. ("**160 Ontario**") and 2628385 Ontario Inc. ("**262 Ontario**"). Attached as **Exhibit "C"** is a copy of the corporation profile for NMC. Attached as **Exhibit "D"** is a copy of the Articles of Amalgamation for NMC.

30. 160 Ontario was incorporated on February 2, 2005, in Ontario. 262 Ontario was incorporated on April 3, 2018, in Ontario.

D. Eve International

31. Eve International was incorporated on April 8, 2019, in Ontario. I am the sole director of Eve International. Attached as **Exhibit "E"** is a copy of the corporation profile for Eve International.

32. Eve & Co and Eve International together own 100% of Eve Med Solutions S. A., a corporation incorporated pursuant to the laws of Romania. Eve International also owns 17.5% of GreenEve-Plus, Lda., a corporation incorporated pursuant to the laws of Portugal.

33. Eve International was incorporated to expand the Eve Group's international partnerships. As discussed below, the expected benefits of those international partnerships did not materialize.

34. Eve International has no assets of value or liabilities and has no ongoing operations. As further explained this affidavit, the company was integral to the Eve Group's expansion efforts in Portugal and Romania and was a participant in two unsuccessful foreign joint venture agreements and related arrangements. Eve International seeks CCAA protection on the basis of its affiliate company relationship with Eve Group entities NMC and Eve & Co, and in order to ensure that the CCAA stay of proceedings sought is most effective.

E. The Business

35. The Eve Group is a wellness company in the business of delivering female-oriented cannabis and cannabis products to the Canadian and international markets. The Eve Group – through NMC – is one of the only female-founded and female-led licenced producers of cannabis in the market, with women comprising over 70% of the Eve Group's management and supervisor roles and 65% of its workforce.

36. The principal activities of the Eve Group are the production, distribution and sale of cannabis products through diverse sales channels:

- (a) Provincial Sales – the Eve Group engages in sales of adult-use (i.e. recreational) dried flower and female-focused cannabis 2.0 products to authorized distributors and retailers throughout British Columbia, Alberta,

– 11 –

Saskatchewan, Manitoba, Ontario, Newfoundland, New Brunswick, and the Yukon.

- (b) Wholesale – the Eve Group engages in wholesale sales of its cannabis flower and trim to other Cannabis Licence holders across Canada. The Eve Group additionally leverages the good manufacturing practices, automated packaging system, and large production capacity of its Facility to offer high quality, cost effective white label solutions for other Cannabis Licence holders and cannabis brands.
- (c) Strategic Partnerships – the Eve Group has secured strategic partnerships with well-established brands for female-focused cannabis 2.0 products, including cannabis-infused beverages, wellness and beauty products.
- (d) International Medicinal Market – the Eve Group has supply agreements with distributors of medicinal cannabis in Germany, Australia and Israel. It is only because NMC holds an EU-GMP Certification, and now holds a CUMCS-GAP Certificate, that the Eve Group is able to enter these international markets. The German market alone presents significant opportunity for the Eve Group. As set out in **Exhibit “F”**, market analytics indicate that the number of medicinal cannabis patients in Germany will exceed 1 million by 2024, and the value of the medicinal cannabis market will be €7.7 billion by 2028. The Eve Group continues to receive approvals from German authorities to import additional strains of its cannabis into the country. The receipt of the CUMCS-GAP Certification is a key business milestone for the Eve Group, as Israel is presently the largest importer of cannabis in the world. While the CUMCS-

– 12 –

GAP Certification was delayed due to the COVID-19 pandemic, it opens up numerous new opportunities for the Eve Group and permits it to capitalize on already established relationships in Israel.

37. In 2020 and 2021, NMC's sales breakdown by Ontario sales, domestic sales (meaning Canadian sales outside of Ontario), and foreign sales, was as follows:

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Provincial	466,416	202,643	694,462	742,538	1,214,646	1,180,746	1,124,461	357,910
Domestic	-	1,122,814	80,987	322,012	1,087,227	91,947	204,573	291,718
Foreign	-	-	-	183,690	169,650	274,950	1,298,700	722,385
Total Revenue	466,416	1,325,457	775,448	1,248,240	2,471,523	1,547,644	2,627,734	1,372,013
Provincial %	100%	15%	90%	59%	49%	76%	43%	26%
Domestic %	0%	85%	10%	26%	44%	6%	8%	21%
Foreign %	0%	0%	0%	15%	7%	18%	49%	53%

F. The Facility

38. In 2005, David Burch and I purchased the Property through 160 Ontario. At the time, the predecessor company to NMC was in the business of growing and selling flowers.

39. In 2016, the Eve Group began growing cannabis pursuant to the Cannabis Licence in the Facility, which was at that time a 120,000 square foot greenhouse located on the Property.

40. The Facility was expanded to 220,000 square feet in 2017.

41. In 2019, the Eve Group expanded the Facility to approximately 1,000,000 square feet. With capacity to produce up to 50,000kg of cannabis per year, the Facility is one of the largest of its kind in the world.

G. Cannabis Licences

i) Canadian Cannabis Licence

42. NMC applied for a licence to grow cannabis for medicinal use in or around 2013. It was not until July 22, 2016 that NMC received its Licence to produce, possess, ship, transport, deliver, and destroy dried cannabis and cannabis plants, including live clippings and seeds under the federal Marihuana for Medical Purposes Regulations, SOR/2013-119. The Cannabis Licence was subsequently transitioned to the Access to Cannabis for Medical Purposes Regulations on August 24, 2016.

43. On June 22, 2018, Health Canada amended the Licence to authorize the sale of dried and fresh cannabis products to provincial retailers and distributors, and authorized NMC's second packaging room as an operations area and second flowering room as a grow area.

44. The Cannabis Licence was amended again on December 16, 2019 to permit the use of a third flowering room to be added to the Facility as a grow area.

45. The Cannabis Licence was amended a third time on July 17, 2020 to permit the sale of cannabis extracts, edibles, and topicals.

46. The Cannabis License currently expires July 6, 2023. Attached as **Exhibit "G"** is a copy of the Cannabis License.

47. NMC must apply for and obtain renewal of the Cannabis Licence prior to the July 6, 2023 expiry date in order to continue carrying on the activities permitted by the

Cannabis Licence, which activities are the core of the Eve Group's business. Without the Cannabis Licence, the Eve Group could not carry on its business.

48. The Cannabis Licence permits NMC to undertake the following activities at the Property:

- (a) possess cannabis;
- (b) obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis;
- (c) sell cannabis in accordance with subsection 11(5) of the Regulations;
- (d) for the purpose of testing, obtain cannabis by altering its chemical or physical properties by any means;
- (e) produce cannabis, other than by cultivating, propagating or harvesting it; and
- (f) sell cannabis in accordance with subsection 17(5) of the Regulations.

49. The Cannabis Licence is subject to the following conditions:

- (a) NMC must meet the requirements set out in the Health Canada document entitled "Mandatory cannabis testing for pesticide active ingredients";
- (b) The only cannabis products that NMC may sell or distribute to (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants, cannabis plant seeds, dried cannabis, fresh cannabis, cannabis oil, cannabis topicals, cannabis extracts and edible cannabis; and

- (c) The only cannabis products that NMC may send or deliver to the purchaser at the request of (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants, cannabis seeds, dried cannabis, fresh cannabis, cannabis oil, cannabis topicals, cannabis extracts and edible cannabis.

50. As of today's date, Health Canada has not expressed any material issues or concerns with respect to NMC's compliance with the Act, the Regulations, or the conditions under the Cannabis Licence.

ii) Excise Cannabis Licence

51. NMC obtained its Cannabis Licence under the *Excise Act, 2001* (Canada) effective on October 17, 2020 (the "**Excise Cannabis Licence**"). Attached hereto and marked as **Exhibit "H"** is a copy of the Excise Cannabis Licence.

52. The expiry date for the Excise Cannabis Licence is October 12, 2022. In order to renew the Excise Cannabis Licence, NMC must satisfy its statutory obligations under the *Excise Act, 2001* and the conditions under the Excise Cannabis Licence.

iii) EU-GMP Certificate

53. On April 28, 2020, NMC was issued an EU-GMP Certificate by the Government of Upper Bavaria, Germany, a copy of which is attached as **Exhibit "I"** hereto.

54. An EU-GMP certificate is issued on the basis of a completed Good Manufacturing Processes inspection, and continued follow-up inspections, of a

manufacturer operating in accordance with the EU GMP regulations. An EU-GMP Certificate is issued to a specific site (i.e. the Facility) and refers to one specific address (i.e. the Property) – it is non-transferable.

55. The granting of the EU-GMP Certificate was a result of the robust efforts the Eve Group undertook to ensure its manufacturing standards, production practices and products are of a consistent high quality and that its employees have the experience to satisfy the EU-GMP requirements. To my knowledge, NMC is one of only a handful of Canadian companies that has received EU-GMP certification for cannabis.

56. The EU-GMP certification enables the Eve Group to continue its global growth strategy and fulfill its contracts in the EU market.

iv) CUMCS-GAP Certificate

57. On March 15, 2022, NMC received notice that it had been issued its CUMCS-GMP Certificate, a copy of which is attached as **Exhibit “J”**. The CUMCS-GMP Certificate is dated March 9, 2022 and is valid until March 8, 2023.

58. The CUMCS-GAP is a leading certification standard for medical cannabis certification globally. CUMCS-GAP is a recognized and accepted program by the Israeli Medical Cannabis Agency for all imports of medical cannabis into Israel, and the Certificate declares that NMC’s activities comply with the:

- (a) Control Union Medical Cannabis Standard;
- (b) World Health Organization (WHO) guidelines on GAP and good agricultural and collection practices for medicinal plants;

– 17 –

- (c) WHO guidelines for assessing quality of herbal medicines with reference to contaminants and residues;
- (d) European Medical Agency Guideline on GAP and GACP for Herbal Medical Products;
- (e) Guidelines of the Dutch Government for cannabis for Medical Use;
- (f) International Standard for Good Agricultural Practices; and
- (g) Israeli Medical Cannabis Agency (IMCA) Good Agricultural Practices.

59. The CUMCS-GAP certification further enables the Eve Group to continue its global growth strategy. The Eve Group currently has three supply agreements with distributors of medicinal cannabis in Israel.

H. Employees

60. NMC employs 43 employees on an hourly basis, in addition to six management level employees, including myself, who are full-time salaried employees. All employees work at the Facility.

61. I am the only employee of Eve & Co. Eve International has no employees.

62. NMC's employees are paid bi-weekly in arrears. All payments to hourly employees are current based on the payroll schedule, save that I have not taken my most recent bi-weekly salary payment.

63. So as to aid Eve Group's liquidity, I have postponed taking my salary from mid-August 2021 through to the end of December 2021. I have received four, bi-weekly salary payments in 2022.

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

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

V. FINANCIAL CIRCUMSTANCE AND CASH FLOW FORECAST

66. Eve & Co has a fiscal year-end of December 31. Attached as **Exhibits "K"** and **"L"** are Eve & Co's Consolidated Audited Year End Financial Statements from 2020 and unaudited consolidated financial statements for the nine months ending September 30, 2021, respectively.

A. Assets

67. According to the Audited 2020 Year End Consolidated Financial Statements and the unaudited September 30, 2021 Interim Financial Statement (collectively, the **"Financial Statements"**), as at September 30, 2021, the assets of the Eve Group were as follows:

– 19 –

	September 30, 2021 (unaudited)	December 31, 2020 (audited)
Current Assets		
Cash	\$288,653	\$517,644
Other Receivables and Prepaid Expenses	\$527,758	\$702,484
Accounts Receivable	\$907,888	\$856,718
Biological Assets	\$486,670	\$1,070,507
Inventory	\$10,255,874	\$8,083,934
Total Current Assets	\$12,466,825	\$11,231,287
Non Current Assets		
Property, Plant and Equipment	\$37,929,490	\$39,208,171
Total Assets	\$50,396,315	\$50,439,458

B. Liabilities

68. According to the Financial Statements, as at September 30, 2021 and December 30, 2020, the liabilities of the Eve Group were as follows:

	September 30, 2021 (unaudited)	December 31, 2020 audited)
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$8,235,709	\$7,257,875
Deferred Revenue	\$853,298	-
Promissory Notes	\$965,850	\$934,875
Loans and Borrowings	\$17,779,891	\$18,494,245
Total Current Liabilities	\$27,834,748	\$26,686,995
Non Current Liabilities		
Loans and Borrowings	\$1,461,181	\$936,142
Total Liabilities	\$29,295,929	\$27,623,137

C. Cash Flow Forecast

69. The Eve Group, with the assistance of the proposed Monitor has prepared a projected 23-week cash flow forecast (the “**Cash Flow Forecast**”) for the period ending August 27, 2022. Attached as **Exhibit “M”** is a copy of the Cash Flow Forecast.

70. Pursuant to the Cash Flow Forecast, the Applicants will have sufficient liquidity to sustain operations for the week ending March 25, 2022, including payroll, but will have insufficient funds thereafter.

VI. CREDITORS OF THE EVE GROUP

A) Secured Creditors

i) *Royal Bank of Canada*

71. Royal Bank of Canada is the Eve Group’s senior secured creditor. NMC, as borrower, and Eve & Co, as guarantor, entered into a Loan Agreement with RBC, as lender, on March 12, 2019 and accepted on March 18, 2019, that was subsequently amended and restated by way of Loan Agreement dated June 11, 2020 and accepted on June 22, 2020 (as further amended, the “**RBC Credit Agreement**”). The RBC Credit Agreement resulted in the advance of monies under the following credit facilities:

- (a) A non-revolving term loan in the amount of \$18, 595,102.40 (the “**RBC Loan**”); and
- (b) A Business Card Visa facility with a credit limit of \$25,000.

Attached as **Exhibit “N”** is a copy of the RBC Credit Agreement.

– 21 –

72. The RBC Loan was advanced on December 31, 2019.

73. The purpose of the RBC Loan was to finance the construction of the 780,000 square foot expansion of the Facility.

74. The RBC Credit Agreement included a covenant from NMC to maintain a debt service coverage ratio of not less than 1.25:1 (the “**Ratio**”).

75. As security for the RBC Credit Agreement, NMC agreed to provide RBC with a collateral mortgage in the amount of \$25,000,000 over the Property, constituting a first charge on the Property. Attached as **Exhibit “O”** is a copy of the charge and a title abstract of the NMC Property evidencing its registration.

76. As additional security for the funds advanced under the RBC Credit Agreement, Eve & Co agreed to guarantee NMC’s obligations thereunder and also agreed to postpone Eve & Co’s claims against NMC in favour of RBC’s claims.

77. David Burch and I also postponed and assigned our claims against NMC in favour of RBC.

78. By letter dated April 9, 2021, RBC provided notice of NMC’s default under the RBC Credit Agreement due to NMC’s failure to pay municipal realty taxes on the Property and for HST arrears. RBC also advised of its concerns with NMC’s failure to keep critical suppliers current, and notified NMC that BDO had been retained as RBC’s financial advisor. Attached as **Exhibit “P”** is a copy of the April 9, 2021 letter.

79. By letter dated May 13, 2021, RBC provided notice of NMC's continued default under the RBC Credit Agreement, and confirmed the terms of payments to be made in respect of the RBC Loan. Attached as **Exhibit "Q"** is a copy of the May 13, 2021 letter.

80. By letters dated August 4, 2021 and November 12, 2021, RBC provided notice of further defaults by NMC under the RBC Credit Agreement. Attached as **Exhibits "R"** and **"S"** are copies of the August 4, 2021 and November 12, 2021 letters, respectively.

81. NMC is currently in default of the RBC Credit Agreement as a result of:

- (a) being insolvent;
- (b) failing to make the monthly payment due February 28, 2022 and is in arrears in the amount of \$285,145.64, which amount includes certain professional fees of RBC's legal counsel and BDO, as financial advisor (the **"Bank Arrears"**);
- (c) failing to maintain the Ratio required under the RBC Credit Agreement;
- (d) failing to fulfil all reporting requirements under the RBC Credit Agreement;
- (e) being in substantial arrears of payments to Hydro One Networks Inc. which have now been cleared and failing to pay arrears owing to Enbridge Gas Inc., which amount to \$346,360.00 as at March 3, 2022;
- (f) being in breach of NMC's Master Factoring Agreement with Capital Now Cannabis, with obligations due to Capital Now Cannabis thereunder estimated to be in the sum of \$160,622.00 as at March 3, 2022;

– 23 –

- (g) owing substantial arrears to CRA, as follows:
- (i) Arrears of HST totalling \$281,397 as at March 3, 2022;
 - (ii) Arrears of Excise Duties totalling \$1,434,051 as at March 3, 2022;
and
 - (iii) Arrears of employee deductions at source totalling \$166,132 as at March 3, 2022.

82. On March 22, 2022, RBC and NMC entered into a forbearance agreement (the “**Forbearance Agreement**”). Per the terms of the Forbearance Agreement:

- (a) RBC granted NMC a period of forbearance between the date of the Forbearance Agreement and September 15, 2022 to complete this CCAA proceeding and to repay NMC’s indebtedness to RBC in full;
- (b) A forbearance fee of \$125,000 is due and owing from NMC to RBC upon completion of the CCAA proceedings;
- (c) NMC agreed to pay all of the Bank Arrears, plus the fees paid by RBC to its counsel and to BDO, as financial advisor, through proceeds advanced under the DIP Loan;
- (d) NMC agreed to pursue the SISP (as described below);
- (e) NMC agreed to keep current all post Initial Order priority claims, meaning deemed trusts and other claims ranking in priority to RBC; and
- (f) The Forbearance Agreement terminates on September 15, 2022. Attached as **Exhibit “T”** is a copy of the executed Forbearance Agreement.

83. Concurrent with the execution of the Forbearance Agreement, RBC issued a demand for payment of NMC's indebtedness to RBC of \$17,596,780.18, as at March 22, 2022, and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* and Notice of Intent by Secured Creditor pursuant to section 21 of the *Farm Debt Mediation Act* to NMC, and a demand for payment to Eve & Co as guarantor.

ii) Van Engelen Loan

84. Brian Van Engelen and Joann Van Engelen (collectively, the "**Van Engelen**"), as lenders, NMC, as borrower, and Eve & Co., David Burch, and myself as guarantors, entered into a Loan Agreement dated December 21, 2020 (the "**Van Engelen Loan Agreement**") pursuant to which the Van Engelens agreed to loan NMC up to \$1,000,000 (the "**Van Engelen Loan**"). Attached as **Exhibit "U"** is a copy of the Van Engelen Loan Agreement.

85. The Van Engelen Loan consists of two facilities. The first facility, totalling \$500,000, was advanced on closing. The second facility for the balance, being \$500,000, was available upon request and was ultimately drawn on February 5, 2020.

86. The Van Engelen Loan matures on December 31, 2022. Interest on both facilities was 15% per annum payable monthly between January 1, 2021 and December 31, 2021 ("**Year One**"), and is 11% per annum payable between January 1, 2022 and December 31, 2022 ("**Year Two**"). Both facilities are "interest only" loans for Year One. Outstanding principal and interest are to be paid in monthly installments in Year Two.

87. As evidence of the Van Engelen Loan, NMC and Eve & Co have each provided promissory notes to the Van Engelens, dated December 29, 2020 (the “**Van Engelen Promissory Notes**”). Copies of the Van Engelen Promissory Notes are attached as **Exhibit “V”**.

88. NMC and Eve & Co have also granted the Van Engelens a security interest over all of their personal property pursuant to general security agreements, dated December 29, 2020 (the “**Van Engelen GSAs**”). The Van Engelen GSAs have a second-ranking charge over the personal property of NMC and Eve & Co. Attached as **Exhibit “W”** are copies of the Van Engelen GSAs.

89. As additional security for the amounts advanced under the Van Engelen Loan, NMC granted the Van Engelens a second ranking charge against the Property in the amount of \$1,200,000.00 (the “**Van Engelen Charge**”). Attached as **Exhibit “X”** is a copy of the Van Engelen Charge.

90. David Burch and I have also provided personal guarantees of NMC’s indebtedness to the Van Engelens each in the amount of \$500,000.00. Attached as **Exhibit “Y”** are copies of the personal guarantees provided by David Burch and myself.

91. NMC has not made the required payments under the Van Engelen Loan since February 2022 and is accordingly in default of the terms of the Van Engelen Loan.

iii) Salt Capital Inc. o/a Capital Now Cannabis

92. NMC, as seller, and 2355097 Alberta Ltd. o/a Capital Now Cannabis (“**CNC**”), as factoring agent, entered into a Master Factoring Agreement on July 12, 2021 (“**MFA**”)

pursuant to which CNC agreed to purchase certain acceptable accounts receivable from NMC at 95% of face value. Attached as **Exhibit “Z”** is a copy of the MFA.

93. The purpose of the MFA was to finance NMC’s receivables and provide working capital. Under the MFA, CNC would buy “Acceptable Accounts”, as defined in the MFA, at 95% of the account’s face value.

94. As security for the amounts paid by CNC, NMC granted CNC a security interest in all of NMC’s present and after acquired personal property, including accounts receivable, pursuant to a general security agreement, dated July 12, 2021 (the “**CNC GSA**”). Attached as **Exhibit “AA”** is a copy of the CNC GSA.

95. As of March 3, 2022, NMC is currently in arrears to CNC in the amount of \$160,622.

B) Other PPSA Creditors

96. In addition to the secured creditors described above:

- (a) Trisura Guarantee Insurance Company has a registration under the *Personal Property Security Act* (“**PPSA**”) against both Eve & Co and NMC with respect to agreements to lease equipment; and
- (b) Meridian Onecap Credit Corp. has a registration under the PPSA against NMC with respect to agreements to lease office equipment.

97. There are no PPSA registrations against Eve International.

98. Attached hereto and marked as **Exhibit “BB”** are true copies of the Personal Property Registry search results for each of the Applicants for British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, New Brunswick, and the Yukon (collectively the **“PPR Searches”**).

99. Attached hereto and marked as **Exhibit “CC”** is a summary of the PPR Searches. There are no registrations outside of Ontario.

C) Other Creditors

i) Property Taxes

100. NMC’s typical annual property taxes of approximately \$15,000 per year have been paid. Recently, NMC received property tax bills of approximately \$400,000, which I understand is an error that is to be corrected. I am advised by the Township of Adelaide-Metcalf that the Municipal Property Assessment Corporation (MCAP) performed a periodic assessment of the Property, and discovered (only now) that, in February 2019, 160 Ontario had registered its name change to NMC on title to the Property. As a result, for reasons I do not understand, the Property was assessed by MCAP as a 1,000,000 square foot residential home. I have spoken with the Township and understand that this error will be corrected in due course. Attached as **Exhibit “DD”** is a copy of the current property tax bill.

ii) Source Deductions, Excise Duty, and HST

101. As of March 16, 2022, NMC owes approximately \$195,418 to CRA in respect of unremitted Employment Insurance and Canada Pension Plan deductions.

102. Further, as of March 3, 2022, NMC is in arrears to CRA for excise tax remittances in the amount of \$1,434,051.

103. NMC also owes CRA \$275,358 for unpaid HST as of March 3, 2022.

104. As of March 16, 2022, NMC also owes the Workplace Safety and Insurance Board of Ontario Workplace Safety and Insurance Board premiums of \$51,737.

iii) Trade Creditors

105. NMC incurs obligations in the ordinary course of business to various trade creditors. As at March 3, 2022, the largest trade creditor is Universal Fabricating, the builder of the Facility, who is owed approximately \$3,700,000.

106. As at March 3, 2022, NMC is in arrears to Enbridge Gas Inc. in the amount of \$346,360.

iv) Notes Payable

107. 262 Ontario, a predecessor to NMC as discussed above, entered into two identical promissory notes with David Burch and I on June 14, 2018, each in the principal sum of \$488,000 and bearing interest at the rate of 5% per annum, calculated monthly (the “**Promissory Notes**”).

108. On March 29, 2019, \$150,000 of the total amount owing under the Promissory Notes was repaid, as per the terms of the Promissory Notes.

109. David Burch and I agreed to subordinate the Promissory Notes to the RBC Loan upon entering into the RBC Credit Agreement.

110. The balance of the Promissory Notes remains outstanding. As at September 30, 2021, the amount owing to Mr. Burch and myself is \$826,000 of the principal amount and \$139,850 of accrued interest.

v) *Litigation*

111. On May 10, 2021, Hydro One Networks Inc. (“**Hydro One**”) commenced an action in the Superior Court of Justice of Ontario against NMC for \$853,644.99 arising out of unpaid utility bills. NMC entered into a settlement agreement with Hydro One on July 16, 2021 to resolve the action. Attached as **Exhibit “EE”** is a copy of the settlement agreement. The settlement has been completed and I understand from counsel for the Eve Group that the Hydro One action will be discontinued or dismissed.

112. The Eve Group is not involved in any other active litigation.

vi) *Debentureholders*

113. On December 11, 2020, Eve & Co issued debentures in the aggregate amount of \$550,000 to six debentureholders. As discussed below, on February 17, 2022, Eve & Co closed a transaction whereby all of the debentureholders, with two exceptions, exchanged their debentures for shares in Eve & Co.

114. As of March 22, 2022, one debentureholder, holding debentures bearing a face value of \$50,000, remains outstanding. The debentures held by the debentureholder consist of a \$50,000 total principal amount which matures two years from the date of issue and bears interest at 10% per annum. First year interest was paid in January 2022 with additional interest due December 31, 2022. The debenture itself comes due on December 31, 2022.

115. I am also owed approximately \$22,000 in interest on a debenture which I held until February 17, 2022, when my debenture was converted to equity.

VI. CHALLENGES AND LIQUIDITY ISSUES FACED BY THE APPLICANTS

116. The Eve Group has faced a number of challenges which have affected its profitability and liquidity, including:

- (a) being a growing company in a developing industry that has faced a number of challenges, including:
 - (i) restrictive and continually changing regulation at all levels of government;
 - (ii) government delays in licencing;
 - (iii) an oversaturated market; and
 - (iv) the Ontario government's inefficient and ineffective introduction and management of retail sales at the provincial level;
- (b) failed supply agreements in Germany and Australia, described below, which resulted in a loss of expected cash flow as well as wasted expenses and inventory that could not be salvaged;
- (c) investments in partnerships with foreign entities that failed to deliver the expected revenue and market opportunities, described below;
- (d) significant debt taken on to finance the expansion of the Facility which has not produced the expected returns; and

- (e) as detailed below, the eviction of a lessee from the Facility for non-payment of rent and other breaches causing NMC to lose a meaningful source of revenue.

A. Cannabis Market in Canada

117. The Canadian cannabis industry is an extremely challenging operating environment. The industry is highly regulated, highly taxed, and subject to ever-changing legislation and delays at all levels of government.

118. NMC was granted a cannabis cultivation licence by Health Canada in August 2016, but was not licenced to *sell* cannabis until June 2018. As such, it was not possible for NMC to realize any revenue from the sale of cannabis, and see any returns on its investments in its infrastructure, for an almost two year period. Then, in October 2018, an unexpected and sudden change in legislation required the Eve Group to reapply to each Province in which it sought to sell its products.

119. While NMC is licenced to cultivate and sell to other licenced cannabis producers cannabis for medicinal use, it is still not licenced to sell medicinal cannabis directly to patients in Canada.

120. Further, the confused and complicated roll out of the cannabis retail system in Ontario – the largest domestic cannabis market – added uncertainty and complication to the Eve Group's operations. In September 2017, the Ontario government announced that a Provincial crown corporation would control all brick-and-mortar and online retail sales of cannabis in the Province. By October 2018, the Province instead decided to

control only the online retail sales of cannabis and permit private retail stores. However, only 25 licences were granted for private retail stores.

121. As a result, cannabis retail in Ontario is dominated by the government-owned Ontario Cannabis Store (the “OCS”). The Eve Group has faced difficulty having new products accepted for sale by the OCS. The Eve Group has made significant investments in researching and developing female-oriented cannabis 2.0 products with strategic partners, such as beauty products, wellness products, and a cannabis infused beverage, but the OCS has not yet approved any of these products for sale through its website.

122. These factors have been exacerbated by the increased costs and operating challenges arising from the ongoing global COVID-19 pandemic over the last two years.

B. The Costly Facility Expansion

123. In anticipation of significant increases in sales volumes, including on account of anticipated supply agreements being negotiated with foreign importers of medicinal cannabis (as described below), the Eve Group undertook a 780,000 square foot expansion of the Facility in mid-2018.

124. The total cost of the Facility expansion was approximately \$42,000,000. The cost of the expansion was partially funded by the RBC Loan, discussed above, with the balance financed by the Eve Group. The final cost of the Facility expansion was within 10% of the original budget.

125. The Facility expansion took one year to complete, which was about four months longer than anticipated as construction was held up by poor weather and delays in obtaining various municipal approvals.

126. However, as a result of numerous external factors, the Eve Group's utilization of the expanded, 1,000,000 square foot Facility has never been above 20% - a level of production that does not cover the debt service costs of the expansion.

127. First, Health Canada did not grant an amendment to the Cannabis Licence to permit the Eve Group to utilize the expanded portion of the Facility until December 2019, so the new space sat idle for six months. Second, by 2020, there was a dramatic increase in the number of licenced producers of cannabis for non-medicinal (i.e. recreational) uses, a development that oversaturated the market. This led to an unprecedented level of competition among suppliers that drove down prices and profit margins. Third, as discussed below, the Eve Group's supply agreements have not resulted in the sales volumes anticipated.

C. Unfulfilled German Supply Agreement

128. On April 1, 2019, the Eve Group entered into a supply agreement with a German importer of medicinal cannabis, Bavaria Weed GmbH ("**Bavaria**"), for the sale to Bavaria of between 1,000 and 5,500 kilograms of NMC's cannabis, per month, for an initial term of two years, at a price of \$6.00/gram (the "**Bavaria Agreement**"). Attached as **Exhibit "FF"** is a copy of the Bavaria Agreement. This would have resulted in sales by the Eve Group of between \$6,000,000 and \$30,000,000 per month.

129. The Bavaria Agreement required Bavaria to issue monthly purchase orders to the Eve Group, and that the orders for the first two months of the term of the agreement would be for 500 kg of product each month.

130. Following the execution of the Bavaria Agreement, it took a year for NMC to obtain its EU-GMP Certificate and another six months to obtain quality assurance approval of NMC's cannabis from the German scientific authority.

131. On November 3, 2020, Bavaria issued NMC its first purchase order under the Bavaria Agreement, for 30,995 grams of dried cannabis flower at the price of \$6.00/gram (the "**2020 Purchase Order**"). NMC fulfilled the 2020 Purchase Order notwithstanding that it fell below the 500 kg minimum order in order to realize the revenue.

132. Bavaria failed to issue any purchase orders for the next three months. On March 18, 2021, Bavaria issued a purchase order to NMC for approximately 598 kg of dried cannabis flower, at the price of \$2,932,567 (the "**2021 Purchase Order**"). The discounted price of \$4.90/gram was offered by NMC on the condition that Bavaria would place a deposit and would apply for a German import permit immediately. The 2021 Purchase Order provided that Bavaria would apply for an import permit the week of March 15, 2021. For the prior, 2020 Purchase Order, Bavaria had obtained the necessary import permit, so NMC did not anticipate any problems. For six months, however, the Eve Group waited for the import permit to be issued so it could deliver the product that was ordered March 18, 2021, which was already packaged and certified for export. In September 2021, the Eve Group learned that Bavaria had never applied for the import permit required for the 2021 Purchase Order.

133. In an attempt, I believe, to avoid its contractual obligations due to its own commercial challenges, Bavaria then inspected NMC's Facility and product in Canada and declared them to be unsatisfactory (contrary to the positive results of 12 official EU-GMP inspections of the Facility conducted in 2021). The Eve Group's dispute with Bavaria remains outstanding. I understand from counsel to the Eve Group that there is a potential claim against Bavaria for failing to meet the minimum purchase volumes under the supply agreement.

D. Unfulfilled Australian Supply Agreements

134. In November 2021, the Eve Group secured a supply agreement with a medicinal cannabis importer in Australia, TCann Pty Ltd ("**TCann**"), with an initial term of three years and a commitment for a minimum purchase volume each month.

135. In December 2021, the Eve Group exported its first shipment of cannabis to TCann. The product was supposed to be stored at temperatures of between 15 and 25 degrees Celsius at all times. Instead, the product was left outdoors at the airport in Australia in temperatures of over 40 degrees for four days, resulting in a degradation of quality. As a result, TCann has, to date, refused to take any further shipments from the Eve Group and has failed to perform under the supply agreement.

136. The Eve Group had already prepared two orders of cannabis for TCann, which, due to already being packaged in accordance with the Australian government and distributor requirements, cannot be resold to another customer. I understand from counsel to the Eve Group that there is a potential claim against TCann for failing to meet the minimum purchase volumes under the supply agreement.

E. Unsuccessful Foreign Joint Ventures

137. In 2019, the Eve Group entered into joint ventures with two European companies in an effort to further diversify its revenue sources and expand its global presence.

i) Joint Venture in Romania

138. On June 6, 2019, Eve & Co entered into a letter of intent with Grey Matter SRL (“**Grey Matter**”), a corporation incorporated under the laws of Romania, whereby Eve & Co and Grey Matter agreed to create a company in Romania that would cultivate medical cannabis for sale in Romania and throughout the EU (the “**Romania LOI**”). Attached as **Exhibit “GG”** is a copy of the Romania LOI.

139. Pursuant to the Romania LOI, the Eve Group was to incorporate a new company in Romania, provide cultivation and production expertise, genetics, and assist in setting up the Romanian growing facility. Grey Matter was to supply the land on which to construct the production facility and operate the business.

140. Pursuant to the Romania LOI, the Eve Group incorporated Eve Med Solutions S. A. pursuant to the laws of Romania (“**Romania Co**”). The shares of Romania Co were held by Eve International.

141. The Romania LOI contemplated that 87.5% of the issued and outstanding shares of Romania Co would be transferred to Grey Matter for nominal consideration upon two milestones being satisfied.

- (a) Romania Co being granted a medical cannabis cultivation licence by the government of Romania (the “**Licence Milestone**”); and

- (b) Romania Co securing all necessary approvals and permits, including applicable building permits, to enable it to construct a cannabis cultivation facility in Romania (the “**Building Permit Milestone**”).

142. Under the Romania LOI, Grey Matter was to take all steps and incur all expenses towards satisfying both milestones. Neither the Licence Milestone nor the Building Permit Milestone were ever satisfied. I believe that Grey Matter ultimately could not secure the resources to proceed with the joint venture. As a result, no shares of Romania Co were transferred out of Eve International.

143. The Romania Co subsidiary has never provided any revenue to the Eve Group. Romania Co has no employees, assets or liabilities.

ii) Joint Venture in Portugal

144. On October 3, 2019, the Eve Group entered into an Amended and Restated Letter of Intent with Onon B.V.S. Advisors, Lda, a corporation incorporated under the laws of Portugal (“**Onon**”), whereby the Eve Group and Onon agreed to create a company in Portugal that would cultivate medical cannabis for sale in Portugal and throughout the EU (the “**Portugal LOI**”). Attached as **Exhibit “HH”** is a copy of the Portugal LOI.

145. Per the Portugal LOI, the Eve Group was to provide cultivation and production expertise, genetics, and assist in setting up the Portuguese growing facility. Onon was to incorporate a new company in Portugal, obtain the land for a facility, obtain all necessary licences and permits, and bear all costs and expenses related to the acquisition of the land and the licences.

146. Required licences included a licence for the cultivation of cannabis in Portugal, the import of cannabis into Portugal, and the export of cannabis out of Portugal, all for medicinal purposes (the “**Portuguese Licence**”). Onon was also to obtain the necessary permits to build a cannabis cultivation and processing facility in Portugal.

147. Onon incorporated GreenEve-Plus, Lda., a company based in Portugal and formed pursuant to the laws of Portugal (“**Portugal Co**”), and transferred 17.5% of the shares of Portugal Co to Eve International.

148. Portugal Co received a licence to build a cannabis facility from the relevant authorities, but Onon failed to proceed with construction. Without a facility, Portugal Co could not obtain a Portuguese Licence. I believe that Onon ultimately could not secure the resources to proceed with the joint venture. As such, the Eve Group has never received any revenue or dividends from Portugal Co. Onon is arm’s length from Eve Group, so the Eve Group has no effective control over Portugal Co.

F. Defaulting Tenant

149. On September 17, 2021, to off-set the carrying costs of the Facility expansion and monetize the idle capacity, NMC leased a portion of the Facility to Franchise Cannabis Corp. (the “**Tenant**”) to cultivate cannabis under NMC’s Cannabis Licence. The Tenant was to pay rent of \$125,000 per month, plus insurance premiums and half of NMC’s utilities costs for the Facility. The agreement provided that the Tenant could use up to 50% of the Facility for its operations, although it only ever used between 10% to 20% of the space.

150. The Tenant failed to adhere to the Eve Group's strict standards of good manufacturing practices and product quality control. The Tenant's poor cultivation practices and management of its plants and pesticides began to put the Eve Group's own product quality and controls at risk. The Tenant was also continually late paying rent.

151. The Tenant was evicted from the Facility on February 28, 2022. The Tenant remains in arrears of rent and expenses payable to the Eve Group of approximately \$300,000.

152. The Eve Group is in the process of seeking one or more new tenants as discussed below.

VII. STRATEGIC INITIATIVES

153. As a result of the difficulties it has faced, the Eve Group has pursued a number of strategic initiatives to improve its operations and financial position, including:

- (a) entering into a share subscription agreement;
- (b) soliciting debt financing;
- (c) exploring opportunities for an acquisition;
- (d) leveraging the Property through a potential sale and lease-back;
- (e) capitalizing on the Facility through potential third-party leases or licences;
- (f) converting debt to equity to improve the balance sheet and reduce debt service costs; and

- (g) reducing operating expenses, including by reducing staffing levels and reducing marketing and investor relations expenses.

A. Attempts to Raise Equity Financing

154. Last year, the Eve Group entered into a share subscription agreement with ST Biosciences, a New York based company developing synthetic cannabinoid pharmaceuticals, for ST Biosciences to purchase \$1,400,000 of Eve & Co's common shares at \$0.42 per share. The deal was supposed to close in May 2021. Unfortunately, ST Biosciences failed to complete the share purchase. I understand from the Eve Group's counsel that Eve & Co may have a viable action against ST Biosciences for its breach of the share subscription agreement.

B. Attempts to Obtain Additional Debt Financing

155. From September 2021 to present, the Eve Group sought to establish new credit facilities with a number of credit unions to provide financing for operations.

156. Despite having approached numerous credit unions across the country, and despite engaging the assistance of a broker, the Eve Group has been unable to arrange suitable additional debt financing.

C. Attempts to Solicit an Acquisition

157. Approximately six months ago, Ravi Sood, a former member of the board of directors of NMC, contacted an investment bank, PI Financial Corp., to solicit potential purchasers for part or all of the Eve Group's assets.

158. Through PI Financial Corp.'s efforts, the Eve Group engaged in initial discussions with potential purchasers but no deals materialized.

D. Attempts to Monetize the Facility and Licenses

159. In an effort to improve its finances and generate sufficient working capital, the Eve Group has explored opportunities to monetize the Facility. The Eve Group has engaged in discussions for a sale and lease back of the Facility, whereby the builder who constructed the 780,000 square foot expansion of the Facility would purchase the Facility and use the expansion area to grow produce, and lease back the balance of the Facility to NMC for its current use of cultivating and processing cannabis. Those discussions are ongoing.

160. The Eve Group has also taken steps to secure one or more new leases and/or licences. The Eve Group is engaged in ongoing negotiations with three potential licence holders seeking cultivation space for a lease of a portion of the Facility.

161. NMC's Cannabis Licence permits it to process other companies' cannabis and cannabis products, and (as discussed) the Eve Group is certified to export cannabis for medicinal use to Germany and Israel. The Eve Group is engaged in discussions with numerous licenced producers for the Eve Group to process and/or export third-party products to global markets.

F. Debt Conversion

162. On February 17, 2022, Eve & Co closed a debt transaction whereby it settled \$657,000.11 in debt payable to directors, officers, employees, and debentureholders related to expenses, loans, and services rendered to Eve & Co up to January 2022 in

exchange for an aggregate of 5,189,606 common shares in Eve & Co capital, issued from the Eve & Co treasury (the “**February Transaction**”).

163. The February Transaction allowed Eve & Co to settle various debts owing to employees of NMC, directors of Eve Group entities, and debentureholders while preserving cash for general working capital purposes.

164. Pursuant to the February Transaction, Eve & Co issued an aggregate of 908,677 shares at a deemed issuance price of \$0.12 per share in full and final satisfaction of \$109,041 of certain directors’ fees and salaries. Eve & Co further issued an aggregate of 4,280,929 shares at a deemed issuance price of \$0.128 per share in full and final satisfaction of \$547,959 owed to holders of Eve & Co’s outstanding 10% unsecured convertible debentures issued on December 10, 2020.

165. The February Transaction was approved by all Eve & Co independent directors and by the TSX Venture Exchange. All securities issued pursuant to the February Transaction are subject to statutory and TSXV hold periods until June 18, 2022.

G. Cash Conservation Efforts

166. Since the beginning of the COVID-19 pandemic, the Eve Group has made attempts to conserve cash flow by reducing operating expenses. NMC implemented cost controls, including a policy to obtain at least three competitive price quotations for all purchases, and strict management of cultivation and processing volumes to reduce input costs and eliminate spoilage.

167. The Eve Group has also reduced its staffing levels through attrition. NMC had approximately 100 employees prior to the start of the COVID-19 pandemic. As

employees have left for various reasons through the course of the pandemic, they have not been replaced.

168. The Eve Group has also taken steps to reduce spending on marketing and investor relations in an attempt to preserve cash. The Eve Group significantly reduced marketing expenses, including by not replacing its marketing manager who resigned last year. The Eve Group halted all investor relations spending, aside from what was required by applicable law, in March 2020.

169. As noted, I have also postponed taking a salary from August through December 2021 in order to conserve cash flow in the Eve Group.

VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Need for CCAA Proceeding

170. As indicated in the Cash Flow Forecast, without interim financing, the Applicants will be unable to operate in the ordinary course and payroll obligations will not be met, to the detriment of their stakeholders.

171. 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 Eve Group's stakeholders.

B. Appointment of Monitor

172. The Applicants seek the appointment of BDO as Monitor of the Applicants in these CCAA proceedings.

– 44 –

173. BDO is familiar with the operations of the Applicants, as BDO was previously engaged as a financial advisor to assess the Applicants' strategic alternatives and restructuring initiatives in connection with the RBC Credit Agreement.

174. 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.

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

176. BDO has consented to act as the Monitor, subject to Court approval.

C. DIP Loan and DIP Lender's Charge

177. Eve & Co and NMC retained Rockstar Mortgage Services Inc. ("**Rockstar**") in February 2022 to act as a broker to seek additional financing for the Eve Group. Although Rockstar had some success in soliciting lender interest, the lending facilities proposed were insufficient in amount and too costly to present a viable solution to the Eve Group's capital needs.

178. Subsequently, in or around early March 2022, the Eve Group entered into negotiations for DIP financing from the DIP Lender (the "**DIP Loan**"). Following negotiations, the DIP Lender provided a term sheet (the "**DIP Term Sheet**"). Based on my discussions with the Eve Group's counsel, I believe that the terms offered by the DIP Lender are reasonable and competitive. A copy of the DIP Term Sheet is attached as **Exhibit "II"**.

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

- (a) The DIP Loan is in the amount of \$2,200,000;
- (b) The purpose of the DIP Loan is to fund:
 - (i) the Eve Group's working capital needs in accordance with the cash flow projections approved by the Monitor and the DIP Lender;
 - (ii) the DIP Lender's fees and expenses;
 - (iii) professional fees and expenses incurred by the Eve Group and the Monitor in respect of the CCAA proceeding; and
 - (iv) such other costs and expenses of the Eve Group as may be agreed to by the DIP Lender;
- (c) The DIP Loan shall be available in two advances, as follows:
 - (i) upon the issuance of the Initial Order, \$1,200,000, or such lesser amount as may be approved by the Initial Order, shall be advanced to the Eve Group to finance working capital requirements for the 10-day period immediately following the date of the Initial Order; and
 - (ii) upon the issuance of an amended and restated Initial Order at the comeback hearing, the balance of the DIP Loan, being \$1,000,000, shall be advanced to the Eve Group;

– 46 –

- (d) The interest rate is 12% per annum, calculated daily on the outstanding balance owing under the DIP Loan, not in advance, and accruing and paid on the Maturity Date (as defined in the DIP Term Sheet), provided however, that the DIP Lender shall be entitled a minimum of six (6) months of interest;
- (e) The Eve Group shall pay all of the DIP Lender's fees and expenses incurred in connection with the DIP Loan;
- (f) The Eve Group shall pay a facility fee of \$60,000;
- (g) The DIP Loan is to be secured by a court-ordered priority charge over all of the Eve Group's present and after acquired property, subject only to the Administration Charge; and
- (h) The DIP Loan will only be funded upon this Honourable Court approving the DIP Term Sheet, the DIP Loan, and granting the Initial Order.

180. Based on, among other things, the Cash Flow Forecast, the Applicants believe that the DIP Loan is both reasonable and necessary for the Eve Group to continue as a going concern. Should an alternative lender bring forward more attractive financing terms, the DIP Lender can be bought out and replaced by the more competitive lender.

D. Administration Charge

181. 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 (the “**Administration Charge**”).

182. The proposed Administration Charge being sought is for a maximum amount of \$500,000.

183. 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.

184. 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.

185. 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.

E. Directors’ Charge

186. 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, the DIP Lender Charge and the security held by RBC, up to a maximum amount of \$150,000 (“**Directors’ Charge**”).

187. To ensure the ongoing stability of the Eve Group’s business during the CCAA proceeding, it requires the continued participation of its directors and officers. 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, I have the individual security clearance that Health Canada requires at least one director of a licenced cannabis company to have in order to maintain its licence. NMC must at all times have a director with the required clearance.

188. The Eve Group’s directors and officers have the benefit of a director and officer insurance policy which I understand provides them with coverage for certain claims and liabilities that may arise. However the policy contains exclusions and exceptions to such coverage as is provided. The Eve Group’s ordinary course operations give rise to potential director or officer liability, including payroll and sales tax. To address 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 Directors’ Charge is intended to address potential claims that may be brought against directors and officers.

189. The quantum of the Directors’ Charge was developed with the assistance and support of the proposed Monitor. The Eve Group is of the view that the quantum of the

Directors' Charge is reasonably necessary at this time to address circumstances that could lead to potential directors' liability prior to the Comeback Hearing.

F. Stay of Proceedings

190. Given the challenges faced by the Applicants described herein, the Eve Group 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.

191. 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.

G. Relief to be Sought at Comeback Hearing

192. If the Initial Order is granted, the Applicants propose to return to this Court for a Comeback Hearing on April 1, 2022.

193. 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

194. 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) Increase to Charges

195. The Applicants intend to seek to increase the quantum of the Administration Charge, Directors' Charge and DIP Lender's Charge if appropriate. In accordance with the CCAA, parties affected by this relief will be served with the Notice of Application in advance of the Comeback Hearing.

iii) Critical Suppliers

196. 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.

iv) Sales and Investment Solicitation Process

197. At the Comeback Hearing, the Eve Group intends to seek approval of a sales and investment solicitation process for an investment in, or sale of, all or substantially all of the Applicants' property.

198. RBC and the DIP Lender have agreed to the proposed Sales and Investment Solicitation Process (“**SISP**”). The SISP will create a four month process to market and sell all, or substantially all, of the Eve Group’s property.

199. The SISP was developed in consultation with the proposed Monitor and in accordance with any requirements in the DIP Term Sheet and the Forbearance Agreement.

200. The SISP contemplates the following milestone dates:

- (a) an April 5, 2022 deadline to obtain the Initial Order including the approval of the SISP;
- (b) an April 29, 2022 deadline to complete a Confidential Information Memorandum (“**CIM**”);
- (c) a May 6, 2022 deadline to distribute the CIM;
- (d) a July 15, 2022 deadline for all parties to complete due diligence;
- (e) an August 15, 2022 deadline to receive binding offers from potential purchasers and investors participating in the SISP; and
- (f) a September 15, 2022 deadline to close the transaction resulting from the SISP.

201. The SISP will be administered by the Monitor in consultation with the Applicants. In addition, the Monitor will have certain consent rights in connection with material

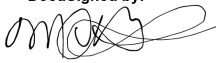
decisions related to the SISP (e.g. extending timelines, dispensing with bid requirements, terminating the SISP).

VIII. FORM OF ORDER AND CONCLUSION

202. 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 Eve Group’s stakeholders.

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

SWORN BEFORE ME via video-conference with the deponent in the municipality of Lambton Shores, in the County of Lambton, and the Commissioner in the City of Markham, Ontario this 23rd day of March, 2022

DocuSigned by:

1FBB4E1CC87841D...

Melinda Rombouts

DocuSigned by:

DA79353421D842D...

MATTHEW ELISEO CRESSATTI
A Commissioner for taking Affidavits (*or as may be*)

Note: This affidavit was commissioned via simultaneous video-conference in accordance with the *Commissioners for taking Affidavits Act*, R.S.O. 1990, CHAPTER C.17, and the Law Society of Ontario: COVID-19 Response Statement interpretation of that Act, under which (i) the identity of the deponent was confirmed from government issued identification, (ii) the commissioner administered the oath or affirmation, (iii) the deponent affixed their electronic signature to the affidavit and transmitted the full electronic affidavit, as sworn or affirmed, including exhibits to the commissioner, (iv) the deponent confirmed their electronic signature to the commissioner, (v) the commissioner affixed their electronic signature to the affidavit including exhibits.

This is **Exhibit "A"** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

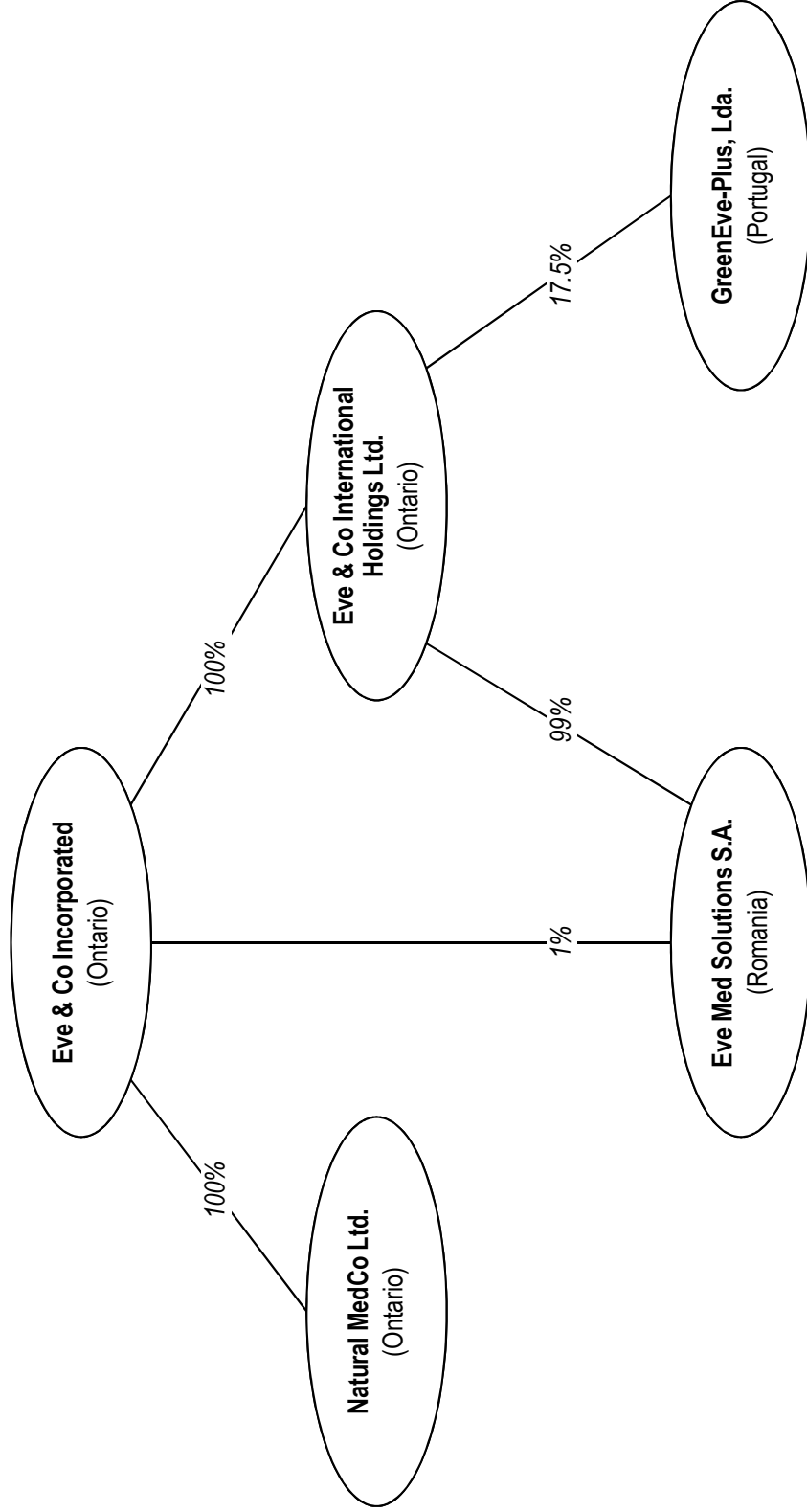
DocuSigned by:

Matthew Cressatti

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A Commissioner, etc.

Eve & Co Organizational Chart



This is **Exhibit “B”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
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A Commissioner, etc.



Ministry of Government and
Consumer Services

Profile Report

EVE & CO INCORPORATED as of March 03, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	EVE & CO INCORPORATED
Ontario Corporation Number (OCN)	2421924
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 06, 2014
Registered or Head Office Address	2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Active Director(s)

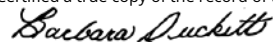
Minimum Number of Directors 1
Maximum Number of Directors 10

Name Melinda ROMBOUTS
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began June 28, 2018

Name Ravi SOOD
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began June 06, 2014

Name Jeannette VANDERMAREL
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began September 30, 2021

Certified a true copy of the record of the Ministry of Government and Consumer Services.



Director/Registrar

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Active Officer(s)

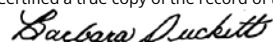
Name Kim ARNEL
Position Chief Financial Officer
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began September 30, 2021

Name Richard M. KIMEL
Position Secretary
Address for Service 181 Bay Street, 1800, Toronto, Ontario, Canada, M5J 2T9
Date Began June 28, 2018

Name Melinda ROMBOUS
Position President
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

Name Melinda ROMBOUS
Position Chief Executive Officer
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

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Director/Registrar

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Corporate Name History

Name	EVE & CO INCORPORATED
Effective Date	June 28, 2018
Previous Name	CARLAW CAPITAL V CORP.
Effective Date	June 06, 2014

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Barbara Duckitt

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: SEAN GREEN - OTHER	October 08, 2021
BCA - Articles of Amendment	December 22, 2020
Annual Return - 2019 PAF: MELINDA ROMBOUS - DIRECTOR	July 12, 2020
CIA - Notice of Change PAF: SEAN GREEN - OTHER	April 06, 2020
Annual Return - 2018 PAF: MELINDA ROMBOUS - DIRECTOR	July 21, 2019
Annual Return - 2018 PAF: MELINDA ROMBOUS - DIRECTOR	July 21, 2019
CIA - Notice of Change PAF: SEAN GREEN - OTHER	June 07, 2019
CIA - Notice of Change PAF: SEAN GREEN - OTHER	April 25, 2019
CIA - Notice of Change PAF: MELANIE COLE - OTHER	March 15, 2019
CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	December 03, 2018
CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	October 23, 2018
CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	October 02, 2018
CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	July 06, 2018

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Director/Registrar

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CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	July 04, 2018
BCA - Articles of Amendment	June 28, 2018
Annual Return - 2017 PAF: AMAR BHALLA - DIRECTOR	March 13, 2018
Annual Return - 2016 PAF: AMAR BHALLA - DIRECTOR	July 09, 2017
Annual Return - 2015 PAF: AMAR BHALLA - DIRECTOR	November 06, 2016
Annual Return - 2014 PAF: AMAR BHALLA - DIRECTOR	June 27, 2015
BCA - Articles of Amendment	October 17, 2014
CIA - Initial Return PAF: AMAR BHALLA - DIRECTOR	July 10, 2014
BCA - Articles of Incorporation	June 06, 2014

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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This is **Exhibit “C”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

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A Commissioner, etc.



Ministry of Government and
Consumer Services

Profile Report

NATURAL MEDCO LTD. as of March 03, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	NATURAL MEDCO LTD.
Ontario Corporation Number (OCN)	1998407
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	June 28, 2018
Registered or Head Office Address	2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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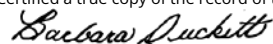
Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name David BURCH
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began June 28, 2018

Name Melinda ROMBOUTS
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began June 28, 2018

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Director/Registrar

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Active Officer(s)

Name David BURCH
Position Treasurer
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

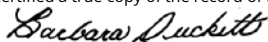
Name David BURCH
Position Secretary
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

Name Melinda ROMBOUTS
Position Chief Executive Officer
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

Name Melinda ROMBOUTS
Position President
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Date Began June 28, 2018

Name Rory TAYLOR
Position Chief Financial Officer
Address for Service 535 Millard Street, Stouffville, Ontario, Canada, L4A 7Y8
Date Began March 28, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.



Director/Registrar

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Corporate Name History

Name

NATURAL MEDCO LTD.

Effective Date

June 28, 2018

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Director/Registrar

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Amalgamating Corporations

Corporation Name
Ontario Corporation Number

NATURAL MEDCO LTD.
1600978

Corporation Name
Ontario Corporation Number

2628385 ONTARIO INC.
2628385

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Barbara Duckitt

Director/Registrar

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Active Business Names

Name	NATURAL MEDCO
Business Identification Number (BIN)	280220930
Registration Date	February 26, 2018
Expiry Date	February 25, 2023
Name	NATURAL MED COMPANY
Business Identification Number (BIN)	231013608
Registration Date	October 16, 2013
Expiry Date	October 14, 2023
Name	EVE & CO.
Business Identification Number (BIN)	280549437
Registration Date	May 16, 2018
Expiry Date	May 15, 2023

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Expired or Cancelled Business Names

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Barbara Duckitt

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: SEAN GREEN - OTHER	April 09, 2020
CIA - Notice of Change PAF: DANIEL EVERALL - OTHER	February 12, 2019
CIA - Initial Return PAF: DANIEL EVERALL - OTHER	August 09, 2018
BCA - Articles of Amalgamation	June 28, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

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Barbara Duckitt

Director/Registrar

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This is **Exhibit “D”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

5. Method of amalgamation, check A or B
Méthode choisie pour la fusion – Cocher A ou B :

A - **Amalgamation Agreement / Convention de fusion :**



The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.
Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B - **Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :**



The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.
Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
2628385 ONTARIO INC.	2628385	2018	06	14
NATURAL MEDCO LTD.	1600978	2018	05	28

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

The Corporation is not restricted by these articles from carrying on any business or businesses or from exercising any power or powers.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue an unlimited number of shares without nominal or par value of a class designated as common shares (hereinafter called the "Common Shares").

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The rights of the holders of the Common Shares include the following rights:

- (a) to vote at all meetings of shareholders;
- (b) subject to applicable law, to receive dividends in such amounts that the directors may at any time, or from time to time, determine; and
- (c) to receive the remaining property of the Corporation upon dissolution.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

No share shall be transferred without either:

(A) the consent of the directors of the Corporation expressed by resolution passed by the board of directors or by an instrument or instruments in writing signed by all of such directors, or

(B) the consent of the holders of shares in the capital of the Corporation to which are attached more than 50% of the voting rights attaching to all shares for the time being outstanding entitled to vote at such time expressed by a resolution passed by such shareholders at a meeting duly called and constituted for that purpose or by an instrument or instruments in writing signed by all of such shareholders.

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

The following provisions apply to the Corporation:

(a) The directors of the Corporation may, without authorization of the shareholders of the Corporation,

(i) borrow money upon the credit of the Corporation;

(ii) issue, reissue, sell or pledge debt obligations of the Corporation;

(iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

(b) The directors may by resolution delegate any one or all of the powers referred to in this clause to a director, a committee of directors or an officer of the Corporation.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

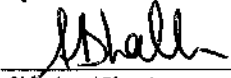
These articles are signed in duplicate.
 Les présents statuts sont signés en double exemplaire.

Name and original signature of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). Only a director or authorized signing officer can sign on behalf of the corporation. / Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.

2628385 ONTARIO INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par



Amar Bhalla

Chief Executive Officer

Signature / Signature

Print name of signatory /
 Nom du signataire en lettres moulées

Description of Office / Fonction

NATURAL MEDCO LTD.

Names of Corporations / Dénomination sociale des sociétés

By / Par

Melinda Rombouts

President

Signature / Signature

Print name of signatory /
 Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
 Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
 Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
 Nom du signataire en lettres moulées

Description of Office / Fonction

These articles are signed in duplicate.
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Name and original signature of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatory's name and description of office (e.g. president, secretary). Only a director or authorized signing officer can sign on behalf of the corporation. / Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.

2628385 ONTARIO INC.

Names of Corporations / Dénomination sociale des sociétés

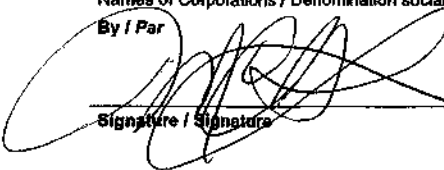
By / Par

	Amar Bhalla	Chief Executive Officer
Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

NATURAL MEDCO LTD.

Names of Corporations / Dénomination sociale des sociétés

By / Par

	Melinda Rombouts	President
Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

SCHEDULE "A-1"**STATEMENT OF DIRECTOR OR
OFFICER PURSUANT TO SUBSECTION
178(2) OF THE BUSINESS CORPORATIONS ACT**

I, Amar Bhalla, hereby state that:

1. I am the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and the sole director of 2628385 Ontario Inc. and as such have knowledge of its affairs.
2. I have conducted such examinations of the books and records of each amalgamating corporation as are necessary to enable me to make the statements hereinafter set forth.
3. There are reasonable grounds for believing that:
 - (a) each amalgamating corporation, can and the amalgamated corporation, namely NATURAL MEDCO LTD., will be able to pay its liabilities as they become due, and
 - (b) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.
4. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

THIS STATEMENT made this 28th day of June, 2018.




Amar Bhalla

SCHEDULE "A-2"**STATEMENT OF DIRECTOR OR
OFFICER PURSUANT TO SUBSECTION
178(2) OF THE BUSINESS CORPORATIONS ACT**

I, Melinda Rombouts, hereby state that:

1. I am the President and a director of Natural MedCo Ltd. and as such have knowledge of its affairs.
2. I have conducted such examinations of the books and records of each amalgamating corporation as are necessary to enable me to make the statements hereinafter set forth.
3. There are reasonable grounds for believing that:
 - (a) each amalgamating corporation, can and the amalgamated corporation, namely NATURAL MEDCO LTD., will be able to pay its liabilities as they become due, and
 - (b) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.
4. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

THIS STATEMENT made this 28th day of June, 2018.



Melinda Rombouts

SCHEDULE "B"

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT dated the 14th day of June, 2018

AMONG:

CARLAW CAPITAL V CORP., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario)

(hereinafter referred to as "Carlaw")

OF THE FIRST PART

- and -

2628385 ONTARIO INC., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario)

(hereinafter referred to as "Carlaw Subco")

OF THE SECOND PART

- and -

1600978 ONTARIO INC., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario)

(hereinafter referred to as "NMC")

OF THE THIRD PART

WHEREAS the board of directors of each of NMC, Carlaw and Carlaw Subco has determined that the Amalgamation to be effected pursuant to this Agreement is in the best interests of the respective corporations and their shareholders and determined to recommend approval of the Amalgamation and the other transactions contemplated hereby to their shareholders;

AND WHEREAS Carlaw, as the sole shareholder of Carlaw Subco, has approved the Amalgamation;

AND WHEREAS Carlaw Subco acquired all of the issued and outstanding NMC Class C Shares;

AND WHEREAS in furtherance of the Amalgamation, the board of directors of NMC has agreed to submit the NMC Amalgamation Resolution, in accordance with Section 176 of the OBCA, to the holders of common shares of NMC for approval;

- 2 -

AND WHEREAS upon the Amalgamation becoming effective, the NMC Common Shares will be converted into Carlaw Common Shares and the Carlaw Subco Common Shares will be converted into Amalco Common Shares in accordance with the provisions of this Agreement;

NOW THEREFORE in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

“Agreement” means this amalgamation agreement, as provided for in Section 175 of the OBCA, including the schedules hereto as the same may be supplemented or amended from time to time;

“Amalco” means the corporation resulting from the Amalgamation upon the Effective Date;

“Amalco Common Shares” means the common shares in the capital of Amalco;

“Amalgamation” means the amalgamation of Carlaw Subco and NMC pursuant to Section 176 of the OBCA as provided for in this Agreement;

“Applicable Law”, in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or persons or its or their business, undertaking, property or securities;

“Appropriate Regulatory Approvals” means all of the rulings, consents, orders, exemptions, permits and other approvals of Governmental Authorities and the TSX-V required or necessary for the completion of the Amalgamation and other transactions provided for in this Agreement;

“Articles of Amalgamation” means the articles of amalgamation in respect of the Amalgamation, in the form required by the OBCA and acceptable to the Parties, to be sent to the Director;

- 3 -

“Business Day” means a day on which commercial banks are generally open for business in Toronto, Ontario other than a Saturday, Sunday or a day observed as a holiday in Toronto, Ontario;

“Carlaw Debentures” means the 10% senior unsecured convertible debentures of Carlaw to be issued to the holders of the NMC Debentures in connection with the Amalgamation in exchange for such NMC Debentures on a dollar-for-dollar basis with characteristics substantially similar to the NMC Debentures;

“Carlaw Common Shares” means the common shares in the capital of Carlaw;

“Carlaw Compensation Options” means the compensation options to purchase Carlaw Common Shares to be issued to the holders of the NMC Compensation Options in connection with the Amalgamation in exchange for such NMC Compensation Options on a one-for-one basis with characteristics substantially similar to the NMC Compensation Options;

“Carlaw Entities” means, together, Carlaw and Carlaw Subco and **“Carlaw Entity”** means either one of them;

“Carlaw Stock Split” means the share split of Carlaw Common Shares pursuant to which each Carlaw Common Share shall be split on the basis of two Carlaw Common Shares for each one outstanding Carlaw Common Share, such that the registered holders of Carlaw Common Shares shall become the registered holders of twice as many Carlaw Common Shares;

“Carlaw Subco Amalgamation Resolution” means the resolution to approve the Amalgamation to be substantially in the form and content of Schedule “B” hereto;

“Carlaw Subco Common Shares” means the common shares in the capital of Carlaw Subco;

“Carlaw Warrants” means the warrants to purchase Carlaw Common Shares to be issued to the holders of the NMC Warrants in connection with the Amalgamation in exchange for such NMC Warrants on a one-for-one basis with characteristics substantially similar to the NMC Warrants;

“Definitive Agreement” means the agreement dated October 23, 2017 for the acquisition of all the issued and outstanding shares of NMC by Carlaw;

“Director” means the Director appointed under Section 278 of the OBCA;

“Dissent Rights” has the meaning specified in Subsection 9.1(a);

“Dissenting Shareholder” means a holder of NMC Common Shares who dissents from the NMC Amalgamation Resolution in compliance with the Dissent Rights;

- 4 -

“Effective Date” means the date shown on the certificate of amalgamation issued by the Director pursuant to Subsection 178(4) of the OBCA giving effect to the Amalgamation;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date;

“Governmental Authority” means any government, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, or court or other law, rule or regulation-making entity having or purporting to have jurisdiction on behalf of any nation, or province or state or other subdivision thereof or any municipality, district or other subdivision thereof;

“NMC Amalgamation Resolution” means the special resolution of the NMC Shareholders to approve the Amalgamation to be substantially in the form and content of Schedule “A” hereto;

“NMC Class C Shares” means the outstanding Class C special shares in the capital of NMC;

“NMC Common Shares” means the outstanding common shares in the capital of NMC;

“NMC Compensation Options” means the compensation options to purchase NMC Common Shares issued in connection with the NMC Private Placement and the NMC Debenture Offering, all of which will be exchanged in connection with the Amalgamation for Carlaw Compensation Options on a one-for-one basis with characteristics substantially similar to the NMC Compensation Options;

“NMC Debentures” means the senior unsecured convertible debentures of NMC bearing interest at a rate of 10% per annum and maturing two years from the Effective Date partially comprising the NMC Debenture Units, all of which will be exchanged in connection with the Amalgamation for Carlaw Debentures on a dollar-for-dollar basis with characteristics substantially similar to the NMC Debentures;

“NMC Debenture Offering” means the private placement of NMC Debenture Units to be completed on or before the Effective Time;

“NMC Debenture Units” means the 10,000 debenture units issued by NMC in connection with the NMC Debenture Offering, each comprised of: (i) \$1,000 of principal of NMC Debentures; and (ii) 3,333 NMC Warrants;

“NMC Warrants” means the warrants to purchase NMC Common Shares at an exercise price of \$0.35 per share for a period of two years from the Effective Date partially comprising the NMC Debenture Units, all of which will be exchanged in connection with the Amalgamation for Carlaw Warrants on a one-for-one basis with characteristics substantially similar to the NMC Warrants;

“NMC Information Circular” means the management information circular of NMC with respect to the NMC Meeting to be used by NMC in connection with the solicitation of proxies for the NMC Meeting;

- 5 -

“**NMC Meeting**” means the special meeting of the NMC Shareholders to be called to consider and, if thought fit, authorize, approve and adopt, among other things, the NMC Amalgamation Resolution;

“**NMC Private Placement**” means the brokered private placement of NMC Subscription Receipts to be completed on or before the Effective Time;

“**NMC Shareholder**” means a holder of NMC Common Shares;

“**NMC Shares**” means the NMC Common Shares and NMC Class C Shares;

“**NMC Stock Split**” means the share split of NMC Common Shares pursuant to which each NMC Common Share shall be split on the basis of two NMC Common Shares for each one outstanding NMC Common Share, such that the registered holders of NMC Common Shares shall become the registered holders of twice as many NMC Common Shares;

“**NMC Subscription Receipts**” means the subscription receipts of NMC to be issued to subscribers pursuant to the NMC Private Placement, with each subscription receipt entitling the holder thereof to receive, for no additional consideration or further action, one (1) NMC Common Share immediately prior to the Effective Time provided certain escrow release conditions are satisfied; each such NMC Common Share will then be exchanged pursuant to the Amalgamation into one (1) Carlaw Common Share on or following the Effective Time;

“**OBCA**” means the *Business Corporations Act* (Ontario), as may be amended from time to time;

“**Outside Date**” means 120 days after the closing of the NMC Private Placement, or such other date as the Parties may agree;

“**Parties**” means, collectively, the parties to this Agreement, and “**Party**” means any one of them;

“**Person**” means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency, or association;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Transfer Agent**” means TSX Trust Company; and

“**TSX-V**” means the TSX Venture Exchange.

Section 1.2 Interpretation Not Affected By Headings.

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms “this

- 6 -

Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the schedules hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

Section 1.3 Number and Gender.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

Section 1.4 Date for Any Action.

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.5 Meanings.

Words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires, “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”.

Section 1.6 Schedules.

The following Schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form part hereof:

Schedule “A”	Form of NMC Amalgamation Resolution
Schedule “B”	Form of Carlaw Subco Amalgamation Resolution

ARTICLE 2 THE AMALGAMATION

Section 2.1 Shareholder Approval

NMC shall:

- (a) prepare and mail the NMC Information Circular to the NMC Shareholders or other third parties as may be required pursuant to and Applicable Law;
- (b) obtain a written resolution of the holders of NMC Class C Shares approving the NMC Amalgamation Resolution;
- (c) convene and conduct the NMC Meeting in accordance with NMC’s articles, by-laws and Applicable Law as soon as reasonably practicable for the purpose of considering the NMC Amalgamation Resolution and for any other proper purpose as may be set out in the NMC Information Circular, and agreed to by Carlaw,

- 7 -

acting reasonably, set the record date for the NMC Shareholders entitled to vote at the NMC Meeting as promptly as practicable and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the NMC Meeting without the prior written consent of Carlaw, acting reasonably, except as required for quorum purposes; or provided that

- (i) upon the reasonable request of Carlaw, NMC shall adjourn or postpone the NMC Meeting to a date specified by Carlaw, provided that the NMC Meeting, so adjourned or postponed, shall not be later than ten (10) Business Days after the date on which the NMC Meeting was originally scheduled, and
- (ii) NMC shall be entitled to adjourn or postpone the NMC Meeting to a date that is not later than ten (10) Business Days after the date on which the NMC Meeting was originally scheduled and in any event for the purposes of attempting to obtain the requisite NMC Shareholder approval.

Section 2.2 Effect of Amalgamation.

On the Effective Date of the Amalgamation, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) NMC and Carlaw Subco shall amalgamate to form Amalco and shall continue as one corporation under the OBCA in the manner set out in Section 2.3 hereof and with the effect set out in Section 179 of the OBCA, unless and until otherwise determined in the manner required by Applicable Law, by Amalco or by its directors or the holders of Amalco Common Shares;
- (b) immediately upon the Amalgamation as set forth in Subsection 2.2(a):
 - (i) each issued and outstanding NMC Common Share (unless held by a Dissenting Shareholder to whom Subsection 9.1(a) applies, other than a Dissenting Shareholder to whom Subsection Section 9.1(b) applies) shall be exchanged for one Carlaw Common Share;
 - (ii) each issued and outstanding Carlaw Subco Common Share shall be exchanged for one Amalco Common Share; and
 - (iii) each issued and outstanding NMC Class C Share shall be cancelled without any repayment of capital in respect thereof;
- (c) with respect to each NMC Common Share exchanged and NMC Class C Share cancelled in accordance with Subsection 2.2(b):
 - (i) the holder thereof shall cease to be the holder of such NMC Share, and the name of such holder shall be removed from the register of holders of NMC Shares;

- 8 -

- (ii) the certificate (if any) representing such NMC Share shall be deemed to have been cancelled as of the Effective Date; and
 - (iii) the holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange or cancel such securities in accordance with Subsection 2.2(b);
 - (d) in accordance with their terms, immediately after the Effective Date, each issued and outstanding NMC Compensation Option shall be exchanged for a Carlaw Compensation Option;
 - (e) in accordance with their terms, immediately after the Effective Date, each issued and outstanding NMC Debenture shall be exchanged for a Carlaw Debenture;
 - (f) in accordance with their terms, immediately after the Effective Date, each issued and outstanding NMC Warrant shall be exchanged for a Carlaw Warrant; and
 - (g) in consideration of the issue of Carlaw Common Shares to effect the Amalgamation, Amalco will issue to Carlaw one fully paid and non-assessable Amalco Common Share for each Carlaw Common Share so issued,
- provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

Section 2.3 Amalgamated Corporation.

Unless and until otherwise determined in the manner required by Applicable Law, by Amalco or by its directors or the holder or holders of the Amalco Common Shares, the following provisions shall apply:

- (a) **Name.** The name of Amalco shall be "Natural MedCo Ltd.", or such other name as agreed to by the Parties.
- (b) **Registered Office.** The province in Canada where the registered office of Amalco shall be located is Ontario. The address of the registered office of Amalco shall be 2941 Napperton Drive, Strathroy, Ontario, N7G 3H8.
- (c) **Business and Powers.** There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise.
- (d) **Authorized Share Capital.** Amalco shall be authorized to issue an unlimited number of Amalco Common Shares.
- (e) **Share Transfer Restrictions.** The transfer of shares in the capital of Amalco shall be restricted in that no share shall be transferred without either (A) the consent of the directors of Amalco expressed by resolution passed by the board of directors or by an instrument or instruments in writing signed by all of such

- 9 -

directors, or (B) the consent of the holders of shares in the capital of Amalco to which are attached more than 50% of the voting rights attaching to all shares for the time being outstanding entitled to vote at such time expressed by a resolution passed by such shareholders at a meeting duly called and constituted for that purpose or by an instrument or instruments in writing signed by all of such shareholders.

- (f) **Number of Directors.** The number of directors of Amalco shall be not less than one (1) and not more than ten (10) as the shareholders of Amalco may from time to time determine by special resolution or, if empowered to do so by special resolution, as the directors of Amalco may from time to time determine.
- (g) **Initial Directors.** The initial directors of Amalco shall be as follows:

Name	Address
Melinda Rombouts	2941 Napperton Drive, Strathroy, Ontario, N7G 3H8
David Burch	2941 Napperton Drive, Strathroy, Ontario, N7G 3H8

- (h) **By-laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the same as the by-laws of Carlaw Subco with such amendments thereto as may be necessary to give effect to this Agreement.
- (i) **Auditors.** The auditors of Amalco, until the first annual general meeting of shareholders of Amalco, shall be MNP LLP, unless and until such auditors resign or are removed in accordance with the provisions of the OBCA.

Section 2.4 Stated Capital.

- (a) The amount added to the stated capital in respect of the Carlaw Common Shares issuable by Carlaw pursuant to Subsection 2.2(b)(i) shall be the aggregate of the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the NMC Common Shares exchanged for Carlaw Common Shares pursuant to Subsection 2.2(b)(i).
- (b) The amount added to the stated capital in respect of the Amalco Common Shares issuable by Amalco pursuant to Subsection 2.2(g) shall be the aggregate of the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Carlaw Subco Common Shares exchanged for Amalco Common Shares pursuant to Subsection 2.2(b)(ii).

- 10 -

Section 2.5 Assets and Liabilities.

Each of Carlaw Subco and NMC shall contribute to Amalco all of its assets, subject to its liabilities, as they exist immediately before the Effective Date. Amalco shall possess all of the property, rights, privileges and franchises, as they exist immediately before the Effective Date, and shall be subject to all of the liabilities, contracts, disabilities and debts of each of the Carlaw Subco and NMC, as they exist immediately before the Effective Date. All rights of creditors against the properties, assets, rights, privileges and franchises of Carlaw Subco and NMC and all liens upon their properties, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Carlaw Subco and NMC shall thenceforth attach to and may be enforced against Amalco. No action or proceeding by or against either of Carlaw Subco or NMC shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of the name of Carlaw Subco or NMC, as applicable.

Section 2.6 Privacy

- (a) For the purposes of this Section 2.6, the following definitions shall apply:
- (i) “**applicable law**” means, in relation to any Person, transaction or event, all applicable provisions of Applicable Law by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (ii) “**applicable privacy laws**” means any and all Applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law;
 - (iii) “**authorized authority**” means, in relation to any Person, transaction or event, any (a) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created wider the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and
 - (iv) “**Personal Information**” means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual.

- 11 -

- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the “**Disclosed Personal Information**”).
- (c) Prior to the completion of the Amalgamation, none of Parties shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Amalgamation. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (a) the Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose, or (b) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Amalgamation, and that the Disclosed Personal Information relates solely to the completion of the Amalgamation.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties’ obligations hereunder. Prior to the completion of the Amalgamation, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access to such information in order to complete the Amalgamation.
- (g) Where authorized by applicable law, each Party shall promptly notify the other Parties to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable law, the Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such

- 12 -

inquiries, complaints, requests for access, variations or withdrawals of consent and claims.

- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of any Party, the other Parties shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in their possession.

ARTICLE 3 COVENANTS

Section 3.1 Covenants of the Carlaw Entities

Each of the Carlaw Entities covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement, except with the prior written consent of NMC (such consent not to be unreasonably withheld, conditioned or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Law:

- (a) each of the Carlaw Entities shall use commercially reasonable efforts to satisfy or cause the satisfaction of the conditions set forth in Section 5.1 and Section 5.3 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of the Carlaw Entities;
- (b) except for the Carlaw Stock Split, or with the consent of NMC, each of the Carlaw Entities will not, directly or indirectly do, or permit to occur, any of the following:
 - (i) issue any securities (debt or equity), except in connection with the conversion of existing convertible securities or the acquisition of the NMC Class C Shares;
 - (ii) alter or amend the Carlaw Entities' articles or by-laws in any manner which may adversely affect the success of the Amalgamation, except as required to give effect to the matters contemplated herein;
 - (iii) split, combine or reclassify any outstanding securities of the Carlaw Entities;
 - (iv) redeem, purchase or offer to purchase any of the Carlaw Common Shares or Carlaw Subco Common Shares or other securities;
 - (v) reorganize, amalgamate or merge with any other Person or other business organization whatsoever; or

- 13 -

- (vi) issue or commit to issue any Carlaw Common Shares or Carlaw Subco Common Shares, or rights, warrants or options to purchase such shares, or any securities convertible into such shares;
- (c) the Carlaw Entities shall not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement which might directly or indirectly interfere with or affect the consummation of the Amalgamation and the transactions contemplated hereby; and
- (d) the Carlaw Entities shall co-operate fully with NMC and use all reasonable commercial efforts to assist NMC in its efforts to complete the Amalgamation, unless such co-operation and efforts would subject the Carlaw Entities to liability or would be in breach of Applicable Law.

Section 3.2 Covenants of NMC

NMC covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement, except with the prior written consent of Carlaw (such consent not to be unreasonably withheld, conditioned or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Law:

- (a) NMC shall use its commercially reasonable efforts to satisfy or cause the satisfaction of the conditions set forth in Section 5.1 and Section 5.2 as soon as practicable, to the extent the fulfillment of the same is within the control of NMC;
- (b) except for the NMC Stock Split, the NMC Private Placement, or with the consent of Carlaw, NMC will not, directly or indirectly do, or permit to occur, any of the following:
 - (i) issue any securities (debt or equity), except in connection with the conversion of existing convertible securities;
 - (ii) alter or amend NMC's articles or by-laws in any manner which may adversely affect the success of the Amalgamation, except as required to give effect to the matters contemplated herein;
 - (iii) split, combine or reclassify any outstanding securities of NMC;
 - (iv) redeem, purchase or offer to purchase any of the NMC Shares or other securities;
 - (v) reorganize, amalgamate or merge with any other Person or other business organization whatsoever; or
 - (vi) issue or commit to issue any NMC Shares, or rights, warrants or options to purchase NMC Shares, or any securities convertible into NMC Shares;

- 14 -

- (c) NMC shall ensure that the NMC Information Circular complies with Applicable Law and will provide NMC Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them;
- (d) NMC will mail or will arrange to be distributed to NMC Shareholders the NMC Information Circular and other documentation required in connection with the NMC Meeting in accordance with Applicable Law as soon as reasonably practicable; and
- (e) NMC will convene and hold the NMC Meeting in accordance with Applicable Law for the purpose of approving the matters to be considered at the NMC Meeting.

Section 3.3 Mutual Covenants

From the date of this Agreement until the earlier of the Effective Date or termination of this Agreement, each of Carlaw and NMC will use its commercially reasonable efforts to: (i) satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder; (ii) not take, or cause to be taken, any action or cause anything to be done that would cause such obligations not to be fulfilled in a timely manner; and (iii) take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Law to complete the Amalgamation, including using commercially reasonable efforts:

- (a) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (b) to effect all necessary registrations and filings and submissions of information requested by Governmental Authorities or required to be effected by it in connection with the Amalgamation, and to obtain all necessary waivers, consents and approvals required to be obtained by it in connection with the Amalgamation;
- (c) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and
- (d) each of the Carlaw Entities and NMC will use its commercially reasonable efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 and this Agreement including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of Carlaw and NMC.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

- 15 -

Section 4.1 Representations and Warrants of the Carlaw Entities

Each of the Carlaw Entities represents and warrants to and in favour of NMC as follows, and acknowledges that NMC is relying upon such representations and warranties in entering into this Agreement:

- (a) each of the Carlaw Entities is a corporation incorporated under the OBCA, is a valid and subsisting corporation under the OBCA and is in compliance, in all material respects, with the requirements of the OBCA;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by the board of directors of each of the Carlaw Entities and this Agreement constitutes a valid and binding obligation of each of the Carlaw Entities enforceable against each in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction; and
- (c) the authorized capital of Carlaw consists of an unlimited number of Carlaw Common Shares, of which 3,180,000 Carlaw Common Shares are issued and outstanding (on a pre-Carlaw Stock Split basis), as fully paid and non-assessable shares.

Section 4.2 Representations and Warranties of NMC

NMC represents and warrants to and in favour of the Carlaw Entities as follows, and acknowledges that the Carlaw Entities are relying upon such representations and warranties in entering into this Agreement:

- (a) NMC is a valid and subsisting corporation under the OBCA and is in compliance, in all material respects, with the requirements of the OBCA;
- (b) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by the board of directors of NMC and this Agreement constitutes a valid and binding obligation of NMC enforceable against it in accordance with its terms, subject, however, to limitations imposed by Applicable Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction; and
- (c) the authorized capital of NMC consists of an unlimited number of NMC Common Shares and an unlimited number of NMC Class C Shares, of which 80,795,707 NMC Common Shares (on a pre-NMC Stock Split basis) and 976,000 NMC Class C Shares are issued and outstanding, and all of such shares are validly issued and outstanding as fully paid and non-assessable shares.

- 16 -

ARTICLE 5 CONDITIONS PRECEDENT

Section 5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the NMC Stock Split and Carlaw Stock Split shall have been completed in a manner acceptable to the Parties, each acting reasonably;
- (b) the NMC Subscription Receipts shall have converted into NMC Common Shares in accordance with their terms and such conversion shall have occurred subsequent to the completion of the NMC Stock Split;
- (c) the Articles of Amalgamation to be filed with the Director in accordance with the Amalgamation shall be in form and substance satisfactory to each of the Parties, acting reasonably;
- (d) there being no prohibition at Applicable Law against the completion of the Amalgamation; and
- (e) this Agreement shall not have been terminated in accordance with its terms.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, jointly by the Parties, without prejudice to their right to rely on any other such conditions, at any time. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, or if any circumstance, fact, change, event or occurrence shall have occurred that would render it impossible for any of the foregoing conditions to be satisfied on or before the Outside Date, then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

Section 5.2 Additional Conditions to Obligations of the Carlaw Entities

The obligation of the Carlaw Entities to consummate the transactions contemplated hereby, and in particular the Amalgamation, is subject to the following conditions:

- (a) the NMC Shareholders shall have approved at the NMC Meeting among other matters and subject to the completion of the Amalgamation: (1) the Amalgamation; (2) the NMC Stock Split; and (3) such other matters that may be required to be approved in order to give effect to the Amalgamation;
- (b) NMC shall have complied in all material respects with its covenants herein and the conditions under Section 15(a) of the Definitive Agreement, and NMC shall have provided to the Carlaw Entities a certificate executed by any senior officer or director certifying compliance with such covenants;

- 17 -

- (c) NMC shall have furnished the Carlaw Entities with:
 - (i) a certificate of good standing for NMC;
 - (ii) a certified copy of its articles and by-laws;
 - (iii) a certified copy of the resolutions duly passed by the board of directors of NMC approving this Agreement and the consummation of the transactions contemplated hereby;
 - (iv) a certified copy of the resolution of NMC Shareholders, duly passed at the NMC Meeting, approving, among other things, the NMC Amalgamation Resolution; and
 - (v) a certified copy of the shareholder register of NMC outlining the number of issued and outstanding NMC Shares; and
- (d) holders of NMC Common Shares representing not more than 5% of the NMC Common Shares in the aggregate then outstanding shall have validly exercised their respective Dissent Rights, and not withdrawn their dissent.

The conditions in this Section 5.2 are for the exclusive benefit of the Carlaw Entities and may be asserted by either of the Carlaw Entities regardless of the circumstances or may be waived by either of the Carlaw Entities in each of their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Carlaw Entities may have. If any of the foregoing conditions are not satisfied or waived, either of the Carlaw Entities may, in addition to any other remedies it may have at law or equity, terminate this Agreement; provided that, prior to the filing of the Articles of Amalgamation for the purpose of giving effect to the Amalgamation, the applicable Carlaw Entity has delivered a written notice to NMC, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which such Party is asserting as the basis for the non-fulfillment of the applicable conditions precedent, provided that where failure to satisfy any such condition is not the result, directly or indirectly, of such Party's breach of this Agreement. More than one such notice may be delivered by either Carlaw Entity.

Section 5.3 Additional Conditions to Obligations of NMC

- (a) The obligation of NMC to consummate the transactions contemplated hereby, and in particular the Amalgamation, is subject to the following conditions:
 - (i) the shareholders of Carlaw shall have approved at a meeting among other matters and subject to the completion of the Amalgamation: (i) a special resolution approving the Carlaw Stock Split; (ii) a special resolution to change the name of Carlaw to "Natural MedCo Ltd.", or such other name as may be approved by the board; (iii) the election of NMC's nominees to the board of directors of Carlaw; and (iv) such other matters that may be required to be approved in order to give effect to the Amalgamation (the "Carlaw Meeting Matters");

- 18 -

- (ii) the Carlaw Entities shall have complied in all material respects with its covenants herein and, with respect to Carlaw, the conditions under Section 15(b) of the Definitive Agreement, and the Carlaw Entities shall have provided to NMC a certificate executed by any officer or director certifying compliance with such covenants;
- (iii) the Carlaw Common Shares that are issued pursuant to the Amalgamation shall be issued as fully paid and non-assessable Carlaw Common Shares, free and clear of all encumbrances, liens, charges and demands of whatsoever nature, except those pursuant to escrow restrictions of the TSXV or applicable securities laws; and
- (iv) the Carlaw Entities shall have furnished NMC with the following:
 - (1) a certificate of good standing for each of the Carlaw Entities;
 - (2) a certified copy of each Carlaw Entities' articles and by-laws;
 - (3) a certified copy of the resolutions duly passed by the board of directors of each of the Carlaw Entities approving this Agreement and the consummation of the transactions contemplated hereby;
 - (4) certified copies of the resolutions of the holders of Carlaw Common Shares, duly passed, approving the Carlaw Meeting Matters; and
 - (5) certified copies of the resolution of the holders of Carlaw Subco Common Shares, duly passed, approving, among other things, the Carlaw Subco Amalgamation Resolution.

The conditions in this Section 5.3 are for the exclusive benefit of NMC and may be asserted by NMC regardless of the circumstances or may be waived by NMC in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which NMC may have. If any of the foregoing conditions are not satisfied or waived, NMC may, in addition to any other remedies it may have at law or equity, terminate this Agreement; provided that, prior to the filing of the Articles of Amalgamation for the purpose of giving effect to the Amalgamation, NMC has delivered a written notice to the Carlaw Entities, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which NMC is asserting as the basis for the non-fulfillment of the applicable conditions precedent, provided that where failure to satisfy any such condition is not the result, directly or indirectly, of NMC's breach of this Agreement. More than one such notice may be delivered by NMC.

Section 5.4 Notice and Effect of Failure to Comply with Conditions

Each of the Carlaw Entities and NMC shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of

- 19 -

the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

Section 5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Articles of Amalgamation are filed under the OBCA to give effect to the Amalgamation.

ARTICLE 6 AMENDMENT

Section 6.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the NMC Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Law, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein,

provided that no such amendment reduces or materially adversely affects the consideration to be received by a holder of NMC Common Shares without approval by the affected holders of NMC Common Shares given in the same manner as required for the approval of the Amalgamation.

ARTICLE 7 TERMINATION

Section 7.1 Termination

- (a) This Agreement may be terminated at any time prior to the Effective Date:
 - (i) by mutual written consent of the Parties; or
 - (ii) as provided in Section 5.1, Section 5.2, or Section 5.3.

- 20 -

- (b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 7.1, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Party hereunder except as provided in Section 2.6 and Article 11, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 7.1(b) shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

ARTICLE 8 NOTICES

Section 8.1 Notices

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (a) delivered personally, (b) sent prepaid courier service or mail, or (c) sent by e-mail or other similar means of electronic communication (confirmed on the same or following day by prepaid mail) addressed as follows:

- (a) in the case of the Carlaw Entities, to:

Carlaw Capital V Corp.
268 Royal York Rd., 2nd Floor
Toronto, ON M8V 2V9

Attention: Amar Bhalla, Chief Executive Officer, Chief Financial Officer and
Secretary

E mail: abhalla@capitinvestment.com

- (b) in the case of NMC, to:

1600978 Ontario Inc. (o/a Natural MedCo)
2941 Napperton Drive
Strathroy, ON N7G 3H8

Attention: Melinda Rombouts, President and Chief Executive Officer

Email: melinda@naturalmedco.ca

- (c) in the case of both the Carlaw Entities and NMC, a copy, which shall not by itself constitute notice, to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON, M5J 2T9

Attention: Richard Kimel

- 21 -

Email: rkimel@airdberlis.com

Any notice, designation, communication, request, demand, or other document given, sent, or delivered as aforesaid shall:

- (a) if delivered personally or sent by prepaid courier service, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and
- (c) if sent by email or other means of electronic communication, be deemed to have been received on the Business Day of the sending if sent during normal business hours (otherwise on the following Business Day).

ARTICLE 9 RIGHTS OF DISSENT

Section 9.1 Dissent Rights.

- (a) A holder of NMC Common Shares may exercise rights of dissent with respect to such NMC Common Shares in connection with the Amalgamation (pursuant to and in the manner set forth in Section 185 of the OBCA (the “**Dissent Rights**”)). A holder of NMC Common Shares who duly exercises such Dissent Rights (including the sending of a notice of dissent to NMC) ceases to have any rights as a holder of NMC Common Shares, other than the right to be paid the fair value of such holder’s NMC Common Shares pursuant to Section 190 of the OBCA except in certain circumstances, including where:
 - (i) such holder withdraws the notice of dissent before NMC makes an offer to such holder pursuant to Subsection 185(15) of the OBCA, or
 - (ii) NMC fails to make an offer to such holder in accordance with Subsection 185(15) of the OBCA and such holder withdraws the notice of dissent.
- (b) In either of the circumstances described in Subsection 9.1(a)(i) or (ii), or if a Dissenting Shareholder is ultimately determined not to be entitled, for any reason, to be paid fair value for its NMC Common Shares, a shareholder of NMC Common Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-Dissenting Shareholder.

- 22 -

ARTICLE 10 CERTIFICATES

Section 10.1 Issuance of Certificates Representing Carlaw Common Shares.

At or promptly after the Effective Time, Carlaw shall deliver a treasury direction to the Transfer Agent for the benefit of the holders of NMC Common Shares who will receive Carlaw Common Shares in connection with the Amalgamation. After the Effective Time, the Transfer Agent, with respect to each non-Dissenting holder of NMC Common Shares, shall deliver a certificate or shall electronically deposit with CDS Clearing and Depository Services Inc. that number of Carlaw Common Shares which such holder has the right to receive. No interest shall be paid or accrued on unpaid dividends and distributions, if any, payable to holders of certificates that formerly represented NMC Common Shares.

Section 10.2 Withholding Rights.

NMC, Carlaw and the Transfer Agent shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of Carlaw Common Shares or NMC Common Shares such amounts as NMC, Carlaw or the Transfer Agent is required to deduct and withhold with respect to such payment under the Tax Act, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, NMC, Carlaw and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Carlaw, NMC or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and NMC, Carlaw or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

ARTICLE 11 GENERAL

Section 11.1 Assignment.

No Party may assign this Agreement or any of its rights, interests or obligations under this Agreement or the Amalgamation (whether by operation of law or otherwise) without the prior written consent of the other Parties.

Section 11.2 Binding Effect.

This Agreement and the Amalgamation shall be binding upon and shall enure to the benefit of NMC and the Carlaw Entities and their respective successors and permitted assigns.

- 23 -

Section 11.3 Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall be construed to create any third party beneficiaries.

Section 11.4 Waiver and Modification.

The Carlaw Entities and NMC may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other Parties hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting such waiver or consent.

Section 11.5 No Personal Liability.

- (a) No director or officer of NMC shall have any personal liability whatsoever to the Carlaw Entities under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of NMC.
- (b) No director or officer of either the Carlaw Entities shall have any personal liability whatsoever to NMC under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Carlaw or Carlaw Subco as the case may be.

Section 11.6 Further Assurances.

Each Party shall, from time to time, and at all times hereafter, at the request of the other Parties, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

Section 11.7 Public Announcements.

The initial press release concerning the Amalgamation and any subsequent press release concerning this Agreement or the Amalgamation shall be a Carlaw press release and Carlaw agrees to consult with NMC prior to issuing any news releases or public statements with respect to this Agreement or the Amalgamation, and Carlaw shall not to issue any news releases or public statements inconsistent with the results of such consultation with NMC. Subject to Applicable Laws, Carlaw shall enable NMC to review and comment on all such news releases prior to the release thereof. Carlaw agrees to issue a news release with respect to this Amalgamation as soon as practicable following the execution of this Agreement. Carlaw also agrees to consult with NMC in preparing and making any filings and communications in connection with any Appropriate Regulatory Approvals.

- 24 -

Section 11.8 Costs

- (a) The Parties agree that NMC shall be responsible for each of the Parties' fees and expenses incurred with respect to the Amalgamation including, without limitation, all applicable legal and accounting fees and disbursements and all applicable TSX-V filing fees.
- (b) In the event that this Agreement is terminated, then in such circumstances, NMC shall, within seven (7) days forthwith reimburse all of the Carlaw Entities unpaid fees and expenses incurred in connection with the Arrangement.

Section 11.9 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

Section 11.10 Time of Essence.

Time is of the essence of this Agreement.

Section 11.11 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

Section 11.12 Entire Agreement and Paramountcy

This Agreement and the Definitive Agreement constitute the full and entire understanding and agreement among the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the Parties is expressly canceled. To the extent that there is a conflict between the terms and provisions of this Agreement and the Definitive Agreement, the terms and provisions of this Agreement shall govern to the extent necessary to resolve any such conflict.

Section 11.13 Counterparts.

This Agreement may be executed in one or more counterparts by original, electronically scanned or facsimile signature, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.


- 25 -

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- 26 -


IN WITNESS WHEREOF the Parties have executed this Agreement as of the date hereinbefore written.

CARLAW CAPITAL V CORP.

Per: 

Amar Bhalla
Authorized Signatory

2628385 ONTARIO INC.

Per: 

Amar Bhalla
Authorized Signing Officer

1600978 ONTARIO INC.

Per: _____
Melinda Rombouts
Authorized Signing Officer

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date hereinbefore written.

CARLAW CAPITAL V CORP.

Per:

Amar Bhalla
Authorized Signatory

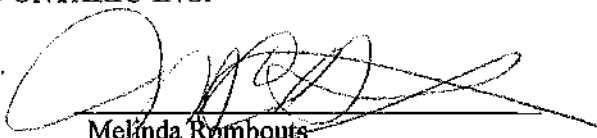
2628385 ONTARIO INC.

Per:

Amar Bhalla
Authorized Signing Officer

1600978 ONTARIO INC.

Per:



Melinda Rombouts
Authorized Signing Officer

SCHEDULE "A"**Form of NMC Amalgamation Resolution****RESOLVED THAT:**

1. the amalgamation agreement (the "**Amalgamation Agreement**") between 1600978 Ontario Inc. (o/a Natural MedCo) (the "**Corporation**"), Carlaw Capital V Corp. and 2628385 Ontario Inc., a wholly owned subsidiary of Carlaw, substantially in the form presented or described to the Shareholders, with such amendments or variations thereto as may be approved by any director or officer of the Corporation, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby authorized and approved;
2. the amalgamation (the "**Amalgamation**") under Section 176 of the *Business Corporations Act* (Ontario) substantially as set forth in the Amalgamation Agreement is hereby approved;
3. notwithstanding that this resolution has been passed by the Shareholders, the directors of the Corporation are hereby authorized and empowered without further notice to, or approval of, the Shareholders, to determine not to proceed with the Amalgamation at any time prior to the filing of the articles giving effect to the Amalgamation, and the directors of the Corporation may, at their sole discretion, revoke this resolution before it is acted upon without further approval or authorization of the Shareholders;
4. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
5. all actions heretofore taken by or on behalf of the Corporation in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Amalgamation are hereby approved, ratified and confirmed in all respects.

SCHEDULE "B"**Form of Carlaw Subco Amalgamation Resolution****RESOLVED THAT:**

1. the amalgamation agreement (the "**Amalgamation Agreement**") between 1600978 Ontario Inc. (o/a Natural MedCo), Carlaw Capital V Corp. and 2628385 Ontario Inc. (the "**Corporation**"), substantially in the form presented or described to the Shareholder, with such amendments or variations thereto as may be approved by any director or officer of the Corporation, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby authorized and approved;
2. the amalgamation (the "**Amalgamation**") under Section 176 of the *Business Corporations Act* (Ontario) substantially as set forth in the Amalgamation Agreement is hereby approved;
3. notwithstanding that this resolution has been passed by the Shareholder, the directors of the Corporation are hereby authorized and empowered without further notice to, or approval of, the Shareholder, to determine not to proceed with the Amalgamation at any time prior to the filing of the articles giving effect to the Amalgamation, and the directors of the Corporation may, at their sole discretion, revoke this resolution before it is acted upon without further approval or authorization of the Shareholder;
4. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
5. all actions heretofore taken by or on behalf of the Corporation in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Amalgamation are hereby approved, ratified and confirmed in all respects.

This is **Exhibit “E”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Ministry of Government and
Consumer Services

Profile Report

EVE & CO INTERNATIONAL HOLDINGS LTD. as of March 03, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	EVE & CO INTERNATIONAL HOLDINGS LTD.
Ontario Corporation Number (OCN)	2690045
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 08, 2019
Registered or Head Office Address	2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name Melinda ROMBOUTS
Address for Service 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8
Resident Canadian Yes
Date Began April 08, 2019

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Active Officer(s)

Name

Melinda ROMBOUTS

Position

Chief Executive Officer

Address for Service

2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8

Date Began

April 08, 2019

Name

Rory TAYLOR

Position

Chief Financial Officer

Address for Service

535 Millard Street, Stouffville, Ontario, Canada, L4A 7Y8

Date Began

March 28, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Corporate Name History

Name

EVE & CO INTERNATIONAL HOLDINGS LTD.

Effective Date

April 08, 2019

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

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Director/Registrar

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: MELINDA ROMBOUTS - DIRECTOR	July 12, 2020
CIA - Notice of Change PAF: SEAN GREEN - OTHER	April 09, 2020
CIA - Notice of Change PAF: SEAN GREEN - OTHER	September 20, 2019
CIA - Initial Return PAF: SEAN GREEN - OTHER	April 08, 2019
BCA - Articles of Incorporation	April 08, 2019

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is **Exhibit “F”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



CORPORATE PRESENTATION

August 19, 2020

FORWARD LOOKING STATEMENT

IMPORTANT: YOU MUST READ THE FOLLOWING

The information contained in this presentation has been prepared by Eve & Co Incorporated (“Eve & Co” or the “Company”) and contains confidential information pertaining to the business, operations and assets of the Company. The information contained in this presentation (a) is provided as at the date hereof and is subject to change without notice, (b) does not purport to contain all the information that may be necessary or desirable to fully and accurately evaluate an investment in the Company, and (c) is not to be considered as a recommendation by the Company that any person make an investment in EVE. An investment in the securities described herein is speculative and involves a number of risks that should be considered by a prospective investor.

This presentation is confidential and is being provided to you solely for your information and may not be reproduced, in whole or in part, in any form or forwarded or further distributed to any other person. Any forwarding, distribution or reproduction of this presentation in whole or in part is unauthorized. By accepting and reviewing this presentation, you acknowledge and agree (i) to maintain the confidentiality of this presentation and the information contained herein, (ii) to protect such information in the same manner you protect your own confidential information, which shall be at least a reasonable standard of care, and (iii) to not utilize any of the information contained herein except to assist with your evaluation of a potential investment in the Company.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION

To the extent any forward-looking information in this presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information

generally, are, without limitation, based on the assumptions and subject to the risks set out below under the heading “Cautionary Note Regarding Forward-Looking Information”. Eve & Co Incorporated’s actual annual production, sales, distribution, financial position and results of operations may differ materially from management’s current expectations and, as a result, the Company’s annual production, income, expenses and net income may differ materially from the profiles provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of the Company’s actual annual production, financial position or results of operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This presentation includes forward-looking information and forward-looking statements within the meaning of Canadian securities laws. Statements containing the words “believe”, “expect”, “intend”, “should”, “seek”, “anticipate”, “will”, “positioned”, “project”, “risk”, “plan”, “may”, “estimate” or, in each case, their negative and words of similar meaning are intended to identify forward-looking information. Forward-looking information involves risks and uncertainties including, but not limited to, the Company’s anticipated business strategies, anticipated trends in the Company’s business and anticipated market share, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking information, general business, economic and competitive uncertainties, regulatory risks including risks related to the expected timing of EVE’s licenses and expansions, market risks, risks inherent in manufacturing and agricultural operations as well as other general risks of the cannabis industry. Such statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors. Many assumptions are based on factors and events that are not within the control of Eve & Co Incorporated. Actual future results may differ materially from historical results or current expectations.

These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even

if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking information contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Although Eve & Co Incorporated has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this presentation is based on the Company’s current estimates, expectations and projections, which the Company believes are reasonable as of the current date. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking information, which is based on the information available as of the date of this presentation. Forward-looking information contained in this presentation is as of the date of this presentation and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. Historical statements should not be taken as a representation that such trends will be replicated in the future. No statement in this presentation is intended to be nor may be construed as a profit forecast. Additional information related to EVE, including risks and uncertainties, can be found on the Company’s SEDAR profile at www.sedar.com.



As a female-founded and female-led licensed holder, Eve & Co isn't just a brand we own –

It's who we are.

Eve & Co is centered around

wellness,
empowerment, and
education

– three key elements that drive our business every day



Company Overview

Location: Eve & Co is located in Strathroy, Ontario

Listing: On the TSX Venture Exchange (EVE) and the OTCQX (EEVVF)

Female-Focused: We are one of the only female-led Canadian Licence Holders focusing on female oriented products

Licensing: Natural MedCo Ltd., a wholly owned subsidiary of Eve & Co, holds a Standard Cultivation Licence and Standard Processing Licence and is authorized to sell plants, seeds, dried & fresh cannabis, edibles, topicals and extracts

Facility: We are one of the largest cannabis facilities in the world with more than 1,000,000 sq. ft.

EU-GMP Certification: On March 6, 2020, the Company received its European Union Certificate of Good Manufacturing Practice (EU-GMP certificate) from the Government of Upper Bavaria, Germany



Our Facility

**PURPOSE-BUILT FOR CANNABIS
PRODUCTION**

BUILT TO EU SPECIFICATIONS

EU GMP CERTIFIED FACILITY

ADVANCED AUTOMATION

**PRECISION ENVIRONMENTAL
CONTROLS**

**POTENTIAL 50,000 KG/
ANNUALIZED CAPACITY**



Our Facility

1,000,000 sq. ft. Facility

One of the largest cannabis facilities in the world

Advanced Automation

Automated fertilization and irrigation system recirculates and accurately monitors plant nutrients

Integrated Optimization

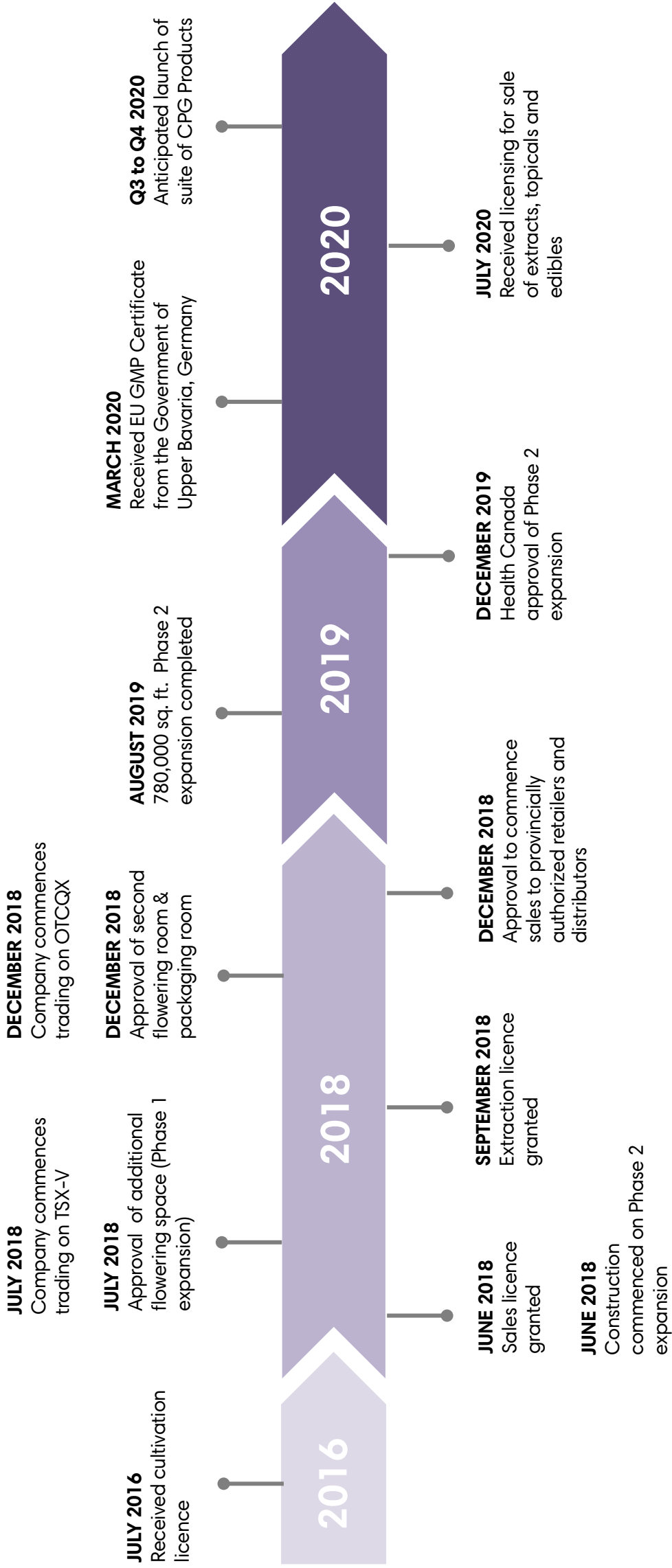
Latest CO2 technology provides monitoring and optimizes CO2 levels for plant growth

Ventilation System

Unique, full-length butterfly roof to improve air circulation and ventilation



Historical Company Milestones



Our Sales Strategy

- Strategic partnerships with well-established brands for female-focused cannabis 2.0 products
- Distribute Eve & Co products into the Canadian market through adult-use (provincial sales) and cannabis for medical purposes (3rd party Licence Holder contracts) sales channels
- Supply cannabis to the European medical cannabis market. We obtained the required EU-GMP certification which enables us to commence shipments into the European market
- Develop additional strategic partnerships in the EU



Sales Channels

DIRECT SALES (CANADA)

- Direct sales to authorized distributors and retailers
- Distribution in Newfoundland & Labrador, Manitoba, Saskatchewan and Ontario and supply agreements with B.C. and Alberta



MEDICINAL MARKET (CANADA)

- Ongoing discussions for long-term supply agreements
- Commenced sales to patients across Canada

WHOLESALE (CANADA)

- Product to be sold directly to other Licence Holders
- Additionally offering white label solutions for other Licence Holders and brands

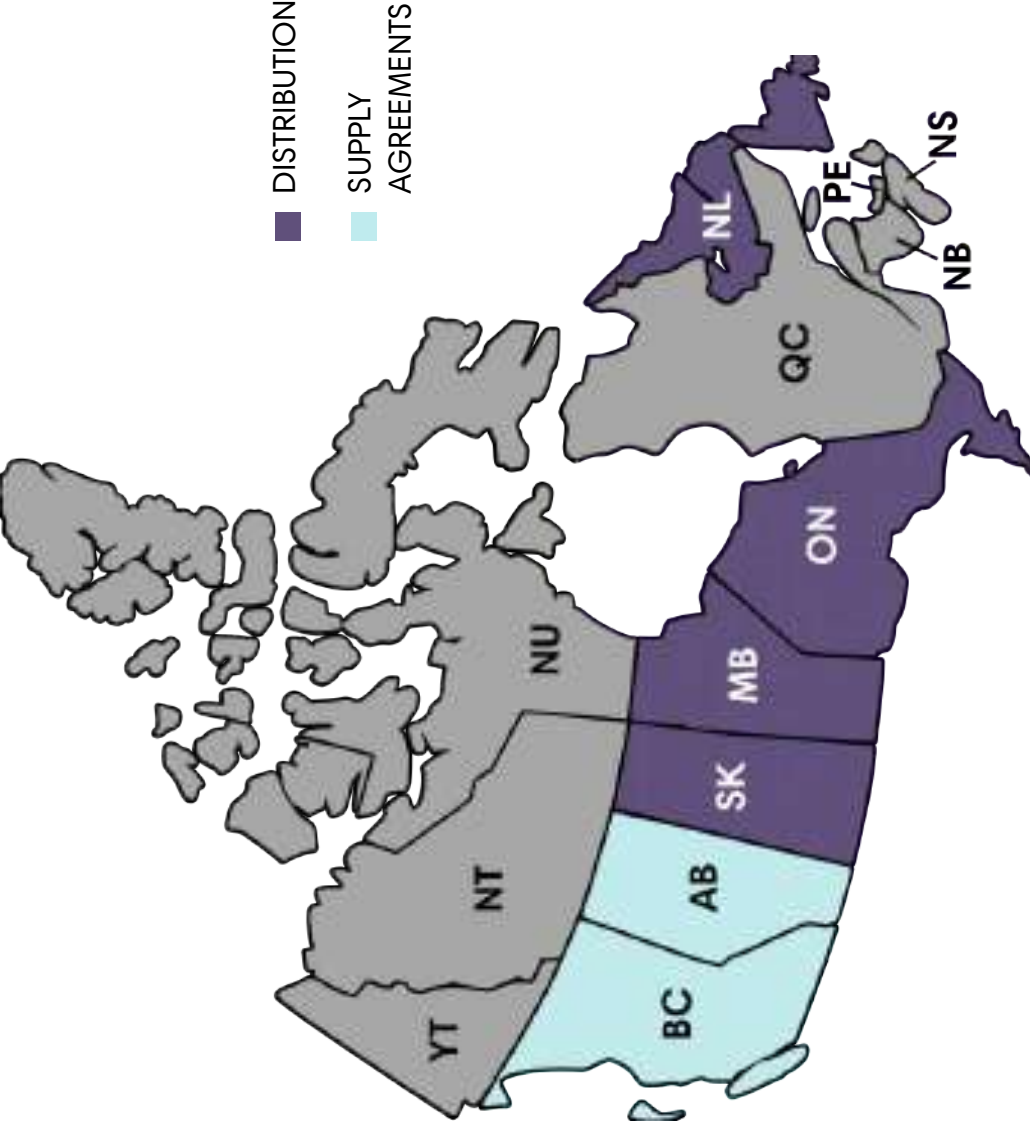
MEDICINAL MARKET (INTERNATIONAL)

- Entered into supply agreements with distributors for pharmaceutical and other products in Germany



Canadian Market

- Uniquely positioned as one of the only female-focused brands
- Building strategic partnerships to develop and launch female-focused cannabis 2.0 products expected to launch in Q3 & Q4 2020
- Sales commenced to patients through agreements with medical distributors of cannabis (major national grocery chain and Cannalogue)
- Dried flower is currently offered in various sizes in addition to pre-rolled products
- Our fully automated packaging system maintains high quality control and reduces costs



International Market

Eve & Co is continuing to build upon its existing supply agreements to access the EU market.

MARKET DATA

Estimated European Population
748 million

Total Flower Imports for Pharmacy Dispensing in 2019
6,500 kg

Imports Serve an Estimated **60,000** Medical Patients

FUTURE MARKET

Estimated Patients in Germany by 2024 will exceed **1 million**

Estimated Cannabis for Medical Market Value by 2028 will be **€7.7 billion**

Estimated Adult-Use Cannabis Market Worth by 2028 will be **€8.5 billion**



Source:
<https://mibizdaily.com/global-cannabis-germany/>
<https://mibizdaily.com/german-medical-cannabis-flower-imports-jump-more-than-60-in-first-half-of-2020-versus-2019/>
<https://investingnews.com/inspired/europe-medical-cannabis-cbd-cannabidiol/>
<https://www.analyticalcannabis.com/articles/if-legalized-germanys-recreational-cannabis-market-could-be-worth-85-billion-by-2028-experts-312020>

www.evecannabis.ca | TSX-V: EVE | OTCQX: EEWF



Products



We currently cultivate a variety of strains and aim to offer various sizes and formats of our dried flower.

We are developing a diverse line of cannabis 2.0 edibles, topicals and extracts.



Products

We have been building strategic partnerships with established and trusted brands to further our consumer-packaged goods program in all product categories with anticipated launches scheduled for Q3 & Q4 2020.

CURRENT
WHOLE FLOWER | CLONES | PRE-ROLLS

CANNABIS 2.0 INITIATIVES
EDIBLES | TOPICALS | EXTRACTS



Strategic Partnerships



Eve & Co entered into a licensing agreement with Colio Estate Wines' Girls Night Out Brand, as announced on August 6, 2020. Colio is one of Canada's leading wineries and the company behind the top-selling domestic flavoured wine beverage brand, Girls' Night Out¹. Eve & Co is working with Colio Estate Wines in the development and formulation of a cannabis-infused beverage.

¹ According to the Association of Canadian Distillers moving annual total for January 1, 2019 through June 2020.



Strategic Partnerships

Dr. Kerkliaan

T H E R A P E U T I C S

In January 2020, Eve & Co entered into a LOI with ECS BioMed Inc. (“Dr. Kerkliaan Therapeutics”).

Eve & Co will be working with Dr. Kerkliaan Therapeutics on developing a Natural CBD Relief Cream to bring to the Canadian recreational market. This topical pain cream, formulated by Dr. Kerkliaan to ease discomfort, tension and stiffness.

Dr. Kerkliaan Therapeutics hemp-based CBD products have been featured in Vogue, The Oprah Magazine, Forbes, Allure, Goop, Esquire and Rolling Stone magazines as well as other publications as a leading CBD skincare product.

VOGUE | THE OPRAH MAGAZINE | Forbes | allure
goop | Esquire | RollingStone



www.evecannabis.ca | TSX-V: EVE | OTCQX: EEWF

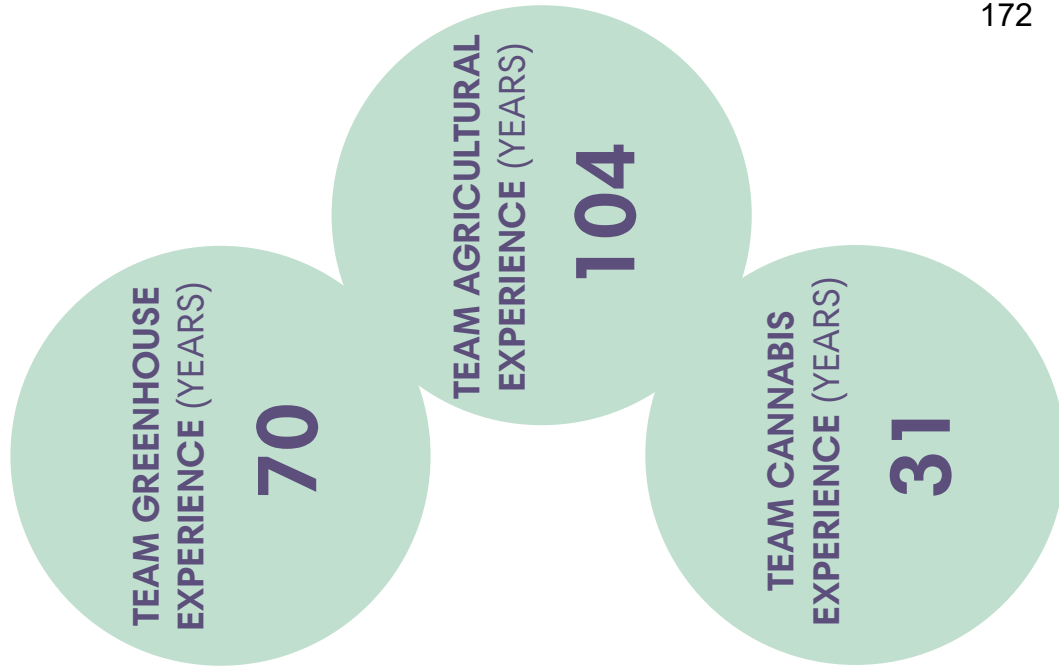


Our Team

- We are comprised of a diverse team of professionals with experience in health, science, agriculture, cannabis, pharmaceutical and regulated industries
- Over 70% of Eve & Co's management and supervisor roles are held by women
- Eve & Co has a growing workforce which consists of 65% female employees



Eve & Co Grow Team



EDUCATION/EXPERIENCE

POSITION

MASTER GROWER, IPM*	Agricultural Diploma, Certified Crop Advisor, Licensed Exterminator
GROWER, MANAGEMENT	University of Guelph Agricultural Courses, Pesticide Handling Certification
GROWER	Horticulture Diploma and Grower Pesticide Certificate Course
ASSISTANT GROWERS	Agricultural Experience, Pesticide Safety Course
IPM* ASSOCIATE	BS Plant, Soil & Insect Science, University of Massachusetts
CHEMICAL APPLICATION SPECIALIST	BSc. Earth Science, Brock University
QAP, MANAGEMENT	BSc. Honours Biology, Plant Biology, and BA, University of Waterloo

*Integrated Pest Management



Executive Team



MELINDA ROMBOUTS

Chief Executive Officer and Director

Prior to founding Natural MedCo, Ms. Rombouts was the president, manager and owner of numerous large-scale businesses in the agricultural, food, real estate and pharmaceutical industries and through these gained experience and knowledge in marketing, advertising, finance, project management and business development.

Ms. Rombouts has grown hundreds of varieties of plants and through this experience, she has gained extensive plant knowledge crucial to the growth of a healthy plant and high-quality product. She also has experience with Quality Assurance, GPP program and Standard Operating Procedures development, implementation and improvement with strict adherence to the regulations governing the pharmaceutical industry.

Ms. Rombouts holds a BA and BSc from the University of Waterloo with specialization in Plant Biology and Legal Studies.



RORY TAYLOR

Interim Chief Financial Officer

Mr. Taylor joined the Eve & Co team in November of 2019 as financial controller and has been responsible for all aspects of financial management. Mr. Taylor has accumulated over 20 years of finance experience and prior to joining Eve & Co, he has held several CFO and senior financial roles in companies in the mining and metals, telecommunications and assurance practice sectors. He holds a Bachelor of Commerce degree from the University of Cape Town and is a South African qualified Chartered Accountant.



RUTH CHUN

Corporate Secretary & Consultant

Ruth Chun is a proven executive with global experience in corporate law. Previously a Director of Africa's largest law firm, Ruth has also worked with major legal firms in Canada and the UK. She has held executive and board positions in the financial services sector. She is admitted to legal practice in Ontario, New York and Namibia. Ruth holds a BA (Hons) and an MA from the University of Toronto, as well as a Juris Doctor from Queen's University.



IVAN ROSS VRÁNA

Vice President – Government Relations & Business Development

Ivan Ross is widely recognized as an industry expert in the field of cannabis for medical and recreational purposes. His experience in this sector dates back to his time with Health Canada when he helped develop the Government of Canada's position regarding the use, production, distribution and regulation of cannabis for medical purposes. Since that time he has worked as a consultant with H+K Strategies (National Cannabis Practice) where he offered clients counsel and support in investor relations, communications, regulatory review, strategic partnerships, identification and outreach related to market opportunities in other countries and government affairs work at the federal, provincial and municipal levels. In the Spring of 2019, Ivan Ross joined Eve & Co. and is leading the company's government relations and business development efforts.

Ivan Ross worked for the federal government for more than 18 years. He started his career at the Patented Medicine Prices Review Board as a policy analyst and went on to work at Health Canada where his work focused on pharmaceutical and cannabis policy at both the federal and provincial levels. During a two-year sabbatical, Ivan Ross worked for Innovative Medicines Canada as the director of government affairs, providing strategic insight and analysis. Since 2012, Ivan Ross has been working exclusively in the cannabis industry.

Ivan Ross is bilingual, a trained facilitator and holds a masters in public administration from Carleton University and a bachelor of arts (honours) in history from the University of Ottawa.



Board of Directors



MELINDA ROMBOUTS

CEO and Director

Prior to founding Natural MedCo, Ms. Rombouts was the president, manager and owner of numerous large scale businesses in the agricultural, food, real estate and pharmaceutical industries and through these gained experience and knowledge in marketing, advertising, finance, project management and business development.

Ms. Rombouts holds a BA and BSc from the University of Waterloo with specialization in Plant Biology and Legal Studies.

She also has experience with Quality Assurance, GPP program and Standard Operating Procedures development, implementation and improvement with strict adherence to the regulations governing the pharmaceutical industry.



RAVI SOOD

Director

Mr. Sood is the managing director of Signal 8 Limited. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as Executive Chairman and Director of Galane Gold Ltd. (TSXV:GG) and Blockchain Power Trust (TSXV:BPWR) and as a director of Feronia Inc. (TSXV:FRN), and ICC Labs Inc. (TSXV:ICC).

He was the founder and Chief Executive Officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada. Mr. Sood led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., from its founding in 2001 until he sold the firm in 2010.



YASIR NAQVI

Director

Mr. Naqvi is the Chief Executive Officer of the Institute for Canadian Citizenship (ICC). Prior to joining the ICC, Mr. Naqvi served as a Member of Provincial Parliament for almost 11 years. In that time, he served as the Attorney General of Ontario,

Government House Leader, the Minister of Labour, and the Minister of Community Safety and Correctional Services. Mr. Naqvi was also a member of the Treasury Board and Management Board of Cabinet. Before being elected, Mr. Naqvi was the Associate Director and International Trade Counsel at the Centre for Trade Policy and Law, a non-profit think-tank affiliated with Carleton University and the University of Ottawa. He also practiced international trade, competition, regulatory and administrative law with major law firms in Ottawa. Mr. Naqvi has been cited as a "Community Builder" by United Way Ottawa and listed as one of the "Top 50 People in the Capital" by Ottawa Life magazine. In 2018, he was named on Canadian Lawyer's "Top 25 Most Influential" list for advancing technological modernization in Ontario's justice system. Most recently, Mr. Naqvi received the Lincoln Alexander Award by the Law Society of Ontario.



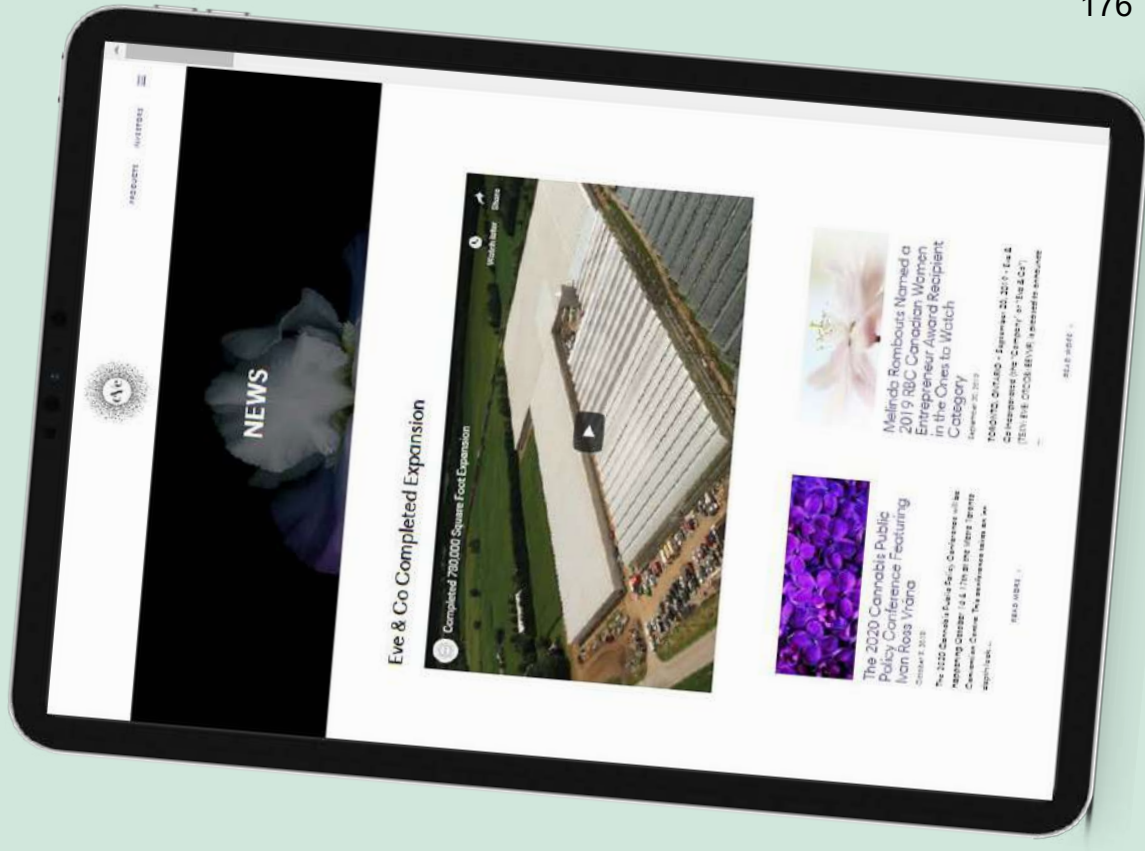
Capitalization Summary at June 30, 2020

SHAREHOLDER OWNERSHIP	# OF SHARES	% OF SHARES
Management and Insiders	85,173,940	29.6%
Widely Held	202,693,232	70.4%
Total	287,867,172	
Warrants	20,900,000	
Options	22,033,000	
Total F/D	330,800,172	
Cash	\$1.0M	



Recent News

- August 11, 2020** AMP German Cannabis Group Enters into Supply Agreement with Canadian Medical Cannabis Producer, Eve & Co
- August 6, 2020** Eve & Co Announces Licensing Agreement with Colio Estate Wines
- July 22, 2020** PharmaDrug Inc. Signs Cannabis Supply Agreement with Eve & Co
- July 20, 2020** Eve & Co Receives Licence Amendment to Sell Cannabis Extracts, Edibles and Topicals
- May 4, 2020** Eve & Co Announces Health Canada Approval of Additional Processing Area
- April 2, 2020** Eve & Co Commences Canadian Medical Sales through Online Platform Cannalogue
- March 6, 2020** Eve & Co Receives EU GMP Certification
- January 30, 2020** Eve & Co Announces Exclusive LOI With Dr. Kerklaan Therapeutics
- December 20, 2019** Eve & Co Completes First Shipment of Dried Flower Pre-Rolls to the Province of Ontario
- December 16, 2019** Eve & Co Announces Health Canada Approval of 780,000 Square Foot Flowering Room
- November 28, 2019** Eve & Co Completes First Shipment of Dried Flower Products to the Province of Saskatchewan
- November 22, 2019** Eve & Co Announces exclusive LOI with Colio Estate Wines





CONTACT

investorrelations@evecannabis.ca

**MELINDA
ROMBOUTS**
CEO

+1 (855) NAT-MEDS
+1 (855) 628-6337



This is **Exhibit “G”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

Licence No. - N° de licence
LIC-JKPTN71PKT-2020

LICENCE

This licence is issued in accordance with the *Cannabis Act* and *Cannabis Regulations*

LICENCE

Cette licence est délivrée conformément à la *Loi sur le cannabis* et le *Règlement sur le cannabis*

Licence Holder / Titulaire de la licence :
Natural MedCo Ltd.

Licensed Site / Lieu autorisé :
2941 NAPPERTON DRIVE
STRATHROY, ON, CANADA, N7G 3H8

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses:

- Standard Cultivation
- Standard Processing

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes:

- Culture standard
- Transformation standard

Indoor Area(s) / Zone(s) intérieure(s)

Building 1

Activities	Activités
<ul style="list-style-type: none"> • to possess cannabis • to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis • to sell cannabis in accordance with subsection 11(5) of the <i>Cannabis Regulations</i> • for the purpose of testing, to obtain cannabis by altering its chemical or physical properties by any means • to produce cannabis, other than obtain it by cultivating, propagating or harvesting it • to sell cannabis in accordance with subsection 17(5) of the <i>Cannabis Regulations</i> 	<ul style="list-style-type: none"> • avoir du cannabis en sa possession • obtenir du cannabis séché, du cannabis frais, des plantes de cannabis ou des graines provenant de telles plantes par la culture, la multiplication et la récolte de cannabis • vendre du cannabis en vertu du paragraphe 11(5) du <i>Règlement sur le cannabis</i> • afin d'effectuer des essais sur du cannabis, obtenir du cannabis par l'altération, par tout moyen, de ses propriétés physiques ou chimiques • produire du cannabis, sauf en l'obtenant par la culture, la multiplication et la récolte • vendre du cannabis en vertu du paragraphe 17(5) du <i>Règlement sur le cannabis</i>

Outdoor Area(s) / Zone(s) extérieure(s)**Conditions**

Natural MedCo Ltd. must meet the requirements set out in the document entitled "Mandatory cannabis testing for pesticide active ingredients".	Natural MedCo Ltd. doit satisfaire aux exigences énoncées dans le document intitulé « Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides ».
The only cannabis products that Natural MedCo Ltd. may sell or distribute to (i) a holder of a licence for sale, and (ii) a person authorized to sell cannabis under a provincial Act by reason of subsection 69(1) of the Act, are as follows: cannabis plants that are cannabis products; cannabis plant seeds that are cannabis products; dried cannabis that is a cannabis product; and, fresh cannabis that is a cannabis product.	Les seuls produits du cannabis que Natural MedCo Ltd. peut vendre ou distribuer (i) à un titulaire d'une licence de vente et (ii) à une personne autorisée par une loi provinciale à vendre du cannabis en vertu du paragraphe 69(1) de la Loi sont les suivants : plantes de cannabis qui sont des produits du cannabis; graines provenant d'une plante de cannabis qui sont des produits du cannabis; cannabis séché qui est un produit du cannabis; cannabis frais qui est un produit du cannabis.
The only cannabis products that Natural MedCo Ltd. may send or deliver to the purchaser at the request of (i) a holder of a licence for sale, and (ii) a person authorized to sell cannabis under a provincial Act by reason of subsection 69(1) of the Act, are as follows: cannabis plants that are cannabis products; cannabis plant seeds that are cannabis products; dried cannabis that is a cannabis product; and, fresh cannabis that is a cannabis product.	Les seuls produits du cannabis que Natural MedCo Ltd. peut expédier ou livrer à l'acheteur à la demande (i) d'un titulaire d'une licence de vente et (ii) d'une personne autorisée par une loi provinciale à vendre du cannabis en vertu du paragraphe 69(1) de la Loi sont les suivants : plantes de cannabis qui sont des produits du cannabis; graines provenant d'une plante de cannabis qui sont des produits du cannabis; cannabis séché qui est un produit du cannabis; cannabis frais qui est un produit du cannabis.

Authorized Official, Controlled Substances and Cannabis Branch

Officiel autorisé, Direction générale des substances contrôlées et du cannabis

Effective date of the licence:

This licence is effective as of **July 6, 2020**

Date d'entrée en vigueur de la licence:

Cette licence entre en vigueur à compter du **6 juillet 2020**

Expiry date of the licence:

This licence expires on **July 6, 2023**

Date d'expiration de la licence:

La présente licence expire le **6 juillet 2023**



Authorized Official, Controlled Substances and Cannabis Branch
Officiel autorisé, Direction générale des substances contrôlées et du cannabis

This is **Exhibit “H”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.

October 13, 2020

Joseph Degroot
 Operations Manager
 Natural Medco Ltd.
 2941 Napperton Drive
 Strathroy, ON N7G 3H8

Dear Joseph Degroot:

RE: Renewal of Cannabis Licence under the Excise Act, 2001

We have reviewed your cannabis licence renewal application, and are pleased to inform you that your cannabis licence under the Excise Act, 2001 has been renewed effective October 17, 2020.

Cannabis licence number

The following licence number should be recorded on all correspondence with the CRA:

**85403 2836 RD0001
 2941 Napperton Drive, Strathroy, ON, N7G 3H8**

Each of the physical business locations included in the licence application has been provided with a separate account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	2941 Napperton Dr, Strathroy, ON, N7G 3H8

Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regards to the security requirement, please contact our office.

Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

The expiry date for your licence will be October 16, 2022. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

Obligations of a Cannabis Licensee

Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at canada.ca/my-cra-business-account. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at canada.ca/my-cra-business-account or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at canada.ca/cannabis-excise so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Maggie McNaughton at 289-556-6377. For general information regarding the excise duty on cannabis products please go to canada.ca/cannabis-excise. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please call 1-866-330-3304 or email cannabis@cra-arc.gc.ca.

Sincerely,

Dan Reggio
Ontario Regional Manager
Excise Duties and Taxes
Legislative Policy and Regulatory Affairs

This is **Exhibit "I"** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

Regierung von OberbayernCERTIFICATE NUMBER: **DE_BY_04_GMP_2020_0067****CERTIFICATE OF GMP COMPLIANCE OF A MANUFACTURER**^{1, 2}**Part 1**

Issued following an inspection in accordance with :

Art. 111(5) of Directive 2001/83/EC as amended

The competent authority of Germany confirms the following:

The manufacturer: **Natural MedCo Ltd.**

Site address: **2941 Napperton Drive, Strathroy / Ontario, N7G 3H8, Canada**

Is an active substance manufacturer that has been inspected in accordance with Art. 111(1) of Directive 2001/83/EC .

From the knowledge gained during inspection of this manufacturer, the latest of which was conducted on **2019-11-06** , it is considered that it complies with :

- The principles of GMP for active substances³ referred to in Article 47 of Directive 2001/83/EC .

This certificate reflects the status of the manufacturing site at the time of the inspection noted above and should not be relied upon to reflect the compliance status if more than three years have elapsed since the date of that inspection. However, this period of validity may be reduced or extended using regulatory risk management principles by an entry in the Restrictions or Clarifying remarks field. This certificate is valid only when presented with all pages and both Parts 1 and 2. The authenticity of this certificate may be verified in EudraGMDP. If it does not appear, please contact the issuing authority.

¹ The certificate referred to in paragraph 111(5) of Directive 2001/83/EC and 80(5) of Directive 2001/82/EC, shall also be required for imports coming from third countries into a Member State.

² Guidance on the interpretation of this template can be found in the Help menu of EudraGMDP database.

³ These requirements fulfil the GMP recommendations of WHO.

Part 2

Human Medicinal Products

Manufacture of active substance. Names of substances subject to inspection :

Cannabis flos DAB - Cannabisblueten DAB Typ 1, THC about 18% and 22%, CBD < 1% (Example strain s: AK4420, Golden Lemon Haze, Northern Lights, Super Skunk)(en)

Cannabis flos DAB- Cannabisblueten DAB Typ 1, THC about 12% and 16%, CBD < 1% (Example strains : White Widow, Puple Kush Haze)(en)

Cannabis flos DAB - Cannabisblueten DAB Typ 1, THC about 5% and 9%, CBD between 5 and 9% (Example strains: Black Widow IICBD, CBD 1:1 Silver Lime Haze)(en)

Clarifying remarks (for public users)

Applicant: Bavaria Weed GmbH Gewerbestr. 11 82211 Herrsching

2020-04-28

Name and signature of the authorised person of the
Competent Authority of Germany

Confidential
Regierung von Oberbayern
Tel: ***Confidential***
Fax: ***Confidential***

This is **Exhibit “J”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



CERTIFICATE No: CU 885744 CUMCS 01-2022

CUMCS

CERTIFICATE

The Control Union Medical Cannabis Standard Version 4.0_2020

Issued to:

Natural MedCo Ltd
2941 Napperton Drive, Strathroy ONT N7G 3H8
Canada

Control Union Certifications B.V. declares that the listed activity (activities) of the company have been found to be compliant in accordance with the standard as well as the WHO guidelines on Good Agricultural & Collection Practices (GACP) for medicinal plants (Geneva, 2003).

Validity of this certificate can be verified in the CU database

This certificate is applicable for the scope of:

- Propagation through cloning of vegetal material
- Cultivation, harvesting, drying, curing, packaging and storage of *Cannabis* inflorescences for medicinal use

Valid from: 09 March 2022

Valid until: 08 March 2023

Declared by:

On behalf of the Managing Director

Certifier: *Ilanit Poliker*



Control Union Certifications B.V.

P.O. Box 161 8000 Zwolle

The Netherlands

<http://www.controlunion.com>

certifications@controlunion.com

+31(0)38-4260100

Date of certification decision: 09 March 2022

Printed on: 09 March 2022



Annex to the certificate:

The certificate reflects the status of the site at the time of the Inspection noted above and should not be relied upon to reflect the compliance status if more than one year has elapsed since the date of that inspection. This certificate is valid only when presented with all pages

Farm location:

2941 Napperton Drive, Strathroy ONT N7G 3H8, Canada

Site information

GROWING AREA	GROWING STAGE	FACILITY	SIZE
Propagation	Cuttings	Greenhouse	1605 m ²
Propagation	Mother Plants	Greenhouse	535 m ²
Cultivation	Vegetative	Greenhouse	21363 m ²
Cultivation	Flowering	Greenhouse	76080 m ²

PROCESSING AREA	SIZE
Drying	601 m ²
Trimming	76 m ²
Packaging	90 m ²
Storage	512 m ²
Total	1279 m²

Reference Documents¹

- *The World Health Organization (WHO) guidelines: WHO Guidelines on good agricultural & collection practices (GACP) for medicinal plants - Geneva 2003*
- *Guidelines of the Dutch Government for Cannabis for Medical Use: Guidelines for cultivating Cannabis for medicinal purposes, Nederland, December 2002*
- *International Standard for Good Agricultural Practices - G.A.P standard*
- *WHO guidelines for assessing quality of herbal medicines with reference to contaminants and residues*
- *IMC-G.A.P -Israeli Medical Cannabis Good Agricultural Practices*

¹ guidance documents which were used in the development of CUMCS

This is **Exhibit “K”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.



Audited Consolidated Financial Statements of
Eve & Co Incorporated

As at and for the years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Eve & Co Incorporated

Opinion

We have audited the accompanying consolidated financial statements of Eve & Co Incorporated (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, statements of changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a net loss of \$9,813,693 during the year ended December 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by \$15,455,708. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Caspary LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 30, 2021

Eve & Co Incorporated

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Notes	December 31, 2020	December 31, 2019
Assets			
Current Assets			
Cash		\$ 517,644	\$ 7,478,165
Other Receivables & Prepaid Expenses		702,484	665,001
Harmonized Sales Tax Receivable		-	410,443
Accounts Receivable		856,718	270,348
Biological Assets	5	1,070,507	1,316,690
Inventory	6	8,083,934	6,401,037
Total Current Assets		11,231,287	16,541,684
Non-Current Assets			
Property, Plant and Equipment	7	39,208,171	40,163,309
Total Non-Current Assets		39,208,171	40,163,309
Total Assets		\$ 50,439,458	\$ 56,704,993
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		\$ 7,257,875	\$ 6,085,490
Promissory Notes	8	934,875	893,575
Loans and Borrowings	9	18,494,245	18,700,000
Total Current Liabilities		26,686,995	25,679,065
Non-Current Liabilities			
Loans and Borrowings	9	936,142	-
Total Non-Current Liabilities		936,142	-
Total Liabilities		27,623,137	25,679,065
Equity			
Share Capital	10	43,788,808	43,788,808
Contributed Surplus		5,284,139	3,680,053
Accumulated deficit		(26,256,626)	(16,442,933)
Total Equity		22,816,321	31,025,928
Total Liabilities and Equity		\$ 50,439,458	\$ 56,704,993

Signed on behalf of the Board:

"Melinda Rombouts"

Director

"Ravi Sood"

Director

Nature of Operations, *Note 1*

Basis of Presentation and Going Concern, *Note 2*

Commitments and Contingencies, *Note 15*

The accompanying notes are an integral part of these consolidated financial statements.

Eve & Co Incorporated

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Notes	Year ended	
		December 31, 2020	December 31, 2019
Revenue		\$ 3,815,561	\$ 3,706,722
Excise Tax		(407,088)	(148,858)
Net revenue		3,408,473	3,557,864
Inventory production costs expensed to cost of sales	6	(2,464,638)	(1,984,208)
Gross Margin before the undernoted		943,835	1,573,656
Realized fair value amounts included in inventory sold	6	(1,431,233)	(1,638,228)
Unrealized fair value (loss) gain on changes in biological assets	5	4,422,383	5,211,984
Inventory write-down	6	(6,647,905)	(4,760,411)
Gross (Loss) Margin		\$ (2,712,920)	\$ 387,001
Operating Expenses			
Advertising & Promotion		29,537	124,416
Amortization	7	246,424	85,852
Consulting and contract work		128,133	107,584
Finance Expenses		719,939	659,688
General and Administration		1,846,664	447,171
Management Wages	8	678,965	861,858
Operating Labour		868,767	877,703
Professional Fees		1,097,020	1,311,735
Stock-Based Compensation	10	1,486,075	1,529,916
Total Expenses		7,101,524	6,005,923
Loss from Operations		(9,814,444)	(5,618,922)
Other Income (expenses)			
Other Income		51,491	85,433
Transaction costs		(50,740)	-
Net Loss and Comprehensive Loss before Income Taxes		\$ (9,813,693)	\$ (5,533,489)
Income Tax Expense	12	-	(173,000)
Net Loss and Comprehensive Loss		\$ (9,813,693)	\$ (5,706,489)
Net Loss per share			
Basic		\$ (0.34)	\$ (0.21)
Diluted		\$ (0.34)	\$ (0.21)
Weighted average of shares outstanding - basic		28,786,713	27,124,390
Weighted average of shares outstanding - diluted		28,786,713	27,124,390

The accompanying notes are an integral part of these consolidated financial statements.

Eve & Co Incorporated

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

	Share Capital		Reserves			Total		
	Notes	Common Shares	Amount	Contributed Surplus	Convertible Debt		Special Warrants	Deficit
Balance as at January 1, 2019		23,372,521	\$ 23,447,576	\$ 2,598,107	\$ 106,794	\$ -	\$ (10,736,444)	\$ 15,416,033
Shares Issued on Exercise of Stock Options	10	62,000	256,967	(119,966)	-	-	-	137,001
Shares Issued on Conversion of Debentures	9	1,333,333	3,724,036	-	(279,794)	-	-	3,444,242
Shares Issued on Exercise of Compensation Options	10	262,359	1,101,622	(329,057)	-	-	-	772,565
Stock-Based Compensation	10	-	-	1,529,916	-	-	-	1,529,916
Deferred tax on convertible debentures		-	-	-	173,000	-	-	173,000
Special Warrants Issued	10	-	-	-	-	9,105,049	-	9,105,049
Special Warrants Exercised	10	2,090,000	9,105,049	-	-	(9,105,049)	-	-
Warrants Issued	10	-	-	321,860	-	-	-	321,860
Warrants Exercised	10	1,666,500	6,153,558	(320,807)	-	-	-	5,832,751
Net loss for the year then ended		-	-	-	-	-	(5,706,489)	(5,706,489)
Balance as at December 31, 2019		28,786,713	\$ 43,788,808	\$ 3,680,053	\$ -	\$ -	\$ (16,442,933)	\$ 31,025,928

	Share Capital		Reserves			Total		
	Notes	Common Shares	Amount	Contributed Surplus	Convertible Debt		Special Warrants	Deficit
Balance as at January 1, 2020		28,786,713	\$ 43,788,808	\$ 3,680,053	\$ -	\$ -	\$ (16,442,933)	\$ 31,025,928
Stock-Based Compensation	10	-	-	1,486,075	-	-	-	1,486,075
Convertible debentures issued	9	-	-	-	44,707	-	-	44,707
Warrants issued	9	-	-	73,304	-	-	-	73,304
Net loss for the year then ended		-	-	-	-	-	(9,813,693)	(9,813,693)
Balance as at December 31, 2020		28,786,713	\$ 43,788,808	\$ 5,239,432	\$ 44,707	\$ -	\$ (26,256,626)	\$ 22,816,321

The accompanying notes are an integral part of these consolidated financial statements.

Eve & Co Incorporated

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	Notes	Year ended	
		December 31, 2020	December 31, 2019
Operating Activities			
Net Loss and Comprehensive Loss		\$ (9,813,693)	\$ (5,706,489)
Items not affecting cash:			
Realized fair value amounts included in inventory sold	6	1,431,233	1,638,228
Unrealized fair value loss (gain) on changes in biological assets	5	(4,422,383)	(5,211,984)
Inventory write-down	6	6,647,905	4,760,411
Income tax expense		-	173,000
Amortization	5,6,7	574,120	308,637
Accretion expense and accrued interest on debt	8,9	669,267	165,719
Stock-based compensation	10	1,486,075	1,529,916
Changes in operating assets and liabilities			
Prepaid expenses		(37,483)	(497,767)
Accounts Receivable		(586,370)	275,061
Harmonized Sales Tax Receivable		410,443	1,479,125
Accounts payable		1,819,540	116,260
Inventory		(4,049,379)	(3,916,645)
Net cash used by operating activities		\$ (5,870,725)	\$ (4,886,528)
Investing Activities			
Payment for property, plant & equipment		\$ (1,310,227)	\$ (23,392,705)
Net cash used by investing activities		\$ (1,310,227)	\$ (23,392,705)
Financing Activities			
(Repayments) draws under debt facility	9	\$ (829,569)	\$ 18,700,000
Proceeds from issuance of convertible debentures	9	550,000	-
Proceeds from private loan financing	9	500,000	-
Issuance of common shares, net of share issuance costs		-	6,742,315
Issuance of Special Warrants	10	-	10,450,000
Share and debt issuance costs		-	(1,023,091)
Repayment of promissory note debt	8	-	(150,000)
Net cash provided by financing activities		\$ 220,431	\$ 34,719,224
Net cash flows during the period		\$ (6,960,521)	\$ 6,439,991
Cash			
Cash at beginning of year		\$ 7,478,165	\$ 1,038,174
Change in cash during the year		(6,960,521)	6,439,991
Cash at end of year		\$ 517,644	\$ 7,478,165
Supplemental Disclosure of Cash Flow			
Cash interest paid		\$ 702,401	\$ 474,986
Supplemental Disclosure of Non-Cash Flow			
Conversion of debt	9	\$ -	\$ 3,724,036
Non-Cash fixed asset additions within accounts payable	7	4,055,257	4,702,414
Non-Cash portion of Warrants exercised	9	-	320,807
Non-Cash portion of compensation options exercised		-	329,057

The accompanying notes are an integral part of these consolidated financial statements.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

1. Nature of Operations

Eve & Co Incorporated (the "Company" or "Eve & Co") is a publicly listed company on the TSX Venture Exchange ("TSX-V") and trades under the symbol "EVE". The Company is also listed on the OTCQX venture market under the symbol "EEV.VF". The registered head office of the Company is 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8.

The Company was incorporated under the Business Corporations Act (Ontario) on June 6, 2014 and carries on the business of the cultivation and sale of cannabis through its wholly owned subsidiary, Natural MedCo Ltd. ("NMC"). NMC was licensed to produce and sell cannabis under the federal Access to Cannabis for Medical Purposes Regulations.

Effective October 17, 2018, NMC has been licensed to produce and sell cannabis under the Cannabis Act (Canada), with the license for the Company's current operating facility effective to July 6, 2023 and subject to renewal thereafter.

On December 29, 2020 the Company completed a 10:1 share consolidation issuing 1 common share for every 10 common shares held by the existing shareholders. Unless otherwise stated, all common share and per share amounts have been retroactively restated to reflect the effects of the share consolidation.

The consolidated financial statements of the Company are comprised of the Company and its wholly owned subsidiaries NMC and Eve & Co International Holdings Ltd, also located in Canada. These consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2020.

The Company does not engage in any U.S. cannabis-related activities as defined in Canadian Securities Administrators Staff Notice 51-352.

2. Basis of Presentation and Going Concern

a. Statement of Compliance and Going Concern

The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in accordance with the going concern assumption, which assumes the Company will be able to continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company incurred a net loss of \$9,813,693 for the year ended December 31, 2020 (2019 – \$5,706,489) and has a working capital deficit of \$15,455,708 as at December 31, 2020 (2019 – \$9,137,381).

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities is dependent upon its ability to continually refinance current obligations and/or raise additional financing and, ultimately, achieve profitable operations.

Although management is assessing various opportunities for debt or equity financing and/or refinancing and is also pursuing cash-generating sales opportunities to increase profitability, there are no assurances that the Company will be successful and there may be an adverse effect on the financial position of the Company should these efforts be unsuccessful. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material. Refer to Note 11 for further discussion on liquidity risks.

In March 2020, the World Health Organization recognized the outbreak of coronavirus COVID-19 as a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the year end December 31, 2020 as the production and sale of cannabis have been recognized as essential services in Canada and across the European Union. Due to the ongoing rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business or results of operations at this time.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described further below (note 4).

b. Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value and biological assets that are measured at fair value less cost to sell, as detailed in the Company's accounting policies.

Historical cost is the fair value of the consideration given in exchange for goods and services based upon the fair value at the time of the transaction of the consideration provided.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

measurement date. Fair value for measurement and/or disclosure purposes in these annual consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of IFRS 2, Share-Based Payment, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2, Inventories.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 – inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable inputs for the asset or liability.

The preparation of these annual consolidated financial statements requires the use of certain critical accounting estimates, which requires management to exercise judgment in applying the Company's accounting policies.

c. **Functional and presentation currency**

The functional currency of the Company and its subsidiaries, as determined by management, is the Canadian dollar. These financial statements are presented in Canadian dollars.

3. Recent accounting pronouncements

Accounting standards and amendments adopted during the year ended December 31, 2020

Amendments to IFRS 3, Business Combinations (“IFRS 3”)

In October 2018, the IASB issued “Definition of a Business (Amendments to IFRS 3)”. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business. The amendments are effective for business combinations and asset acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The Company adopted the amendment to IFRS 3 on January 1, 2020 with no impact upon adoption.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Accounting standards and amendments issued but not yet adopted

Amendments to IAS 16, Property, plant and equipment – proceeds before intended use (“IAS 16”)

On May 14, 2020, the IASB published a narrow scope amendment to IAS 16. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, amounts received will be recognized as sales proceeds and related cost in profit or loss. The effective date is for annual periods beginning on or after January 1, 2022. The Company is assessing the effect of the narrow scope amendment on its consolidated financial statements.

4. Summary of significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a. Principles of consolidation

The financial statements of the Company consolidate the accounts of Eve & Co and its subsidiaries. All intercompany transactions, balances, and unrealized gains and losses from intercompany transactions are eliminated on consolidation. The Company’s most significant wholly owned subsidiaries are presented below:

Natural MedCo Ltd. (Canada)
Eve & Co International Holdings Ltd (Canada)

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed – or has rights – to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

b. Foreign Currency Translation

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through loss or profit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

c. Cash

Cash is comprised of cash and highly liquid investments that are readily convertible into known amounts of cash. The Company does not have any cash equivalents.

d. Biological Assets

The Company's biological assets consist of cannabis plants. The Company capitalizes all the direct and indirect costs as incurred that relate to the biological transformation of the biological assets between the point of initial recognition and the point of harvest including labour related costs, grow consumables, materials, utilities, facilities costs, quality and testing costs, and production related depreciation. The Company then measures the biological assets at fair value less cost to sell up to the point of harvest; this becomes the basis for the initial deemed cost of finished goods inventories after harvest. Costs to sell include post-harvest production, shipping and fulfillment costs.

The net unrealized gains or losses arising from changes in fair value less cost to sell during the period are separately identified and included in the Consolidated Statements of Loss and Comprehensive Loss on the line "unrealized fair value gain on biological assets".

e. Inventory

Inventories of harvested work-in-process and finished goods are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value less cost to sell up to the point of harvest, which becomes the initial deemed cost. All subsequent direct and indirect post-harvest costs are capitalized to inventory as incurred, including labour-related costs, consumables, materials, packaging supplies, utilities, facilities costs, quality and testing costs, and production-related amortization. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories for resale and supplies and consumables are valued at the lower of cost and net realizable value, with cost determined using the weighted average cost basis. The line item "Inventory production costs expensed to cost of sales" in the Consolidated Statement of Loss and Comprehensive Loss excludes the fair value adjustment and is comprised of the cost of inventories expensed in the period and the direct and indirect costs of shipping and fulfillment including labour related costs, materials, shipping costs, customs and duties, utilities, facilities costs, and shipping and related amortization.

f. Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated amortization and impairment losses. Amortization is provided using the following terms and method:

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Land	Not amortized	n/a
Buildings	Declining balance	4%
Machinery and Equipment	Declining balance	20%
Computers and Technology	Declining balance	20%
Construction-in-Progress	Not amortized	n/a

An asset's residual value, useful life and amortization method is reviewed at each financial year end and adjusted if appropriate. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment and are recognized in profit or loss.

Items of property, plant and equipment included within construction-in-progress are transferred to the relevant categories within property, plant and equipment when the assets are ready and available for their intended use and amortization of the assets commences immediately upon transfer.

g. Impairment of long-lived assets

Long-lived assets, including property, plant and equipment, are reviewed for impairment at the end of each financial reporting period or whenever events or changes in circumstances indicate that the carrying amount of such assets exceeds their recoverable amount.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal, and its value-in-use. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized immediately in profit or loss.

Impairment losses are evaluated for potential reversals when events or circumstances warrant such consideration. Where an impairment loss is subsequently reversed, the amount of such reversal is limited such that, the revised carrying amount of the asset or CGU does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in the prior years. A reversal of an impairment loss is recognized into profit or loss immediately.

h. Convertible debentures (with warrants)

The Company has issued debt that in certain cases included issuance of separate warrants to the lenders, or conversion features. Debt with warrants and convertible debt issued by the Company are

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

compound financial instruments which are accounted for separately according to their components, those being a financial liability and an equity instrument.

The financial liability component is initially recognised at the fair value of a similar liability that does not have an equity conversion option or accompanying warrants. The equity component, consisting of the conversion option or the accompanying warrant, is initially recognised as the difference between the fair value of the compound financial debt instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. The equity component is not re-measured. No gain or loss is recognised at maturity or early conversion of the debt.

i. Revenue Recognition

The Company follows a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of cannabis to medical and recreational customers is recognized when the Company transfers control of the good to the customer. In some cases, judgement is required in determining whether the customer is a business or the end consumer. This evaluation is made on the basis of whether the business obtains control of the product before transferring to the end consumer. Control of the product transfers at a point in time either upon shipment to or receipt by the customer, depending on the contractual terms.

The Company recognizes revenue in an amount that reflects the consideration that the Company expects to receive, taking into account any variation that may result from rights of return.

With effect from October 17, 2018, the Canada Revenue Agency ("CRA") began levying an excise tax on the sale of medical and consumer cannabis products. The Company becomes liable for these excise duties when its cannabis products are delivered to the customer. The excise taxes payable is the higher of (i) a flat-rate duty which is imposed when the cannabis product is packaged, and (ii) an ad-valorem duty that is imposed when the cannabis product is delivered to the customer.

Where the excise tax has been billed to its customers, the Company has reflected the excise tax as part of revenue in accordance with IFRS 15. Net revenue from the sale of goods – as presented on the

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

consolidated statement of loss and other comprehensive loss – represents revenue from the sale of goods less applicable excise taxes. Given that the excise tax payable / paid to the CRA cannot be reclaimed and is not always billed to customers, the Company recognizes that the excise tax is an operating cost that impacts gross profit (loss) to the extent that it is not recovered from its customers.

j. Income Taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and the irrespective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted and applied to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable; these deferred income tax assets are reviewed at the end of each reporting period.

k. Share-based payments

The Company has an employee stock option plan. The Company measures equity-settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Forfeitures are adjusted for on an actual basis. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. For stock options granted to non-employees, the compensation expense is measured at the fair value of goods and services received except where the fair value cannot be estimated, in which case it is measured at the fair value of the equity instruments granted.

The fair value of share-based compensation to non-employees is periodically remeasured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments.

Consideration paid by employees or non-employees on their exercise of stock options is recorded as share capital and the related share-based compensation is transferred from contributed surplus to share capital.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

l. Loss per Share

Loss per common share represents loss for the period attributable to common shareholders divided by the weighted average number of common shares outstanding during the year. Diluted loss per common share is calculated by dividing the applicable loss for the year by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the year. For the periods presented, this calculation proved to be anti-dilutive.

m. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets (such as those included within Construction-in-Progress) that take a substantial period of time to make ready for their intended use are added to the cost of the assets, until such time as the assets are substantially complete and ready for their intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred in a period. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs that related to the issue of convertible debentures have been allocated to the financial liability and equity components in proportion to the allocation of the gross proceeds. Borrowing costs relating to the equity component have been recognized directly in equity. Borrowing costs relating to the financial liability component have been included in the carrying amount of the financial liability component and amortized over the term of the convertible debentures using the effective interest method.

All other borrowing costs are recognized in profit or loss in the period which they are incurred.

n. Leases

At the inception of a contract, to determine if it contains a lease, the Company assesses whether it conveys the right to control and obtain substantially all of the economic benefits of an identified asset, for a period of time, in exchange for consideration. Where a contract contains a lease, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and may be adjusted for any remeasurement of the lease liability. Cost is the amount of the initial lease liability plus any initial direct costs incurred and any lease payments made at or before the commencement date less any incentives received. The right-of-use assets are included in property, plant and equipment on the Consolidated Balance Sheet.

They are depreciated, in accordance with the Company's existing accounting policy, over the shorter of the lease term or the life of the asset. The lease liability is initially measured at the present value

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

of future lease payments discounted at the interest rate implicit in the contract. If the implicit rate cannot be determined, the incremental borrowing rate over a similar term and with similar security for the funds necessary to obtain an asset of similar value in a similar economic environment is used.

The lease payments include fixed payments less any incentives receivable, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Where the lease contains an extension or purchase option, the costs associated with the option are included if it is reasonably expected to be exercised by the Company. Thereafter, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is remeasured to reflect any modifications to the contract terms. Lease liabilities are presented as a component of debt on the Consolidated Balance Sheet.

The Company has elected not to recognize right-of-use assets and lease liabilities for contracts that have a lease term of 12 months or less or are for the use of low value assets. These contracts are recognized as an expense in the Consolidated Statement of Loss and Comprehensive Loss in the period the cost is incurred.

o. Financial Instruments

The Company recognizes financial assets and liabilities on the consolidated statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Cash

Cash includes cash on hand and other short-term highly liquid investments with original maturities of three months or less. The Company does not have any cash equivalents. Cash is classified as a financial asset and is subsequently measured at FVTPL.

Accounts receivable, other receivables, accounts payable and accrued liabilities

Accounts receivable, other receivables, accounts payable and accrued liabilities are non-interest bearing and are initially measured at fair value, subsequently recorded at amortized cost which approximates fair value due to the short term to maturity. Where necessary, accounts receivable are stated net of expected credit losses. Accounts receivable are classified as financial assets subsequently measured at amortized cost and accounts payable and accrued liabilities are classified as financial liabilities subsequently measured at amortized cost.

Debt

The Company initially recognizes all financial liabilities at fair value and classifies them as subsequently measured at amortized cost, as appropriate. For debt subsequently measured at amortized cost, the effective interest rate method is used.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Derivative instruments

Derivative instruments, including embedded derivatives, would be recorded at FVTPL and accordingly recorded on the consolidated statement of financial position date at fair value. Unrealized gains and losses on derivatives held for trading would be recorded as part of other gains or losses in earnings. Fair values for derivative instruments would be determined using valuation techniques, using assumptions based on market conditions existing at the consolidated statement of financial position date.

Impairment of financial assets

At each reporting date, the Company measures the loss allowance for the financial asset held at amortized cost at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve months of expected credit losses.

Derecognition of financial assets

Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized within other non-operating income. Accumulated gains or losses on financial assets classified as fair value through OCI remain within accumulated other comprehensive income.

p. Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates, judgements and assumptions relating to the following:

Biological Assets and Inventory

Management is required to make estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include several assumptions, such as estimating the stage of growth of the cannabis inventory, harvesting costs, sales price and expected yields.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Further, when costs are incurred, management must use judgement to determine if they relate to the production of inventory. Costs that are considered expenses are recognized in the statements of loss and other comprehensive loss. Costs that relate to inventory are capitalized to inventory and are recognized in cost of goods sold when inventory is sold.

Property, plant and equipment

The Company is required to monitor its property, plant and equipment for indicators of impairment. Where indicators are present, the Company is required to perform an impairment test. The Company did not find any indicators of impairment as at December 31, 2020 and 2019. Significant judgement is utilized in the assessment of whether indicators are present.

At December 31, 2020, a component of the Company's property, plant, and equipment is considered construction-in-progress. As this construction-in-progress becomes ready for use, capitalized costs will be recognized within the relevant equipment categories and amortization will be charged at rates consistent with the Company's significant accounting policy for property, plant, and equipment. Significant judgement is used to determine that construction in progress is not yet ready for use.

The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Share-based compensation

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the trading price of the Company's common shares, the vesting period of the option and the risk-free interest rate are used.

Warrants

In calculating the value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the Common Share, and the risk-free interest rate.

Amortization

Amortization rates are dependent upon estimates of useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

Convertible debentures

The identification of the convertible debenture components has been based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. The separation of the components has affected the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability has been based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Going concern

The preparation of these consolidated financial statements requires management to make judgments regarding its ability to continue as a going concern as discussed in Note 2.

5. Biological Assets

	December 31, 2020	December 31, 2019
Carrying amount, beginning of year	\$ 1,316,690	\$ 2,912,369
Production costs capitalized	6,242,332	\$ 5,184,053
Changes in fair value less costs to sell due to biological transformation	4,422,383	\$ 5,211,984
Transferred to inventory upon harvest	(10,910,898)	\$ (11,991,716)
Carrying amount, end of year	\$ 1,070,507	\$ 1,316,690

As at December 31, 2020 the ending balance of Biological Assets was comprised of a cash component relating to production costs capitalized of \$538,174 (2019 - \$523,858) and a fair value component related to changes in fair value less costs to sell due to biological transformation of \$532,333 (2019 - \$792,832). Biological Assets as at December 31, 2020 included capitalized amortization of \$93,373 (2019 - \$22,212).

The fair value of biological assets is determined using a valuation model to estimate expected harvest yield per plant applied to the estimated price per gram less post-harvest costs. Only when there is a material change from the expected fair value used for cannabis does the Company make any adjustment to the fair value used.

The Company's estimates, by their nature, are subject to changes that could result from volatility of market prices, unanticipated regulatory changes, harvest yields, loss of crops, changes in estimates and other uncontrollable factors that could significantly affect the future fair value of biological assets. The capitalization of costs related to biological assets (which are accounted for under IAS 41 - Agriculture) has been performed in a manner consistent with IAS 2 - Inventories.

In determining the fair value of biological assets, management has made the following estimates in their valuation model:

- A sales price of \$1.28 per gram (2019 – \$1.66 per gram);
- Harvest yield of 76.01 grams per plant (2019 – 25.41 grams per plant);
- Post-harvest costs of \$0.06 per plant (2019 – \$0.04 per plant); and
- A weighted-average growing cycle length of 122 days (2019 – 98 days).

The sales price used in the valuation of biological assets is based on the weighted-average selling price of all cannabis products and can vary based on different strains being grown as well as the proportion of sales derived from wholesale compared to retail. Expected harvest yields per cannabis plant represent the expected grams of dry cannabis to be harvested from a cannabis plant, based on the

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

weighted average historical yields by plant strain and are also subject to a variety of factors, such as strains being grown, length of growing cycle, and space allocated for growing.

Post-harvest costs represent the estimated cost to process a gram of harvested cannabis, consisting of the direct and indirect cost of materials, labour, utilities and amortization of the equipment. A processed gram is a gram of cannabis that has completed drying, curing, testing, and packaging. The post-harvest costs reflect an average of the costs expected to be incurred to prepare the product into its saleable state based on the expected sales channels for the product. Management reviews all significant inputs based on historical information obtained as well as based on planned production schedules.

All biological assets are classified as current assets on the consolidated statement of financial position and are considered Level 3 fair value estimates. The valuation of biological assets is based on an income approach in which the fair value at the point of harvesting is estimated based on selling prices less the costs to sell. For in-process biological assets, the fair value at point of harvest is adjusted based on the stage of growth at period end. Stage of growth is determined by reference to the plant's life relative to the stages within the harvest cycle.

Management has quantified the sensitivity of the inputs and determined the following:

- Selling price per gram – an increase / decrease in the weighted-average selling price per gram by 10% would result in the fair value of the biological assets increasing / decreasing by \$113,452 (2019 – \$159,569);
- Harvest yield per plant – an increase / decrease in the harvest yield per plant of 10% would result in the biological asset fair value increasing / decreasing by \$107,051 (2019 – \$131,230);
- Post-harvest costs – an increase / decrease in the post-harvest costs per gram by 10% would result in the biological asset fair value increasing / decreasing by \$6,402 (2019 – \$1,968); and
- Growth length – an increase / decrease in the growing cycle length by 10% would result in the biological fair value increasing / decreasing by \$97,319 (2019 – \$119,699).

6. Inventory

	Capitalized Cost	Biological Asset Fair Value Adjustment	December 31, 2020 Total	December 31, 2019 Total
Dried Cannabis	\$ 3,632,144	\$ 3,361,191	\$ 6,993,335	\$ 6,222,835
Work-in-process	410,724	229,958	640,682	65,768
Post-harvest supplies	137,285	-	137,285	21,782
Growing supplies	312,632	-	312,632	90,652
	\$ 4,492,785	\$ 3,591,149	\$ 8,083,934	\$ 6,401,037

The capitalized cost of inventory expensed to inventory production costs in cost of sales for the year ended December 31, 2020 was \$2,464,638 (2019 – \$1,984,208). The fair value cost of inventory

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

expensed to Realized Fair Value amounts included in inventory sold was \$1,431,233 for the year ended December 31, 2020 (2019 – \$1,638,228). Also included in this amount was capitalized amortization of \$1,393,997 for the year ended December 31, 2020 (2019 – \$70,137).

As at December 31, 2020 the ending balance of inventory was comprised of a cash component relating to production costs capitalized of \$4,492,785 (2019 - \$4,518,788) and a fair value component related to changes in fair value less costs to sell due to biological transformation of \$3,591,149 (2019 - \$1,769,814). Included in inventory as at December 31, 2020 was capitalized amortization of \$93,524 (2019 - \$189,207).

During the year ended December 31, 2020, the Company recorded an inventory write-down of \$6,647,905 (2019 - \$4,760,411).

7. Property, Plant and Equipment

Cost	Balance at December 31, 2019	Additions	Adjustments	Balance at December 31, 2020
Land	\$ 160,000	\$ -	\$ -	\$ 160,000
Building	4,741,003	369,172	33,922,860	39,033,035
Machinery and Equipment	1,069,012	92,347	74,000	1,235,359
Technology and Computers	665,841	33,694	179,645	879,180
Construction in Progress	35,039,218	167,859	(34,176,505)	1,030,572
	\$ 41,675,074	\$ 663,072	\$ -	\$ 42,338,146

Accumulated Amortization	Balance at December 31, 2019	Amortization	Adjustments	Balance at December 31, 2020
Building	\$ 734,335	\$ 1,386,157	\$ -	\$ 2,120,492
Machinery and Equipment	459,296	133,798	-	593,094
Technology and Computers	318,134	98,255	-	416,389
	\$ 1,511,765	\$ 1,618,210	\$ -	\$ 3,129,975
Net Book Value	\$ 40,163,309	\$ (955,138)	\$ -	\$ 39,208,171

Cost	Balance at December 31, 2018	Additions	Adjustments	Balance at December 31, 2019
Land	\$ 160,000	\$ -	\$ -	\$ 160,000
Building	4,028,153	605,331	107,519	4,741,003
Machinery and Equipment	670,029	205,630	193,353	1,069,012
Technology and Computers	568,883	41,648	55,310	665,841
Construction in Progress	10,636,318	24,759,082	(356,182)	35,039,218
	\$ 16,063,383	\$ 25,611,691	\$ -	\$ 41,675,074

Accumulated Amortization	Balance at December 31, 2018	Amortization	Adjustments	Balance at December 31, 2019
Building	\$ 574,724	\$ 159,611	\$ -	\$ 734,335
Machinery and Equipment	376,763	82,533	-	459,296
Technology and Computers	251,641	66,493	-	318,134
	\$ 1,203,128	\$ 308,637	\$ -	\$ 1,511,765
Net Book Value	\$ 14,860,255	\$ 25,303,054	\$ -	\$ 40,163,309

Adjustments presented in the tables above reflect either the activation of an asset's useful life, transitioning from construction in progress to the appropriate property, plant and equipment category or reclassifications.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

At December 31, 2020, there was \$4,055,257 relating to property, plant and equipment acquisitions outstanding in accounts payable and accrued liabilities (2019 - \$4,702,414). For the year ended December 31, 2020, \$77,138 of borrowing costs on the Construction Facility were capitalized to Construction in Progress (2019 – \$474,986). For the year ended December 31, 2019 amortization of \$1,371,786 was capitalized to biological assets and inventory (2019 – \$184,220).

On February 7, 2020, the Company commenced utilizing the facility as it became ready for its intended use and \$34,102,505 was reclassified from Construction in Progress and capitalized to Buildings (\$33,922,860) and Technology and Computers (\$179,645). At December 31, 2020, costs included within Construction in Progress related to Buildings (\$583,309), Machinery and Equipment (\$371,793) and Technology and Computers (\$75,470). These costs represent assets that are not as yet ready for their intended use.

8. Related Parties and Promissory Notes

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. The transactions are conducted at arm's length and in the normal course of operations.

	Year ended	
	December 31 2020	December 31 2019
Share Based Compensation	\$ 489,737	\$ 1,037,360
Salaries and Fees	678,965	861,858
Total	\$ 1,168,702	\$ 1,899,218

During the year ended December 31, 2020 the officers and directors of the Company were granted options to purchase up to 590,000 (2019: 700,000) common shares with a fair value of \$280,900 (2019: \$1,976,000) (note 10).

The land on which the Company's greenhouse facility is situated is subject to an option to purchase held by Melinda Rombouts, the President and CEO and a director of the Company, and David Burch, a significant shareholder of the Company and a director of NMC. Upon exercise of the option and the payment of \$976,000, the option holders must immediately grant the Company a lease over the land, with such lease: (i) being for a term of 20 years, with four 5-year renewals; (ii) having monthly net rent not exceeding \$6,100 throughout the term and renewals; (iii) having such terms and conditions that are in form and substance satisfactory to the Company, acting reasonably; and (iv) having no terms or conditions that are materially unusual or adverse to the Company in the opinion of its board, acting reasonably. The option may not be exercised, however, until NMC obtains all requisite regulatory approvals required for a change of ownership of the land, as may be required from time to time by Health Canada.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Ms. Rombouts and Mr. Burch are also the holders of promissory notes (the “Promissory Notes”) issued by NMC with an aggregate principal amount of \$976,000, of which \$150,000 was repaid on March 29, 2019 as per the terms of the notes with the remainder of such principal becoming due and payable within 30 days of demand. In connection with the Company entering into the \$18,700,000 Construction Facility on March 19, 2019 (note 9), Ms. Rombouts and Mr. Burch agreed to a postponement of their right to demand repayment until such time as all the obligations owed to the Lender have been repaid.

These Promissory Notes bear interest at 5% per annum, calculated monthly. At December 31, 2020 the amount owing to Ms. Rombouts and Mr. Burch is \$826,000 of the principal amount and \$108,875 of accrued interest (2019: \$826,000 and \$67,575 respectively). See also Note 9.

Pursuant to the 2020 Debenture financing, Ms. Rombouts also holds 2020 Debentures in the aggregate principal amount of \$200,000.

As at December 31, 2020, consulting fees accrued to a company controlled by an officer of the Company amounted to \$101,700 (2019 - \$Nil) and directors fees accrued amounted to \$40,000 (2019 - \$47,342).

9. Loans and Borrowings

The following table provides a summary of the Company’s loans and borrowings:

	December 31, 2020	December 31, 2019
Loans and Borrowings	\$ 19,430,387	\$ 18,700,000
Less current portion	(18,494,245)	(18,700,000)
Non-current loans and borrowings	\$ 936,142	\$ -

The changes in debt balances in the years ended December 31, 2020 and 2019 are as follows;

	Loan Facility	Convertible Debentures	Private Loan Financing	Total
Balance at December 31, 2018	\$ -	\$ 3,346,099	\$ -	\$ 3,346,099
Non-cash accretion of debentures	-	98,144	-	98,144
Non-cash conversion into shares	-	(3,444,243)	-	(3,444,243)
Draw against facility	18,700,000	-	-	18,700,000
Balance at December 31, 2019	\$ 18,700,000	\$ -	\$ -	\$ 18,700,000
Interest accrued	623,814	-	-	623,814
Issuance of convertible debentures	-	431,989	-	431,989
Non-cash accretion of debentures	-	4,153	-	4,153
Drawdown of private loan	-	-	500,000	500,000
Repayments made	(829,569)	-	-	(829,569)
Balance at December 31, 2020	\$ 18,494,245	\$ 436,142	\$ 500,000	\$ 19,430,387
Less current portion	(18,494,245)	-	-	(18,494,245)
	\$ -	\$ 436,142	\$ 500,000	\$ 936,142

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Loan Facility

On March 19, 2019, NMC entered into a \$18,700,000 non-revolving term facility (the "Construction Facility") with a Schedule 1 Canadian Bank (the "Lender") to fund the completion of the expansion of its greenhouse production facility located in Strathroy, Ontario. Borrowings under the Construction Facility were due at the earlier of a refinancing or on December 31, 2019 or on demand by the Lender. Interest charged under this Construction Facility was payable monthly. NMC exercised the option to replace the Construction Facility with a non-revolving term facility (the "Loan Facility") on December 31, 2019. This Loan Facility has a 217-month term and currently bears interest at a rate of 1.00% per annum above the Lender's prime lending rate, which is currently 3.45% per annum.

As at December 31, 2020 the amount drawn against the Loan Facility was \$18,700,000 (2019 - \$18,700,000). During the year ended December 31, 2020 finance charges of \$77,138 were capitalized to construction in progress (2019 - \$474,986).

NMC is required to maintain a minimum debt service coverage ratio (the "ratio") on an annual basis and meet certain reporting requirements relating to NMC's financial results. The ratio is calculated using non-IFRS measures. Should NMC fail to meet any of these covenants, the Lender may exercise its option to demand repayment of the Loan Facility or may issue a waiver of the applicable covenant ("waiver") to NMC. As at December 31, 2020 and 2019, NMC did not achieve the ratio covenant requirement of the Lender. A waiver was issued to NMC by the Lender in March 2020. This waiver expires at the end of April 2021. As NMC was unable to obtain the waiver from the Lender prior to December 31, 2020 and 2019, the Loan Facility outstanding has been classified within Current Liabilities as at those dates.

The obligations under the Loan Facility are guaranteed by the Company and are secured by a collateral mortgage on NMC's property located in Strathroy.

Convertible Debentures

2018 Convertible Debentures

On June 28, 2018, the Company issued 10,000 debenture units ("Units") for aggregate gross proceeds of \$10,000,000. Each Unit consisted of a \$1,000 principal amount, senior unsecured convertible debenture maturing on June 28, 2020 bearing interest at 10% per annum (each a "2018 Debenture") as well as common share purchase warrants exercisable for up to 333.3 common shares at an exercise price per share of \$3.50 expiring on June 28, 2020.

The 2018 Debentures were bifurcated between their debt and equity components by fair valuing the debt component using a discount rate of 20% and allocating the residual to the equity component.

As a result, \$1,454,868 was allocated to contributed surplus as the equity component of the 2018 Debentures. This amount was further allocated as \$758,825 to the conversion feature and \$696,043 to the warrants. In connection with the 2018 Debenture financing, the Company incurred \$782,000 in financing fees and transaction costs. These fees were allocated to the 2018 Debentures and

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

contributed surplus in the same proportions that the 2018 Debentures were originally bifurcated between debt and equity.

The \$10,000,000 aggregate gross proceeds of the 2018 Debentures were exchanged for 3,333,333 common shares as follows:

Date of Conversion	Amount	No. of Shares	Value to shares
September 21, 2018	\$ 3,000,000	1,000,000	\$ 2,645,395
October 5, 2018	2,000,000	666,667	1,763,597
October 12, 2018	1,000,000	333,333	881,798
March 27, 2019	4,000,000	1,333,333	3,724,036
Totals	\$ 10,000,000	3,333,333	\$ 9,014,826

Also, in connection with the 2018 Debenture financing, the Company issued 233,333 compensation options each being exercisable into one common share at the price of \$3.00 per share until June 28, 2020. The compensation options were valued at \$282,000, using the Black-Scholes option pricing model with the following assumptions:

- Risk-free interest rate - 1.35%;
- Dividend yield – Nil;
- Volatility - 100%; and,
- Expected life - 2 years.

This determined value was allocated to the 2018 Debentures and contributed surplus on the same basis that the 2018 Debentures were bifurcated between debt and equity (see Note 10).

2020 Convertible Debentures

On December 11, 2020, the Company issued unsecured convertible debentures in the principal amount of \$550,000 (the “2020 Debentures”). The 2020 Debentures have a two-year term and bear simple interest at a rate of 10% per annum. The principal amount of the 2020 Debentures may be converted by the 2020 Debentures’ holder at any time into common shares of the Company (“common Shares”) at a deemed price of \$0.60 per common Share during the first year of the term and \$1.00 per Common Share during the second year of the term.

The interest payable under the Debentures shall be paid in cash within five business days of each financial year end or upon notice of early redemption by the Company. The Debentures may be redeemed by the Company prior to the expiry of their term at the option of the Company, subject to payment by the Company of certain specified early redemption payments.

In addition, an aggregate of 458,150 share purchase warrants (the “2020 Warrants”) of the Company were issued together with the 2020 Debentures (being 0.833 2020 Warrants for each \$1.00 principal amount of 2020 Debentures). Each 2020 Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.60 per Common Share for a period of two years from the date of issuance of the 2020 Warrants.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

The 2020 Debentures have been bifurcated between their debt and equity components by fair valuing the debt component using a discount rate of 15% and allocating the residual to the equity component.

As a result, \$118,011 has been allocated to contributed surplus as the equity component of the 2020 Debentures. This amount was further allocated as \$44,707 to the conversion feature and \$73,304 to the 2020 warrants. The financing fees and transaction costs related to the 2020 Debentures have been included in listing fees and transaction costs in the Consolidated Statement of Loss and Comprehensive Loss.

The following table summarizes the above transactions into the account categories impacted by the issuance of the 2018 and 2020 Debentures;

	Convertible Debentures	Contributed Surplus		Total
		Warrants	Conversion Option	
Balance, December 31, 2018	\$ 3,346,099	\$ 641,614	\$ 279,794	\$ 4,267,507
Accretion of 2018 Debentures	98,144	-	-	98,144
Conversion into Shares	(3,444,243)	(320,808)	(279,794)	(4,044,845)
Balance, December 31, 2019	\$ -	\$ 320,806	\$ -	\$ 320,806
Issuance - December 11, 2020	431,989	73,304	44,707	550,000
Accretion of 2020 Debentures	4,153	-	-	4,153
Balance, December 31, 2020	\$ 436,142	\$ 394,110	\$ 44,707	\$ 874,960

Private Loan Financing

On December 21, 2020 the Company agreed upon a \$1,000,000 loan with a private consortium of lenders (the "private loan financing"). The private loan financing has a two-year term and is to be received in two equal tranches of \$500,000.

The first \$500,000 tranche was received on closing and bears interest – payable monthly in arrears – at 15% per annum for the first year and 11% per annum for the second year. Monthly repayments of principal and interest can only be made during the second year of the term. The principal outstanding amount will be repaid to the Lender at the end of the two-year term.

The second \$500,000 tranche was to be received from the Lender upon five days written request from NMC. It will bear interest – payable monthly in arrears – at 15% per annum for the first year and 11% per annum for the second year. Monthly repayments of principal and interest can only be made during the second year of the term. The principal outstanding will be repaid to the Lender at the end of the two-year term. A facility fee of 0.5% per annum on this second tranche will accrue and be paid monthly in arrears to the Lender. The second \$500,000 tranche was drawn down upon on February 5, 2020.

The private loan financing is secured by the assets of the Company and NMC and guarantees from the Company, NMC, Ms. Rombouts and Mr. Burch.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

10. Share Capital

Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares.

Outstanding Share Capital

		Common Shares	Total
At December 31, 2018		23,372,521	\$ 23,447,576
Shares issued on exercise of stock options	a	62,000	256,967
Shares issued on exercise of compensation options	a	262,359	1,101,622
Shares issued on conversion of 2020 Debentures	b	1,333,333	3,724,036
Shares issued on conversion of warrants	c	1,666,500	6,153,558
Shares issued on deemed exercise of Special Warrants	d	2,090,000	9,105,049
At December 31, 2019		28,786,713	\$ 43,788,808
At December 31, 2020		28,786,713	\$ 43,788,808

On December 29, 2020 the Company completed a 10:1 share consolidation issuing 1 common share for every 10 common shares held by the existing shareholders. Unless otherwise stated, all common share and per share amounts have been retroactively restated to reflect the effects of the share split.

There were no issuances by the Company of common shares during the year ended December 31, 2020 by the Company. The Company's issuances of common shares during the year ended December 31, 2019 were as follows:

- a. The following stock options were exercised:

	Options	Exercise date	Exercise price	Value to shares
Stock options	50,000	February 28, 2019	2.50	\$ 218,134
Stock options	12,000	August 20, 2019	1.00	38,833
Totals	62,000			\$ 256,967

The following compensation options were exercised:

	Options	Exercise date	Exercise price	Value to shares
Compensation options	2,939	January 25, 2019	2.50	\$ 12,111
Compensation options	490	March 13, 2019	2.50	7,989
Compensation options	16,362	March 21, 2019	2.50	61,460
Compensation options	30,000	March 21, 2019	3.00	126,257
Compensation options	8,816	April 16, 2019	2.50	36,331
Compensation options	30,000	April 17, 2019	3.00	126,257
Compensation options	43,333	May 16, 2019	3.00	182,372
Compensation options	37,500	May 29, 2019	3.00	157,821
Compensation options	25,000	June 10, 2019	3.00	105,215
Compensation options	30,000	June 19, 2019	3.00	126,257
Compensation options	37,500	July 25, 2019	3.00	157,821
Compensation options	420	August 15, 2019	2.50	1,731
Totals	262,359			\$ 1,101,622

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

- b. \$4,000,000 of the \$4,000,000 principal amount of the 2018 Debentures (see note 9) was converted into common shares as follows:

Date of Conversion	Amount	No. of Shares	Value to shares
March 27, 2019	4,000,000	1,333,333	3,724,036
Totals	\$ 4,000,000	1,333,333	\$ 3,724,036

- c. 1,666,500 common share purchase warrants were converted into 1,666,500 common shares at an exercise price of \$3.50 (see Warrants section below) for total proceeds of \$5,832,751.
- d. On September 11, 2019, all 2,090,000 Special Warrants were deemed to be exercised and the Company issued 2,090,000 Common Shares and 2,090,000 Warrants (see Special Warrants section below) for total proceeds of \$9,426,909.

Stock Options

The Company has a Stock Option Plan under which non-transferable options to purchase common shares of the Company may be granted from time to time by the Board of Directors to directors, officers, employees or consultants of the Company or its subsidiaries. No amounts are paid or payable by the recipient upon receipt of the option. The total number of common shares of the Company issuable upon the exercise of all outstanding stock options granted under the Stock Option Plan shall not at any time exceed 10% of the total number of outstanding common shares. The exercise price of each stock option granted under the Stock Option Plan shall be determined at the discretion of the board of directors of the Company, subject to TSX-V approval, at the time of the granting of the stock option, provided that the exercise price shall not be lower than the Discount Market Price (as defined in the policies of the TSX-V) of the Company's common shares on the TSX-V prior to the date the stock option is granted.

During the year ended December 31, 2020, the Company granted stock options to purchase up to 770,000 common shares with a fair value of \$375,100 (2019: 860,000 common shares with a fair value of \$2,266,550). These values were determined using the Black-Scholes option pricing model with the assumptions shown below. During the year ended December 31, 2020, no options were exercised, and 200,000 options were cancelled respectively (2019: 62,000 exercised and 125,000 cancelled).

As at December 31, 2020 and 2019 the outstanding Stock Options of the Company are as follows:

	December 31, 2020		December 31, 2019	
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Outstanding, beginning of the year	1,657,000	\$ 3.39	984,000	\$ 3.07
Stock options granted during the year	770,000	0.66	860,000	3.67
Stock options exercised during the year	-	-	(62,000)	2.20
Cancelled during the year	(200,000)	(2.61)	(125,000)	3.43
Outstanding, end of the year	2,227,000	\$ 2.52	1,657,000	\$ 3.39
Exercisable, end of the year	1,127,667	\$ 3.29	543,333	\$ 2.65

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Grant Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
February 5, 2015	12,000	12,000	1.00	February 5, 2025
June 28, 2018	420,000	420,000	2.50	June 28, 2028
September 11, 2018	210,000	84,000	4.10	September 11, 2023
October 23, 2018	100,000	100,000	3.10	October 23, 2028
January 3, 2019	50,000	50,000	2.60	January 3, 2024
May 23, 2019	675,000	458,333	4.05	May 23, 2024
November 26, 2019	10,000	3,333	1.70	November 26, 2024
April 1, 2020	110,000	-	0.80	April 1, 2025
June 25, 2020	340,000	-	0.70	June 25, 2025
December 11, 2020	300,000	-	0.55	December 11, 2025
	2,227,000	1,127,667		

Subsequent to year-end, on January 5, 2021 the Company granted stock options to purchase up to 200,000 common shares to officers and employees of the Company.

Compensation Options

During the year ended December 31, 2020, the Company granted no (2019 – 146,300) Compensation Special Warrants with a fair value of \$nil (2019 – \$321,860). Each Compensation Special Warrant issued in the year ended December 31, 2019 was deemed to be exercised into a 2019 Compensation Option.

During the year ended December 31, 2020, no compensation options were exercised (2019: 262,359) and 55,731 compensation options expired unexercised (2019: none).

As at December 31, 2020 and 2019 the outstanding Compensation Options of the Company are as follows:

	December 31, 2020		December 31, 2019	
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Outstanding, beginning of the year	202,031	\$ 4.30	318,090	\$ 2.50
Compensation options issued during the year	-	-	146,300	5.00
Compensation options exercised during the year	-	-	(262,359)	2.90
Compensation options expired during the year	(55,731)	(2.50)	-	-
Outstanding, end of the year	146,300	\$ 5.00	202,031	\$ 4.30
Exercisable, end of the year	146,300	\$ 5.00	202,031	\$ 4.30

Grant Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
September 11, 2019	146,300	146,300	5.00	May 10, 2021
	146,300	146,300		

Black-Scholes option pricing model assumptions

The Black Scholes option pricing model assumptions for each of the grants over the years ended December 31, 2020 and 2019 were calculated based on the following assumptions:

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

Stock based compensation issuance date	Risk free rate of return	Dividend yield	Volatility Factor	Expected life
January 3, 2019	2.20	NIL	100%	5 years
May 10, 2019	1.64	NIL	100%	5 years
May 10, 2019	1.64	NIL	100%	2 years
May 23, 2019	1.39	NIL	100%	5 years
August 19, 2019	1.39	NIL	100%	5 years
November 26, 2019	1.39	NIL	100%	5 years
December 20, 2019	1.63	NIL	100%	5 years
April 1, 2020	0.55	NIL	100%	5 years
June 25, 2020	0.37	NIL	100%	5 years
December 11, 2020	0.44	NIL	100%	5 years

Stock-based compensation expense

The Company recorded a stock-based compensation expense of \$1,486,075 for the year ended December 31, 2020 (2019 – \$1,529,916).

Warrants

On June 28, 2018, in conjunction with the 2018 Debentures (see note 9) the Company issued 3,333,000 common share purchase warrants exercisable for up to 3,333,000 common shares at an exercise price per share of \$3.50 expiring on June 28, 2020.

On April 22, 2019, 1,666,500 common share purchase warrants were exercised into 1,666,500 common shares for gross proceeds of \$5,832,751. On June 28, 2020, 1,666,500 common share purchase warrants expired unexercised.

On September 11, 2019, in relation to the deemed exercise of the Special Warrants (see below) the Company issued 2,090,000 common share purchase warrants exercisable for up to 2,090,000 common shares at an exercise price per share of \$6.00 expiring May 10, 2021.

On December 11, 2019, in relation to the 2020 Debentures, the Company issued 458,150 common share purchase warrants exercisable for up to 458,150 common shares at an exercise price per share of \$6.00 expiring December 11, 2022.

Special Warrants

On May 10, 2019, the Company closed its private placement of Special Warrants. In relation to this transaction the Company issued 2,090,000 special warrants (the “Special Warrants”), at a price of \$5.00 per Special Warrant for aggregate gross proceeds of \$10,450,000 (the “Special Warrant Offering”). A Special Warrant was exercisable into one unit of the Company (a “2019 Unit”), for no additional consideration, at any time after the Closing.

Each 2019 Unit consisted of one-tenth of a common share and one-tenth of a common share purchase warrant (a “Warrant”). Each Warrant shall entitle the holder thereof to purchase one-tenth of a

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

common share at an exercise price of \$0.60 until May 10, 2021. All of the proceeds were attributed to the common shares with \$Nil assigned to the warrants.

On September 11, 2019, all 2,090,000 Special Warrants were deemed to be exercised and the Company issued 2,090,000 common shares and 2,090,000 Warrants.

In consideration for their services, the underwriter of the Special Warrant Offering received a cash commission equal to 7% of the gross proceeds of the Special Warrant Offering of \$731,500 and was issued 146,300 compensation special warrants that have an exercise price of \$5.00 and expire on May 10, 2021 ("Compensation Special Warrant").

Each Compensation Special Warrant was exercisable into one compensation option (a "2019 Compensation Option"), for no additional consideration, at any time after the Closing. On September 11, 2019, all 146,300 Compensation Special Warrants were deemed to be exercised and the Company issued 146,300 2019 Compensation Options (see above).

The Compensation Special Warrants were measured at a fair value of \$321,860 at the date of grant. In determining the fair value for the 2019 Compensation Options, the Company used the Black-Scholes option pricing model to establish the fair value of warrants granted using the following assumptions:

- Risk-free interest rate - 1.6%;
- Dividend yield – Nil;
- Volatility - 100%; and,
- Expected life - 2 years.

The net proceeds from the issuance of the Special Warrants were calculated as follows:

Gross Proceeds	\$ 10,450,000
Transaction Costs:	
7% Haywood Fee	(731,500)
Underwriter Compensation Options	(321,860)
Legal and Professional Fees	(291,591)
Net Proceeds	\$ 9,105,049

As at December 31, 2019, all Special Warrants had been deemed exercised into a 2019 Unit, as defined above.

As at December 31, 2020 and 2019, the warrant continuity details of the Company are as follows:

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

	December 31, 2020			December 31, 2019		
	Number of Warrants	Expiry Date	Weighted Average Price	Number of Warrants	Expiry Date	Weighted Average Price
Outstanding, beginning of the year	3,756,500	Various	\$ 4.89	3,333,000	June 28, 2020	\$ 3.50
Issued during the year	458,150	December 11, 2022	0.60	2,090,000	May 10, 2021	6.00
Exercised during the year	-	N/A	-	(1,666,500)	June 28, 2020	3.50
Expired during the year	(1,666,500)	June 28, 2020	(3.50)	-	N/A	3.50
Outstanding, end of the year	2,548,150	Various	\$ 5.03	3,756,500	Various	\$ 4.89
	2,090,000	May 10, 2021	6.00	2,090,000	May 10, 2021	6.00
	458,150	December 11, 2022	0.60	1,666,500	June 28, 2020	3.50

11. Financial Instruments

Interest Rate Risk

The Company's exposure to interest rate risk is primarily related to Loans and Borrowings with variable interest rates. As at December 31, 2020 a 1% increase in the prime lending rate would result in approximately \$185,000 higher interest payments on an annual basis.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables. As at December 31, 2020, the Company was exposed to credit-related losses in the event of non-performance by the counterparties.

The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk.

Cash is held by a credit union in Canada primarily in deposit accounts. No losses have been incurred historically in relation to cash held by this financial institution. The accounts receivable balance is comprised of an established customer base domiciled in Canada. The Company mitigates this risk by managing and monitoring the underlying business relationships with its customers.

The carrying amount of cash, other receivables and accounts receivables represents the maximum exposure to credit risk, and as at December 31, 2020, this amounted to \$2,076,846.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at December 31, 2020, the Company had \$517,644 of cash. The Company manages its liquidity risk by planning, budgeting and forecasting cash flows from its operations and anticipating any investing and financing activities to meet various contractual and other obligations.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

The Company is obligated to pay accounts payable and accrued liabilities with a carrying amount and contractual cash flows amounting to \$7,257,875 due in the next 12 months. Further the Company has an outstanding Loan Facility of \$18,494,245 and Promissory Notes with a principal amount of \$826,000 plus accrued interest of \$108,875.

The Company's outstanding Loan Facility and Promissory Notes may be due on demand – depending on adverse circumstances – and there is no certainty as to when those debts may be called. As at December 31, 2020 and 2019, NMC did not achieve the ratio covenant set out in the Loan Facility. A waiver was issued to NMC by the Lender in March 2020. This waiver expires at the end of April 2021. As NMC was unable to obtain the waiver from the Lender prior to December 31, 2020 and 2019, the Loan Facility outstanding has been classified within Current Liabilities as at December 31, 2020 and 2019. See note 9.

Management is working with the lenders of the Loan Facility and Promissory Notes to continue to meet the requirements indicated in Notes 8 and 9, and is actively involved in the review, planning and approval of significant expenditures and commitments. Management believes that neither the Loan Facility nor the Promissory Notes will need to be repaid in the next twelve months.

The Company has both incurred operating losses and experienced negative cash flows from operating activities in the years ended December 31, 2020 and 2019. The Company has a working capital deficit of \$15,455,708 as at December 31, 2020 (2019 – \$9,137,381).

At December 31, 2019 the Company had inventory of \$8,083,934 (2019 – \$6,401,037). The Company has assessed the valuation of its inventory and concluded that the value is recoverable.

The carrying values of cash, accounts and other receivables, accounts payable and accrued liabilities, loans and borrowings and promissory notes approximate their fair values due to their short term to maturity.

The carrying values of the financial instruments as at December 31, 2020 are summarized in the following table:

	Amortized cost	Financial assets designated as FVTPL	Totals
Assets			
Cash	\$ -	\$ 517,644	\$ 517,644
Other receivables and prepaid expenses	702,484	-	702,484
Accounts Receivable	856,718	-	856,718
Liabilities			
Accounts Payable and Accrued Liabilities	7,257,873	-	7,257,873
Loans and Borrowings	19,430,387	-	19,430,387
Promissory Notes	934,875	-	934,875

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

12. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year Ended December 31 2020	Year Ended December 31 2019
Statutory tax rate	26.5%	26.5%
Net loss and comprehensive loss for the period	\$ (9,813,693)	\$ (5,533,489)
Expected income tax recovery	\$ (2,601,000)	\$ (1,466,000)
Change in statutory rates and other	(20,000)	-
Permanent differences	394,000	414,000
Share issue cost	-	(271,000)
Adjustment to prior years provision versus statutory tax returns	148,000	37,000
Change in unrecognized deductible temporary differences	2,079,000	1,459,000
Total income tax expense	\$ -	\$ 173,000

Income tax expense is comprised of:

	Year Ended December 31 2020	Year Ended December 31 2019
Current income tax expense	\$ -	\$ -
Deferred tax recovery	-	173,000
	\$ -	\$ 173,000

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2020	December 31, 2019
Deferred tax assets (liabilities)		
A/R & prepaids	\$ (392,000)	\$ (235,000)
Property and equipment	(2,149,000)	(85,000)
Share issue costs	387,000	531,000
Inventory	(1,754,000)	(1,374,000)
Accounts payable	629,000	184,000
Non-capital losses available for future period	8,767,000	4,388,000
	5,488,000	3,409,000
Unrecognized deferred tax assets	(5,488,000)	(3,409,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary Differences				
Share issue costs	\$ 1,460,000	2041 to 2043	\$ 2,002,000	2040 to 2043
Non-capital losses available for future periods	\$ 19,245,000	2033 to 2040	\$ 10,861,000	2033 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Eve & Co Incorporated

Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

13. Segmented Information

The Company operates in one segment: the production and sale of cannabis in Canada. All items of property, plant and equipment are located in Canada and all revenues have been earned in Canada.

For the year ended December 31, 2020, seven customers each contributed more than 5% of the overall revenue. The revenue from those seven customers amounted to \$2,758,774 (2019 – two customers contributed more than 5% of the overall revenue, those amounts being \$365,281 and \$1,980,106 respectively).

14. Capital Management

The Company's objective is to maintain sufficient capital to sustain future development of the business and provide the ability to continue as a going concern. Management defines capital as the Company's shareholders' equity, loans and borrowings and promissory notes. The Board of Directors has not established quantitative return on capital criteria for Management. The Company has not paid any dividends to its shareholders. The Company is not subject to any externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the year ended December 31, 2020.

As at December 31, 2020, total managed capital was \$43,181,583 (2019 – \$50,619,503).

15. Commitments and Contingencies

The Company has certain contractual financial obligations related to its Loans and Borrowings and Promissory Notes.

The annual minimum payments payable under these obligations over the next five years are as follows:

Time period	In one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Loans and Borrowings	18,494,245	936,142	-	-	-	19,430,387
Promissory Notes	934,875	-	-	-	-	934,875
Amount	\$ 19,429,120	\$ 936,142	\$ -	\$ -	\$ -	\$20,365,262

From time to time, the Company and its subsidiaries may become defendants in legal actions arising out of the ordinary course and conduct of its business.

This is **Exhibit “L”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Condensed Consolidated Interim Financial Statements of
Eve & Co Incorporated

As at and for the three and nine months ended September 30, 2021 and
2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Eve & Co Incorporated

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2021 and December 31, 2020

(Unaudited - Expressed in Canadian dollars)

	Notes	September 30, 2021	December 31, 2020
Assets			
Current Assets			
Cash		\$ 288,635	\$ 517,644
Other Receivables and Prepaid Expenses		527,758	702,484
Accounts Receivable		907,888	856,718
Biological Assets	4	486,670	1,070,507
Inventory	5	10,255,874	8,083,934
Total Current Assets		12,466,825	11,231,287
Non-Current Assets			
Property, Plant and Equipment	6	37,929,490	39,208,171
Total Non-Current Assets		37,929,490	39,208,171
Total Assets		\$ 50,396,315	\$ 50,439,458
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Liabilities		\$ 8,235,709	\$ 7,172,338
Deferred Revenue		853,298	85,537
Promissory Notes	7	965,850	934,875
Loans and Borrowings	8	17,779,891	18,494,245
Total Current Liabilities		27,834,748	26,686,995
Non-Current Liabilities			
Loans and Borrowings	8	1,461,181	936,142
Total Non-Current Liabilities		1,461,181	936,142
Total Liabilities		29,295,929	27,623,137
Equity			
Share Capital	9	44,163,808	43,788,808
Contributed Surplus		5,329,367	5,284,139
Accumulated Deficit		(28,392,789)	(26,256,626)
Total Equity		21,100,386	22,816,321
Total Liabilities and Equity		\$ 50,396,315	\$ 50,439,458

Signed on behalf of the Board:

"Melinda Rombouts"

Director

"Ravi Sood"

Director

Nature of Operations, *Note 1*

Basis of Presentation and Going Concern, *Note 2*

Commitments and Contingencies, *Note 13*

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Eve & Co Incorporated

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For The Three and Nine Months Ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue		\$ 2,502,735	\$ 775,448	\$ 6,521,705	\$ 2,567,321
Excise Tax		(449,191)	(141,379)	(1,282,830)	(282,469)
Net Revenue		2,053,544	634,070	5,238,875	2,284,852
Inventory Production Costs Expensed To Cost Of Sales	5	(782,187)	(677,524)	(2,811,002)	(1,771,228)
Gross (Loss) Margin Before The Undernoted		1,271,357	(43,454)	2,427,873	513,624
Realized Fair Value Amounts Included In Inventory Sold	5	(516,733)	(145,132)	(3,083,873)	(601,909)
Unrealized Fair Value Gain (Loss) On Changes In Biological Assets	4	(329,744)	(925,053)	2,489,649	2,636,831
Inventory Write-Down	5	-	(1,691,797)	-	(3,186,697)
Gross (Loss) Margin		\$ 424,880	\$ (2,805,436)	\$ 1,833,649	\$ (638,151)
Operating Expenses					
Amortization	6	64,106	64,925	185,366	182,969
General and Administration		498,478	908,905	2,567,710	2,353,688
Interest		271,886	191,414	793,518	539,747
Professional Fees		243,788	97,349	435,702	965,570
Sales and Marketing		20,465	25,479	69,704	80,457
Stock-Based Compensation	9	(375,585)	174,257	(79,772)	1,296,681
Total Expenses		723,138	1,462,330	3,972,228	5,419,112
Income (Loss) From Operations		(298,258)	(4,267,766)	(2,138,579)	(6,057,263)
Other Income					
Other Income		-	722	2,416	29,365
Net Loss And Comprehensive Loss		\$ (298,258)	\$ (4,267,044)	\$ (2,136,163)	\$ (6,027,898)
Net Income (Loss) Per Share - Basic and Diluted		\$ (0.01)	\$ (0.15)	\$ (0.07)	\$ (0.21)
Weighted Average Of Shares Outstanding - Basic and Diluted		28,792,756	28,786,717	28,788,752	28,768,717

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Eve & Co Incorporated

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For The Three and Nine Months Ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

	Notes	Share Capital		Reserves			Total
		Common Shares	Amount	Contributed Surplus	Convertible Debt	Deficit	
Balance As At December 31, 2019		28,786,713	\$ 43,788,808	\$ 3,680,053	-	\$ (16,442,933)	\$ 31,025,928
Stock-Based Compensation	9	-	-	1,296,681	-	-	1,296,681
Net Loss For The Period		-	-	-	-	(6,027,898)	(6,027,898)
Balance As At September 30, 2020		28,786,713	\$ 43,788,808	\$ 4,976,734	-	\$ (22,470,831)	\$ 26,294,712
Stock-Based Compensation	9	-	-	189,394	-	-	189,394
2020 Debentures Issued	8	-	-	-	44,707	-	44,707
Warrants Issued	8	-	-	73,304	-	-	73,304
Net Loss For The Period		-	-	-	-	(3,785,795)	(3,785,795)
Balance As At December 31, 2020		28,786,713	\$ 43,788,808	\$ 5,239,432	\$ 44,707	\$ (26,256,626)	\$ 22,816,321
Stock-Based Compensation	9	-	-	(79,772)	-	-	(79,772)
Shares Issued		-	375,000	-	-	-	375,000
Warrants Issued		-	-	125,000	-	-	125,000
Net Loss For The Period		-	-	-	-	(2,136,163)	(2,136,163)
Balance As At September 30, 2021		28,786,713	\$ 44,163,808	\$ 5,284,660	\$ 44,707	\$ (28,392,789)	\$ 21,100,386

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Eve & Co Incorporated

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Three and Nine Months Ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Notes	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating Activities				
Net Loss And Comprehensive Loss	\$ (298,258)	\$ (4,267,044)	\$ (2,136,163)	\$ (6,027,898)
Items Not Affecting Cash:				
Realized Fair Value Amounts Included In Inventory Sold	5 (5,651,013)	145,132	(3,083,873)	601,909
Unrealized Fair Value Loss (Gain) On Changes In Biological Assets	4 5,309,042	925,053	2,489,649	(2,636,831)
Inventory Write-Down	6 -	1,691,797	-	3,186,697
Amortization	4,5,6 439,861	431,796	1,278,681	1,190,188
Accretion Expense And Accrued Interest On Debt	7,8 (2,533)	173,784	435,559	495,461
Stock-Based Compensation	9 (375,585)	174,257	(79,772)	1,296,681
Changes In Operating Assets And Liabilities				
Prepaid Expenses	11,988	(118,566)	174,726	(22,905)
Accounts Receivable	(341,881)	551,753	(51,170)	(601,827)
Harmonized Sales Tax Receivable	24,021	44,829	121,214	407,880
Accounts Payable	(855,304)	551,101	942,157	922,788
Deferred Revenue	767,761	-	767,761	85,537
Inventory	778,862	(706,397)	(993,879)	(4,075,148)
Net Cash Generated (Utilized) By Operating Activities	\$ (193,039)	\$ (402,505)	\$ (135,110)	\$ (5,177,468)
Investing Activities				
Acquisition of Property, Plant & Equipment	\$ -	\$ (39,005)	\$ -	\$ (1,269,861)
Net Cash Utilized By Investing Activities	\$ -	\$ (39,005)	\$ -	\$ (1,269,861)
Financing Activities				
Repayments Under Debt Facility	8 \$ (251,915)	\$ (216,187)	\$ (1,093,899)	\$ (646,521)
Proceeds From Private Loan Financing	8 -	-	500,000	-
Issuance Of Warrants, Net Of Issuance Costs	125,000	-	125,000	-
Issuance Of Common Shares, Net Of Share Issuance Costs	375,000	-	375,000	-
Net Cash Utilized By Financing Activities	\$ 248,085	\$ (216,187)	\$ (93,899)	\$ (646,521)
Net Cash Flows During The Period	\$ 55,046	\$ (657,697)	\$ (229,009)	\$ (7,093,851)
Cash				
Cash At Beginning Of Period	\$ 233,589	\$ 1,042,011	\$ 517,644	\$ 7,478,165
Change In Cash During The Period	55,046	(657,697)	(229,009)	(7,093,851)
Cash At End Of The Period	\$ 288,635	\$ 384,314	\$ 288,635	\$ 384,314
Supplemental Disclosure Of Cash Flow Items				
Cash Interest Paid	\$ 193,076	84,706	\$ 560,121	462,871
Supplemental Disclosure Of Non-Cash Flow Items				
Non-Cash Fixed Asset Additions Within Accounts Payable	6 \$ 3,818,561	3,702,414	\$ 3,818,561	3,702,414

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations

Eve & Co Incorporated (“Company” or “Eve & Co”) is a publicly listed company on the TSX Venture Exchange (“TSX-V”) and trades under the symbol “EVE”. The Company is also listed on the OTCQX venture market under the symbol “EEVVF”. The registered head office of the Company is 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8.

The Company was incorporated under the Business Corporations Act (Ontario) on June 6, 2014 and carries on the business of the cultivation and sale of cannabis through its wholly owned subsidiary, Natural MedCo Ltd (“NMC”). NMC was initially licensed to produce and sell cannabis under the federal Access to Cannabis for Medical Purposes Regulations. Effective October 17, 2018, NMC is licensed to produce and sell cannabis under the Cannabis Act (Canada), with the license for the Company’s current operating facility effective to July 6, 2023 and subject to renewal thereafter.

On December 29, 2020 the Company completed a 10:1 share consolidation issuing 1 common share for every 10 common shares held by the existing shareholders. Unless otherwise stated, all common share and per share amounts have been retroactively restated to reflect the effects of the share consolidation.

The condensed consolidated interim financial statements (“Quarterly Financial Statements”) of the Company are comprised of the Company and its wholly owned subsidiaries NMC and Eve & Co International Holdings Ltd. which are located in Canada. The independent auditor of the Company has not performed a review of these Quarterly Financial Statements for the three and nine months ended September 30, 2021. These Quarterly Financial Statements were authorized for issue by the Board of Directors on November 24, 2021.

The Company does not engage in any U.S. cannabis-related activities as defined in Canadian Securities Administrators Staff Notice 51-352.

2. Basis of Presentation and Going Concern

a. Statement of Compliance and Going Concern

The Quarterly Financial Statements of the Company have been prepared under International Financial Reporting Standards (“IFRS”) in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

The Quarterly Financial Statements are presented in Canadian dollars and are prepared in accordance with the same accounting policies, critical estimates and methods described in the Company’s annual consolidated financial statements. Given that certain information and footnote disclosures, which are

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

included in the annual audited consolidated financial statements, have been condensed or excluded in accordance with IAS 34, these Quarterly Financial Statements should be read in conjunction with our annual audited consolidated financial statements as at and for the year ended December 31, 2020, including the accompanying notes thereto.

The Company reported a net loss and comprehensive loss of \$298,258 for the three months ended September 30, 2021 (three months ended September 30, 2020 –\$4,267,044) and incurred a net loss and comprehensive loss of \$2,136,163 for the nine months ended September 30, 2021 (nine months ended September 30, 2020 –\$6,057,263) and has a working capital deficit of \$15,367,923 as at September 30, 2021 (December 31, 2020 –\$15,455,708).

These factors may lend significant doubt to the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities is dependent upon its ability to continually refinance current obligations and/or raise additional financing and, ultimately, achieve profitable operations.

Although management is assessing various opportunities for debt and/or equity financing and/or refinancing and has continued to pursue cash-generating sales opportunities to increase profitability, there are no assurances that the Company will be successful and there may be an adverse effect on the financial position of the Company should these efforts be unsuccessful. These Quarterly Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material. Refer to Note 10 for further discussion on liquidity risks.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may continue to adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The preparation of the Quarterly Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Quarterly Financial Statements are described further in Note 4 to the annual audited consolidated financial statements as at and for the year ended December 31, 2020.

Certain comparative amounts have also been reclassified to conform to the current period's presentation.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

b. Basis of presentation

These Quarterly Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value and biological assets that are measured at fair value less cost to sell, as detailed in the Company's accounting policies which are included in the Notes to the annual audited consolidated financial statements as at and for the year ended December 31, 2020.

Historical cost is the fair value of the consideration given in exchange for goods and services based upon the fair value at the time of the transaction of the consideration provided.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Quarterly Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, Share-Based Payment, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2, Inventories.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 – inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable inputs for the asset or liability.

The preparation of these Quarterly Financial Statements requires the use of certain critical accounting estimates, which requires management to exercise judgment in applying the Company's accounting policies.

c. Functional and presentation currency

The functional currency of the Company and its subsidiaries, as determined by management, is the Canadian dollar. These financial statements are presented in Canadian dollars.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

3. Recent accounting pronouncements

Accounting standards and amendments issued but not yet adopted

Amendments to IAS 16, Property, plant and equipment – proceeds before intended use (“IAS 16”)

On May 14, 2020, the IASB published a narrow scope amendment to IAS 16. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, amounts received will be recognized as sales proceeds and related cost in profit or loss. The effective date is for annual periods beginning on or after January 1, 2022. The Company is assessing the effect of the narrow scope amendment on its Quarterly Financial Statements.

4. Biological Assets

	September 30, 2021	December 31, 2020
Carrying Amount, Beginning Of Period	\$ 1,070,507	\$ 1,316,690
Production Costs Capitalized	3,576,154	6,242,332
Changes In Fair Value Less Costs To Sell Due To Biological Transformation	2,489,649	4,422,383
Transferred To Inventory Upon Harvest	(6,649,640)	(10,910,898)
<u>Carrying Amount, End Of Period</u>	<u>\$ 486,670</u>	<u>\$ 1,070,507</u>

The fair value of biological assets is determined using a valuation model to estimate expected harvest yield per plant applied to the estimated price per gram less post-harvest costs. Only when there is a material change from the expected fair value used for cannabis does the Company make any adjustment to the fair value used.

The Company's estimates, by their nature, are subject to changes that could result from volatility of market prices, unanticipated regulatory changes, harvest yields, loss of crops, changes in estimates and other uncontrollable factors that could significantly affect the future fair value of biological assets. The capitalization of costs related to biological assets (which are accounted for under IAS 41 - Agriculture) has been performed in a manner consistent with IAS 2 - Inventories.

In determining the fair value of biological assets, management has made the following estimates in their valuation model:

- A sales price of \$0.84 per gram (December 31, 2020: \$1.28 per gram);
- Harvest yield of 65.46 grams per plant (December 31, 2020: 76.01 grams per plant);
- Post-harvest costs of \$0.13 per plant (December 31, 2020: \$0.06 per plant); and

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

- A weighted-average growing cycle length of 122 days (December 31, 2020: 122 days).

The sales price used in the valuation of biological assets is based on the estimated weighted-average selling price of all cannabis products and can vary based on different strains being grown as well as the proportion of sales derived from wholesale compared to retail. Expected harvest yields per cannabis plant represent the expected grams of dry cannabis to be harvested from a cannabis plant, based on the weighted average historical yields by plant strain and are also subject to a variety of factors, such as strains being grown, length of growing cycle, and space allocated for growing.

Post-harvest costs represent the estimated cost to process a gram of harvested cannabis, consisting of the direct and indirect cost of materials, labour, utilities and amortization of the equipment. A processed gram is a gram of cannabis that has completed drying, curing, testing, and packaging. The post-harvest costs reflect an average of the costs expected to be incurred to prepare the product into its saleable state based on the expected sales channels for the product. Management reviews all significant inputs based on historical information obtained as well as based on planned production schedules.

All biological assets are classified as current assets on the consolidated statement of financial position and are considered Level 3 fair value estimates. The valuation of biological assets is based on an income approach in which the fair value at the point of harvesting is estimated based on selling prices less the costs to sell. For in-process biological assets, the fair value at point of harvest is adjusted based on the stage of growth at period end. Stage of growth is determined by reference to the plant's life relative to the stages within the harvest cycle.

Management has quantified the sensitivity of the inputs and determined the following:

- Selling price per gram – an increase / decrease in the weighted-average selling price per gram by 10% would result in the fair value of the biological assets increasing / decreasing by \$91,895 (December 31, 2020: \$113,452);
- Harvest yield per plant – an increase / decrease in the harvest yield per plant of 10% would result in the biological asset fair value increasing / decreasing by \$48,668 (December 31, 2020: \$107,051);
- Post-harvest costs – an increase / decrease in the post-harvest costs per gram by 10% would result in the biological asset fair value increasing / decreasing by \$5,158 (December 31, 2020: \$6,402); and
- Growth length – an increase / decrease in the growing cycle length by 10% would result in the biological fair value increasing / decreasing by \$44,242 (December 31, 2020: \$97,319).

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

5. Inventory

	Capitalized Cost	Biological Asset Fair Value Adjustment	September 30, 2021 Total	December 31, 2020 Total
Dried Cannabis	\$ 6,911,081	\$ 2,660,082	\$ 9,571,162	\$ 6,993,335
Work-In-Process	388,385	149,490	537,875	640,682
Post-harvest Supplies	62,755	-	62,755	137,285
Growing Supplies	84,082	-	84,082	312,632
	\$ 7,446,302	\$ 2,809,571	\$ 10,255,874	\$ 8,083,934

At September 30, 2021 the ending balance of inventory was comprised of a cash component relating to production costs capitalized of \$7,299,456 (December 31, 2020: \$4,492,785) and a fair value component related to changes in fair value less costs to sell due to biological transformation of \$2,809,571 (December 31, 2020: \$3,591,149). Included in inventory at September 30, 2021 was capitalized amortization of \$1,093,316 (December 31, 2020: \$470,287).

During the three and nine months ended September 30, 2021, the Company did not record an inventory write-down. During the three and nine months ended June 30, 2020, the Company recorded an inventory write-down of \$1,691,797 and \$3,186,697 respectively).

6. Property, Plant and Equipment

Cost	Balance at December 31, 2020	Additions	Adjustments	Balance at September 30, 2021
Land	\$ 160,000	\$ -	\$ -	\$ 160,000
Building	39,033,035	583,309	-	39,616,344
Machinery and Equipment	1,235,359	371,793	-	1,607,152
Technology and Computers	879,180	75,470	-	954,650
Construction In Progress	1,030,572	-	(1,030,572)	-
	\$ 42,338,146	\$ 1,030,572	\$ (1,030,572)	\$ 42,338,146

Accumulated Amortization	Balance at December 31, 2020	Amortization	Adjustments	Balance at September 30, 2021
Building	\$ 2,120,492	\$ 1,101,533	\$ -	\$ 3,222,025
Machinery and Equipment	593,094	108,441	-	701,535
Technology and Computers	416,389	68,707	-	485,096
	\$ 3,129,975	\$ 1,278,681	\$ -	\$ 4,408,656
Net Book Value	\$ 39,208,171	\$ (248,109)	\$ (1,030,572)	\$ 37,929,490

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Cost	Balance at December 31, 2019	Additions	Adjustments	Balance at December 31, 2020
Land	\$ 160,000	\$ -	\$ -	\$ 160,000
Building	4,741,003	369,172	33,922,860	39,033,035
Machinery and Equipment	1,069,012	92,347	74,000	1,235,359
Technology and Computers	665,841	33,694	179,645	879,180
Construction in Progress	35,039,218	167,859	(34,176,505)	1,030,572
	\$ 41,675,074	\$ 663,072	\$ -	\$ 42,338,146

Accumulated Amortization	Balance at December 31, 2019	Amortization	Adjustments	Balance at December 31, 2020
Building	\$ 734,335	\$ 1,386,157	\$ -	\$ 2,120,492
Machinery and Equipment	459,296	133,798	-	593,094
Technology and Computers	318,134	98,255	-	416,389
	\$ 1,511,765	\$ 1,618,210	\$ -	\$ 3,129,975
Net Book Value	\$ 40,163,309	\$ (955,138)	\$ -	\$ 39,208,171

At September 30, 2021, there was \$3,818,561 relating to property, plant and equipment acquisitions outstanding in accounts payable and accrued liabilities (December 31, 2020 – \$4,055,257). For the three months and nine months ended September 30, 2021, \$nil of borrowing costs on the construction facility were capitalized to construction in progress (December 31, 2020: \$77,138). For the three and nine months ended September 30, 2021, amortization of \$375,755 and \$1,093,316, respectively, was capitalized to biological assets and inventory (three and six months ended June 30, 2020 – \$366,871 and \$1,007,219, respectively).

On February 7, 2020, the Company commenced utilizing the facility as it became ready for its intended use and \$34,102,505 was reclassified from construction in progress and capitalized to buildings (\$33,922,860) and technology and computers (\$179,645). On July 1, 2021, all remaining costs were reclassified from construction in progress and capitalized to their respective categories so that at September 30, 2021 there were no costs included within construction in progress.

7. Related Parties and Promissory Notes

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. The transactions are conducted at arm's length and in the normal course of operations.

	Three months ended		Nine months ended	
	September 30, 2021	September 2020	September 30, 2021	September 30, 2020
Share Based Compensation	\$ 47,881	\$ 76,358	\$ 242,994	\$ 915,861
Salaries and Fees	87,917	123,777	360,417	513,964
Total	\$ 135,798	\$ 200,135	\$ 603,411	\$ 1,429,825

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

During the three months ended September 30, 2021, and September 30, 2020, the officers and directors of the Company were not granted options to purchase common shares. During the nine months ended September 30, 2021, the officers and directors of the Company were granted options to purchase 100,000 common shares with a fair value of \$31,000 (nine months ended September 30, 2020 – common share option grants of 190,000 common shares with a fair value of \$105,800) (note 10).

The land on which the Company's greenhouse facility is situated is subject to an option to purchase held by Melinda Rombouts, the President and CEO and a director of the Company, and David Burch, a significant shareholder of the Company and a director of NMC. Upon exercise of the option and the payment of \$976,000, the option holders must immediately grant the Company a lease over the land, with such lease: (i) being for a term of 20 years, with four 5-year renewals; (ii) having monthly net rent not exceeding \$6,100 throughout the term and renewals; (iii) having such terms and conditions that are in form and substance satisfactory to the Company, acting reasonably; and (iv) having no terms or conditions that are materially unusual or adverse to the Company in the opinion of its board, acting reasonably. The option may not be exercised, however, until NMC obtains all requisite regulatory approvals required for a change of ownership of the land, as may be required from time to time by Health Canada.

Ms. Rombouts and Mr. Burch are also the holders of promissory notes ("Promissory Notes") issued by NMC with an aggregate principal amount of \$976,000, of which \$150,000 was repaid on March 29, 2019 as per the terms of the notes with the remainder of such principal becoming due and payable within 30 days of demand. In connection with the Company entering into the \$18,700,000 Construction Facility on March 19, 2019 (note 9), Ms. Rombouts and Mr. Burch agreed to a postponement of their right to demand repayment until such time as all the obligations owed to the Lender have been repaid.

These Promissory Notes bear interest at 5% per annum, calculated monthly. At September 30, 2021, the amount owing to Ms. Rombouts and Mr. Burch is \$826,000 of the principal amount and \$139,850 of accrued interest (December 31, 2020: \$826,000 and \$108,875 respectively). See also Note 10.

Pursuant to the 2020 Debenture financing (see note 8), Ms. Rombouts also holds 2020 Debentures in the aggregate principal amount of \$200,000.

As of September 30, 2021, consulting fees accrued to a company controlled by an ex-officer of the Company amounted to \$101,700 (December 31, 2020: \$101,700) and directors fees accrued amounted to \$50,000 (December 31, 2020: \$40,000).

8. Loans and Borrowings

The following table provides a summary of the Company's loans and borrowings:

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

	September 30, 2021	December 31, 2020
Loans and Borrowings	\$ 19,285,223	\$ 19,430,387
Less Current Portion	(17,824,042)	(18,494,245)
Non-Current Loans and Borrowings	\$ 1,461,181	\$ 936,142

	Loan Facility	Convertible Debentures	Private Loan Financing	Total
Balance at December 31, 2019	\$ 18,700,000	\$ -	\$ -	\$ 18,700,000
Interest Accrued / Accreted	623,814	-	-	623,814
Issuance of Convertible Debentures	-	431,989	-	431,989
Non-Cash Accretion Of Debentures	-	4,153	-	4,153
Drawdown Of Private Loan	-	-	500,000	500,000
Repayments Made	(829,569)	-	-	(829,569)
Balance at December 31, 2020	\$ 18,494,245	\$ 436,142	\$ 500,000	\$ 19,430,387
Interest Accrued / Accreted	466,371	44,151	109,366	619,888
Non-Cash Accretion Of Debentures	-	12,539	-	12,539
Drawdown Of Private Loan	-	-	500,000	500,000
Repayments Made	(1,180,725)	-	(96,866)	(1,277,591)
Balance at September 30, 2021	\$ 17,779,891	\$ 492,832	\$ 1,012,500	\$ 19,285,223
Less Current Portion	(17,779,891)	(44,151)	-	(17,824,042)
	\$ -	\$ 448,681	\$ 1,012,500	\$ 1,461,181

Loan Facility

On March 19, 2019, NMC entered into a \$18,700,000 non-revolving term facility ("Construction Facility") with a Schedule 1 Canadian Bank ("Lender") to fund the completion of the expansion of its greenhouse production facility located in Strathroy, Ontario. Borrowings under the Construction Facility were due at the earlier of a refinancing or on December 31, 2019 or on demand by the Lender. Interest charged under this Construction Facility was payable monthly. NMC exercised the option to replace the Construction Facility with a non-revolving term facility ("Loan Facility") on December 31, 2019. This Loan Facility has a 217-month term and currently bears interest at a rate of 1.00% per annum above the Lender's prime lending rate, which is currently 3.45% per annum.

At September 30, 2021 and December 31, 2020 the amount drawn against the Loan Facility was \$18,700,000. During the three and nine months ended June 30, 2021, \$nil of finance charges were capitalized to construction in progress (three and nine months ended September 30, 2020 – \$nil and \$77,138, respectively).

NMC is required to maintain a minimum debt service coverage ratio ("ratio") on an annual basis and meet certain reporting requirements relating to NMC's financial results. The ratio is calculated using non-IFRS measures. Should NMC fail to meet any of these covenants, the Lender may exercise its option to demand repayment of the Loan Facility or may issue a waiver of the applicable covenant ("waiver") to NMC. As at December 31, 2020 and 2019, NMC did not achieve the ratio covenant

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

requirement of the Lender. A waiver was issued to NMC by the Lender in March 2020. This waiver expired at the end of April 2021. As NMC has been unable to obtain an additional waiver from the Lender, the Loan Facility outstanding has been classified within current liabilities at June 30, 2021 and December 31, 2020.

The obligations under the Loan Facility are guaranteed by the Company and are secured by a collateral mortgage on NMC's property located in Strathroy.

Convertible Debentures

2018 Convertible Debentures

On June 28, 2018, the Company issued 10,000 debenture units ("Units") for aggregate gross proceeds of \$10,000,000. Each Unit consisted of a \$1,000 principal amount, senior unsecured convertible debenture maturing on June 28, 2020 bearing interest at 10% per annum (each a "2018 Debenture") as well as common share purchase warrants exercisable for up to 333.3 common shares at an exercise price per share of \$3.50 expiring on June 28, 2020.

The 2018 Debentures were bifurcated between their debt and equity components by fair valuing the debt component using a discount rate of 20% and allocating the residual to the equity component.

As a result, \$1,454,868 was allocated to contributed surplus as the equity component of the 2018 Debentures. This amount was further allocated as \$758,825 to the conversion feature and \$696,043 to the warrants. In connection with the 2018 Debenture financing, the Company incurred \$782,000 in financing fees and transaction costs. These fees were allocated to the 2018 Debentures and contributed surplus in the same proportions that the 2018 Debentures were originally bifurcated between debt and equity.

The \$10,000,000 aggregate gross proceeds of the 2018 Debentures were exchanged for 3,333,333 common shares as follows:

Date of Conversion	Amount	No. of Shares	Value to shares
September 21, 2018	\$ 3,000,000	1,000,000	\$ 2,645,395
October 5, 2018	2,000,000	666,667	1,763,597
October 12, 2018	1,000,000	333,333	881,798
March 27, 2019	4,000,000	1,333,333	3,724,036
Totals	\$ 10,000,000	3,333,333	\$ 9,014,826

Also, in connection with the 2018 Debenture financing, the Company issued 233,333 compensation options each being exercisable into one common share at the price of \$3.00 per share until June 28, 2020. The compensation options were valued at \$282,000, using the Black-Scholes option pricing model with the following assumptions:

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

- Risk-free interest rate - 1.35%;
- Dividend yield – Nil;
- Volatility - 100%; and,
- Expected life - 2 years.

This determined value was allocated to the 2018 Debentures and contributed surplus on the same basis that the 2018 Debentures were bifurcated between debt and equity (see Note 9).

2020 Convertible Debentures

On December 11, 2020, the Company issued unsecured convertible debentures in the principal amount of \$550,000 (“2020 Debentures”). The 2020 Debentures have a two-year term and bear simple interest at a rate of 10% per annum. The principal amount of the 2020 Debentures may be converted by the 2020 Debentures’ holder at any time into common shares of the Company (“Common Shares”) at a deemed price of \$0.60 per Common Share during the first year of the term and \$1.00 per Common Share during the second year of the term.

The interest payable under the Debentures shall be paid in cash within five business days of each financial year end or upon notice of early redemption by the Company. The Debentures may be redeemed by the Company prior to the expiry of their term at the option of the Company, subject to payment by the Company of certain specified early redemption payments.

In addition, an aggregate of 458,150 share purchase warrants (“2020 Warrants”) of the Company were issued together with the 2020 Debentures (being 0.833 2020 Warrants for each \$1.00 principal amount of 2020 Debentures). Each 2020 Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.60 per Common Share for a period of two years from the date of issuance of the 2020 Warrants.

The 2020 Debentures have been bifurcated between their debt and equity components by fair valuing the debt component using a discount rate of 15% and allocating the residual to the equity component. As a result, \$118,011 was allocated to contributed surplus as the equity component of the 2020 Debentures. This amount was further allocated as \$44,707 to the conversion feature and \$73,304 to the 2020 warrants. The following table summarizes the above transactions into the account categories impacted by the issuance of the 2018 and 2020 Debentures:

	Convertible Debentures	Contributed Surplus		Total
		Warrants	Conversion Option	
Balance, December 31, 2019	\$ -	\$ 320,806	\$ -	\$ 320,806
Issuance - December 11, 2020	431,989	73,304	44,707	550,000
Accretion of 2020 Debentures	4,153	-	-	4,153
Balance, December 31, 2020	\$ 436,142	\$ 394,110	\$ 44,707	\$ 874,960
Issuance - September 28, 2021	-	\$ 125,000	-	125,000
Accretion of 2020 Debentures	12,539	-	-	12,539
Balance, September 30, 2021	\$ 448,681	\$ 519,110	\$ 44,707	\$ 1,012,500

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Private Loan Financing

On December 21, 2020, the Company agreed upon a \$1,000,000 loan with a private consortium of lenders (“private loan financing”). The private loan financing has a two-year term and is to be received in two equal tranches of \$500,000.

The first \$500,000 tranche was received on closing and bears interest – payable monthly in arrears – at 15% per annum for the first year and 11% per annum for the second year. Monthly repayments of principal and interest can only be made during the second year of the term. The principal outstanding amount will be repaid to the Lender at the end of the two-year term.

The second \$500,000 tranche was to be received from the Lender upon five days written request from NMC. It will bear interest – payable monthly in arrears – at 15% per annum for the first year and 11% per annum for the second year. Monthly repayments of principal and interest can only be made during the second year of the term. The principal outstanding will be repaid to the Lender at the end of the two-year term. A facility fee of 0.5% per annum on this second tranche will accrue and be paid monthly in arrears to the Lender. The second \$500,000 tranche was drawn down upon on February 5, 2020.

The private loan financing is secured by the assets of the Company and NMC and guarantees from the Company, NMC, Ms. Rombouts and Mr. Burch.

9. Share Capital

Authorized Share Capital

	Common Shares	Total
At December 31, 2019	28,786,713	\$ 43,788,808
At December 31, 2020	28,786,713	\$ 43,788,808
Shares Issued	2,777,778	375,000
At September 30, 2021	31,564,491	44,163,808

On December 29, 2020 the Company completed a 10:1 share consolidation issuing 1 common share for every 10 common shares held by the existing shareholders. Unless otherwise stated, all common share and per share amounts have been retroactively restated to reflect the effects of the share split.

During the nine months ended September 30, 2021, the Company issued 2,777,778 common shares and 1,388,889 common share purchase warrants for cash proceeds of \$500,000. No issuance costs were recorded in relation to this issuance.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

There were no issuances by the Company of common shares during the year ended December 31, 2020.

Stock Options

The Company has a Stock Option Plan under which non-transferable options to purchase common shares of the Company may be granted from time to time by the Board of Directors to directors, officers, employees or consultants of the Company or its subsidiaries. No amounts are paid or payable by the recipient upon receipt of the option. The total number of common shares of the Company issuable upon the exercise of all outstanding stock options granted under the Stock Option Plan shall not at any time exceed 10% of the total number of outstanding common shares. The exercise price of each stock option granted under the Stock Option Plan shall be determined at the discretion of the board of directors of the Company, subject to TSX-V approval, at the time of the granting of the stock option, provided that the exercise price shall not be lower than the Discount Market Price (as defined in the policies of the TSX-V) of the Company's common shares on the TSX-V prior to the date the stock option is granted.

During the nine months ended September 30, 2021, the Company granted stock options to purchase up to 200,000 common shares with a fair value of \$62,000 (year ended December 31, 2020: 770,000 common shares with a fair value of \$375,100). These values were determined using the Black-Scholes option pricing model with the assumptions shown below. During both the three and nine months ended September 30, 2021, no options were exercised. During the three and nine months ended September 30, 2021, 437,500 and 982,500 options were cancelled respectively (year ended December 31, 2020: no options were exercised and 200,000 cancelled).

On September 30, 2021, and December 31, 2020 the outstanding Stock Options of the Company are as follows:

	September 30, 2021		December 31, 2020	
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Outstanding, Beginning Of The Period	2,227,000	\$ 2.52	1,657,000	\$ 3.39
Stock Options Granted	200,000	0.42	770,000	0.66
Stock Options Exercised	-	-	-	-
Cancelled	(982,500)	3.63	(200,000)	2.61
Outstanding, End Of The Period	1,444,500	\$ 1.47	2,227,000	\$ 2.52
Exercisable, End Of The Period	754,833	\$ 2.89	754,833	\$ 2.89

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

Grant Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
February 5, 2015	12,000	12,000	1.00	February 5, 2025
June 28, 2018	370,000	370,000	2.50	June 28, 2028
September 11, 2018	70,000	42,000	4.10	September 11, 2023
May 23, 2019	350,000	250,000	4.05	May 23, 2024
November 26, 2019	10,000	3,333	1.70	November 26, 2024
April 1, 2020	100,000	33,333	0.80	April 1, 2025
June 25, 2020	132,500	44,167	0.70	June 25, 2025
December 11, 2020	300,000	-	0.55	December 11, 2025
January 5, 2021	100,000	-	0.42	January 5, 2026
	1,444,500	754,833		

Compensation Options

During the year ended December 31, 2019, the Company granted 146,300 Compensation Special Warrants with a fair value of \$321,860. Each Compensation Special Warrant issued in the year ended December 31, 2019 was deemed to be exercised into a 2019 Compensation Option.

During the year ended December 31, 2019, 262,359 compensation options were exercised. During the year ended December 31, 2020, 55,731 compensation options expired unexercised. During the six months ended June 30, 2021, these remaining 2019 Compensation Options expired unexercised.

On September 30, 2021 and December 31, 2020, the outstanding Compensation Options of the Company are as follows:

	September 30, 2021		December 31, 2020	
	Number of Options	Weighted Average Price	Number of Options	Weighted Average Price
Outstanding, Beginning Of The Period	146,300	\$ 5.00	202,031	\$ 4.30
Compensation Options Expired	(146,300)	5.00	(55,731)	(2.50)
Outstanding, End Of The Period	-	\$ -	146,300	\$ 5.00
Exercisable, End Of The Period	-	\$ -	146,300	\$ 5.00

Black-Scholes Option Pricing Model Assumptions

The Black Scholes option pricing model assumptions for each of the grants over the nine months ended September 30, 2021 and the years ended December 31, 2020 and 2019 were calculated based on the following assumptions:

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Stock Based Compensation Issuance Date	Risk Free Rate Of Return	Dividend Yield	Volatility Factor	Expected life
January 3, 2019	2.20	NIL	100%	5 years
May 10, 2019	1.64	NIL	100%	5 years
May 10, 2019	1.64	NIL	100%	2 years
May 23, 2019	1.39	NIL	100%	5 years
August 19, 2019	1.39	NIL	100%	5 years
November 26, 2019	1.39	NIL	100%	5 years
December 20, 2019	1.63	NIL	100%	5 years
April 1, 2020	0.55	NIL	100%	5 years
June 25, 2020	0.37	NIL	100%	5 years
December 11, 2020	0.44	NIL	100%	5 years
January 5, 2021	0.39	NIL	100%	5 years

Stock-based Compensation Expense

The Company recorded stock-based compensation expenses of \$(375,585) and \$(79,772), respectively, for the three and nine months ended September 30, 2021 (three and nine months ended September 30, 2020 – \$174,257 and \$1,296,681, respectively). The credit occurring for the three months ended September 30, 2021, was due to the cancellation of options that have not fully vested.

Warrants

On June 28, 2018, in conjunction with the 2018 Debentures (see note 9) the Company issued 3,333,000 common share purchase warrants exercisable for up to 3,333,000 common shares at an exercise price per share of \$3.50 expiring on June 28, 2020.

On April 22, 2019, 1,666,500 common share purchase warrants were exercised into 1,666,500 common shares for gross proceeds of \$5,832,751. On June 28, 2020, 1,666,500 common share purchase warrants expired unexercised.

On September 11, 2019, in relation to the deemed exercise of the Special Warrants (see below) the Company issued 2,090,000 common share purchase warrants exercisable for up to 2,090,000 common shares at an exercise price per share of \$6.00 expiring May 10, 2021. These share purchase warrants expired unexercised on May 10, 2021.

On December 11, 2020, in relation to the 2020 Debentures, the Company issued 458,150 common share purchase warrants exercisable for up to 458,150 common shares at an exercise price per share of \$6.00 expiring December 11, 2022.

On September 28, 2021, in relation to the issuance of 2,777,778 common shares, the Company issued 1,338,889 common share purchase warrants exercisable for up to 1,338,889 common shares at an exercise price per share of \$0.25 expiring Sep 28, 2023. As a result, \$125,000 was allocated to contributed surplus as the equity component for these warrants.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Special Warrants

On May 10, 2019, the Company closed its private placement of Special Warrants. In relation to this transaction the Company issued 2,090,000 special warrants (“Special Warrants”), at a price of \$5.00 per Special Warrant for aggregate gross proceeds of \$10,450,000 (the “Special Warrant Offering”). A Special Warrant was exercisable into one unit of the Company (“2019 Unit”), for no additional consideration, at any time after the Closing.

Each 2019 Unit consisted of one-tenth of a common share and one-tenth of a common share purchase warrant (“Warrant”). Each Warrant shall entitle the holder thereof to purchase one-tenth of a common share at an exercise price of \$0.60 until May 10, 2021. All of the proceeds were attributed to the common shares with \$Nil assigned to the warrants.

On September 11, 2019, all 2,090,000 Special Warrants were deemed to be exercised and the Company issued 2,090,000 common shares and 2,090,000 Warrants.

In consideration for their services, the underwriter of the Special Warrant Offering received a cash commission equal to 7% of the gross proceeds of the Special Warrant Offering of \$731,500 and was issued 146,300 compensation special warrants that had an exercise price of \$5.00 and were due to expire on May 10, 2021 (“Compensation Special Warrant”).

Each Compensation Special Warrant was exercisable into one compensation option (“2019 Compensation Option”), for no additional consideration, at any time after the Closing. On September 11, 2019, all 146,300 Compensation Special Warrants were deemed to be exercised and the Company issued 146,300 2019 Compensation Options (see above).

As of September 30, 2021 and December 31, 2020, the warrant continuity details of the Company are as follows:

	September 30, 2021			December 31, 2020		
	Number of Warrants	Expiry Date	Weighted Average Price	Number of Warrants	Expiry Date	Weighted Average Price
Outstanding, Beginning Of The Period	2,548,150	Various	\$ 5.03	3,756,500	Various	\$ 4.89
Issued	1,388,889	September 28, 2023	0.25	458,150	December 11, 2022	0.60
Expired	(2,090,000)	May 10, 2021	6.00	(1,666,500)	June 28, 2020	3.50
Outstanding, End Of The Period	1,847,039	Various	\$ 0.34	2,548,150	Various	\$ 5.03
	458,150	December 11, 2022	0.60	2,090,000	May 10, 2021	6.00
	1,388,889	September 28, 2023	0.25	458,150	December 11, 2022	0.60

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

10. Financial Instruments and Risk Management

Interest Rate Risk

The Company's exposure to interest rate risk is primarily related to Loans and Borrowings with variable interest rates. On September 30, 2021, a 1% increase in the prime lending rate would result in approximately \$180,200 higher interest payments on an annual basis.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables. On September 30, 2021, the Company was exposed to credit-related losses in the event of non-performance by the counterparties.

The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk.

Cash is held by a credit union in Canada primarily in deposit accounts. No losses have been incurred historically in relation to cash held by this financial institution. The accounts receivable balance is comprised of an established customer base domiciled in Canada. The Company mitigates this risk by managing and monitoring the underlying business relationships with its customers.

The carrying amount of cash, other receivables and accounts receivables represents the maximum exposure to credit risk, and on September 30, 2021, this amounted to \$1,724,281.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. At September 30, 2021, the Company had \$288,635 of cash. The Company manages its liquidity risk by planning, budgeting and forecasting cash flows from its operations and anticipating any investing and financing activities to meet various contractual and other obligations. The Company is obligated to pay accounts payable and accrued liabilities with a carrying amount and contractual cash flows amounting to \$8,235,709 due in the next 12 months. Further the Company has an outstanding Loan Facility of \$17,779,891 and Promissory Notes with a principal amount of \$826,000 plus accrued interest of \$139,850.

The Company's outstanding Loan Facility and Promissory Notes may be due on demand – depending on adverse circumstances – and there is no certainty as to when those debts may be called. As at December 31, 2020 and 2019, NMC did not achieve the ratio covenant set out in the Loan Facility. A waiver was issued to NMC by the Lender in March 2020. This waiver expired at the end of April 2021. As NMC has been unable to obtain an additional waiver from the Lender, the Loan Facility outstanding has been classified within Current Liabilities as at June 30, 2021 and December 31, 2020. See note 8.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

Management is working with the lenders of the Loan Facility and Promissory Notes to continue to meet the requirements indicated in Notes 7 and 8, and is actively involved in the review, planning and approval of significant expenditures and commitments. Management believes that neither the Loan Facility nor the Promissory Notes will need to be repaid in the next twelve months.

The Company has both incurred operating losses and experienced negative cash flows in the nine months ended September 30, 2021 and the year ended December 31, 2020. The Company has a working capital deficit of \$15,367,923 at September 30, 2021 (December 31, 2020: \$15,455,708).

At September 30, 2021 the Company had inventory of \$10,255,874 (December 31, 2020: \$8,083,934). The Company has assessed the valuation of its inventory and believes that the value is recoverable.

The carrying values of cash, accounts and other receivables, accounts payable and accrued liabilities, loans and borrowings and promissory notes approximate their fair values due to their short term to maturity.

The carrying values of the financial instruments at September 30, 2021 are summarized in the following table:

	Amortized cost	Financial Assets Designated As FVTPL	Totals
Assets			
Cash	\$ -	\$ 288,635	\$ 288,635
Other Receivables And Prepaid Expenses	527,758	-	527,758
Accounts Receivable	907,888	-	907,888
Liabilities			
Accounts Payable and Accrued Liabilities	8,235,709	-	8,235,709
Loans and Borrowings	19,241,072	-	19,241,072
Deferred Revenue	853,298	-	853,298
Promissory Notes	965,850	-	965,850

COVID-19

The Company's business is dependant on a number of factors which could be adversely disrupted by, among others, major health issues or pandemics and in particular, the global impact of COVID-19. While the situation is changing quickly, and the ultimate impact on the Company's business is, as yet, unknown, the pandemic may result in staff shortages, decreased consumer demand, supply chain issues, transportation delays, changes to governmental regulation and ongoing economic uncertainty, any of which may have a material and adverse effect on the Company's business, financial condition and results of operations. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 outbreak on our business. These factors are beyond the Company's control and may adversely affect the Company and its suppliers or cause disruptions to their and the Company's businesses and may impact their ability to supply the Company. The Company continues to evaluate the effects of COVID-19 on the health and safety of employees, customers and communities, business and supply chain disruption, the nature and impact of government measures, customer demand and commodity prices.

Eve & Co Incorporated

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

11. Segmented Information

The Company operates in one segment: the production and sale of cannabis. All items of property, plant and equipment are located in Canada and all revenues have been earned in Canada.

For the three months ended September 30, 2021, two customers each contributed more than 5% of the overall revenue. The revenue from those two customers amounted to \$1,881,960 (three months ended September 30, 2020 – four customers contributed more than 5% of the overall revenue).

For the nine months ended September 30, 2021, five customers each contributed more than 5% of the overall revenue. The revenue from those five customers amounted to \$4,373,917 (nine months ended September 30, 2020 – five customers contributed more than 5% of the overall revenue).

12. Capital Management

The Company's objective is to maintain sufficient capital to sustain future development of the business and provide the ability to continue as a going concern. Management defines capital as the Company's shareholders' equity, loans and borrowings and promissory notes. The Board of Directors has not established quantitative return on capital criteria for Management. The Company has not paid any dividends to its shareholders. The Company is not subject to any externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the nine months ended September 30, 2021. At September 30, 2021, total managed capital was \$41,307,308 (December 31, 2020: \$43,181,583).

13. Commitments and Contingencies

The Company has certain contractual financial obligations related to its Loans and Borrowings and Promissory Notes.

The annual minimum payments payable under these obligations over the next five years are as follows:

Time period	In one year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Loans and Borrowings	17,779,891	1,461,181	-	-	-	19,241,072
Promissory Notes	965,850	-	-	-	-	965,850
Amount	\$ 18,745,741	\$ 1,461,181	\$ -	\$ -	\$ -	\$ 20,206,922

From time to time, the Company and its subsidiaries may become defendants in legal actions arising out of the ordinary course and conduct of its business.

This is **Exhibit “M”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

Eve & Co Incorporated /
Natural Medco Ltd.
Cash Flow Forecast for the period
March 21, 2022 to August 27, 2022
(CAD \$) **DRAFT**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
WEEK ENDING	3/26	4/2	4/9	4/16	4/23	4/30	5/7	5/14	5/21	5/28	6/4	6/11	6/18	6/25
Beginning cash (deficit)	68,739	(950,451)	(1,134,258)	(1,353,473)	(1,219,669)	(1,482,020)	(1,687,224)	(1,828,232)	(1,655,206)	(1,804,840)	(1,786,816)	(2,066,374)	(2,039,295)	(2,212,020)
Receipts														
Provincial sales collected	15,533	45,349	41,286	9,815	2,864	28,322	43,143	300,701	3,819	91,122	81,312	64,754	5,729	9,975
Bulk (International) sales	-	62,150	3,750	351,250	-	65,900	44,100	-	-	61,250	150,000	-	15,000	800,000
Other receipts				40,000				40,000					40,000	
Total Receipts	15,533	107,499	45,036	401,065	2,864	94,222	87,243	340,701	3,819	152,372	231,312	64,754	60,729	809,975
Disbursements														
Salaries & Wages	114,336	-	101,154	6,592	101,154	-	101,154	6,592	101,154	-	101,154	6,592	101,154	-
Employee benefits	31,712	16,000				16,000					16,000			
Production costs & supplies	76,321	26,583	25,100	24,583	23,100	44,583	19,100	24,583	22,100	24,583	42,100	24,583	19,100	28,583
Utilities	90,000	-	50,000	-	60,000	-	50,000	-	-	40,000	40,000	-	-	40,000
Property taxes						4,000								
Insurance	45,497		45,497				45,497			5,000	45,497			
Laboratory charges	99,864	5,000	12,500	5,000	12,500	15,000	12,500	5,000	12,500	5,000	12,500	5,000	12,500	5,000
Communications & Admin.	\$12,849	\$467	\$0	\$700	\$2,000	\$2,467	\$0	\$0	\$2,700	\$2,000	\$467	\$0	\$700	\$8,800
Purchased product				88,987										
Capital expenditures		99,800	30,000	9,900					15,000			1,500		
Audit, AGM and filing fees	42,613	-	-	31,500	18,000	-	-	31,500						
Government remittances														
HST/Health Canada	73,075					23,919				12,764				43,878
Excise tax					48,461									
Mortgage loan payments														
RBC	130,956	130,956				130,956					130,956			
Vanengelen	12,500	12,500				12,500					12,500			
BDO and legal fees	155,000			100,000				100,000					100,000	
Restructuring costs	150,000					50,000				50,000				25,000
Total Disbursements	1,034,723	291,306	264,251	267,262	265,215	299,425	228,251	167,675	153,454	134,347	510,870	37,675	233,454	151,261
Net Cash Flow	(1,019,190)	(183,807)	(219,215)	133,803	(262,351)	(205,204)	(141,008)	173,026	(149,635)	18,025	(279,558)	27,079	(172,725)	658,714
Closing cash (deficit)	(950,451)	(1,134,258)	(1,353,473)	(1,219,669)	(1,482,020)	(1,687,224)	(1,828,232)	(1,655,206)	(1,804,840)	(1,786,816)	(2,066,374)	(2,039,295)	(2,212,020)	(1,553,307)

Eve & Co Incorporated /
Natural Medco Ltd.
Cash Flow Forecast for the period
March 21, 2022 to August 27, 2022
(CAD \$) **DRAFT**

	15	16	17	18	19	20	21	22	23	
WEEK ENDING	7/2	7/9	7/16	7/23	7/30	8/6	8/13	8/20	8/27	Total
Beginning cash (deficit)	(1,553,307)	(1,676,373)	(1,683,202)	(1,256,020)	(1,333,628)	(1,566,479)	(1,516,862)	(1,147,024)	(1,178,657)	
Receipts										
1 Provincial sales collected	129,528	64,754	5,729	9,975	203,692	6,650	91,434	6,650	126,199	1,388,335
2 Bulk (International) sales	150,000	-	625,000	-	11,250	138,750	481,250	-	286,250	3,245,900
3 Other receipts			40,000				40,000			200,000
Total Receipts	279,528	64,754	670,729	9,975	214,942	145,400	612,684	6,650	412,449	4,834,235
Disbursements										
4 Salaries & Wages	101,154	-	107,746	-	101,154	-	107,746	-	90,577	1,249,413
5 Employee benefits	16,000				16,000					111,712
6 Production costs & supplies	41,100	26,583	21,100	30,583	41,100	26,583	21,100	30,583	21,100	684,834
7 Utilities	-	40,000	-	40,000	-	40,000	-	-	40,000	530,000
Property taxes					4,000					8,000
8 Insurance	87,917				45,497					315,402
9 Laboratory charges	12,500	5,000	12,500	15,000	12,500	5,000	12,500	5,000	12,500	312,364
10 Communications & Admin.	\$467	\$0	\$700	\$2,000	\$2,467	\$0	\$0	\$2,700	\$2,000	43,484
11 Purchased product										88,987
12 Capital expenditures						24,200				163,900
13 Audit, AGM and filing fees			1,500				1,500			143,113
14 Government remittances										-
HST/Health Canada					16,177				41,368	211,181
Excise tax					40,442				103,419	302,019
15 Mortgage loan payments										-
RBC	130,956				130,956					785,736
Vanengelen	12,500				12,500					75,000
BDO and legal fees			100,000				100,000			655,000
16 Restructuring costs									25,000	325,000
Total Disbursements	402,594	71,583	243,546	87,583	447,793	95,783	242,846	38,283	335,964	6,005,145
Net Cash Flow	(123,066)	(6,830)	427,183	(77,608)	(232,851)	49,617	369,838	(31,633)	76,485	
Closing cash (deficit)	18	(1,676,373)	(1,683,202)	(1,256,020)	(1,333,628)	(1,566,479)	(1,516,862)	(1,147,024)	(1,178,657)	(1,102,172)

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
EVE & CO INCORPORATED, NATURAL MEDCO LTD. AND
EVE & CO INTERNATIONAL HOLDINGS LTD.
(each an “Applicant” and collectively the “Applicants”)**

DRAFT

Notes to the Unaudited cash flow forecast of the Applicants

In preparing this cash flow forecast (the “Cash Flow Forecast”) the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act (“CCAA”) filing. Since the Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Overview

The Cash Flow Forecast includes the receipts and disbursements of all of the Applicants during the Cash Flow Forecast period. The Applicants, with the assistance of BDO Canada Limited in its capacity as the proposed monitor of the Applicants (the “Proposed Monitor”) have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the CCAA proceedings and on the ongoing operations.

Assumptions

Cash Receipts

1	Provincial sales collected	Based on purchase orders for the next 60 days from Provincial cannabis distributors and retailers, with future monthly sales maintained at this level. Cash is collected in 60 days from the Ontario Cannabis Store and in 30 days from all other Provincial customers.
2	Bulk (International) Sales	Based on management’s best estimate of future purchase orders and subsequent cash receipts from international customers with whom supply agreements have been executed, taking into account negotiations to date, estimated timing for issuance of import/export permits and customer payment terms.
3	Other receipts	Rent payments from greenhouse tenants.

Payments/Disbursements

4	Salaries and Wages	Gross bi-weekly payroll, including employee source deductions and employer portion payable to CRA, based on current staffing levels. Payments include a bi-weekly doubling-up of salary paid to Melinda Rombouts until wages postponed over the period August 2021 to March 2022 are caught up. Also includes external financial consultant to assist with TSX-V filings.
5	Employee benefits	Continuation of employee group benefit plan with Great West Life.
6	Production costs & supplies	Payments for fertilizer, freight, supplies, packaging and miscellaneous expenses, either directly to the supplier, or through credit cards, are based on recent experience.
7	Utilities	NMC is current on Hydro One charges and the bulk of arrears to Enbridge were recently satisfied by Enbridge applying a deposit on file to outstanding amounts. Cash flow forecast is based on post-filing usage, estimated from prior year experience, being paid as it is due.
8	Insurance	Current insurance policy premiums are paid as scheduled and policy is renewed on July 4, 2022 at the same premium and payment schedule as 2021-2022 policy.
9	Laboratory charges	Payment of laboratory Certificate of Analysis fees required for international shipments, including \$83,944 of pre-filing arrears.
10	Communications & admin	Telephone, internet, website and software costs.
11	Purchased product	Purchase of a specific cannabis strain from another licensed producer in order to fill requirements of an international customer included in the Bulk Sales forecast,
12	Capital expenditures	Payments for upgrades to HVAC, ventilation hardware and electrical necessary to meet Ministry of Labour requirements and improve product quality and potency as required by certain forecasted international customers included in the Bulk Sales forecast.
13	Audit, AGM & filing fees.	Costs of Dec. 31, 2021 financial statement audit, Annual General Meeting and public company filing fees.

14	Government remittances	Remittance of post-filing HST collected and Excise Tax assessed on post-filing gross Provincial sales as these amounts are due. Includes payment of outstanding Health Canada regulatory licensing fees.
15	Mortgagee payments	Mortgagee payments are comprised of: 1) March 1, 2022 term loan payment arrears due to RBC and regular payment of \$130,956 paid on the first of each month thereafter. 2) Interest payable on private loan obtained in December 2020.
16	BDO and legal fees	Outstanding invoices of BDO and RBC's legal counsel from July 1, 2021 to the date of filing, plus ongoing costs of the Monitor and the Monitor's legal counsel.
17	Restructuring Costs	Costs of the Applicant's legal counsel to the date of filing and monthly amounts thereafter.
18	Projected cash deficit	Cash deficit is funded by DIP Facility in two tranches of: \$1.2 million upon issuance of the Proposed Initial Order; and \$1.0 million in the week ending 4/9.

This is **Exhibit “N”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Royal Bank of Canada
 Commercial Financial Services
 226 Main Street South
 Exeter, Ontario N0M 1S7

March 12, 2019

Private and Confidential

NATURAL MEDCO LTD.

2941 Napperton Drive
 Strathroy, Ontario
 N7G 3H8

ROYAL BANK OF CANADA (the "**Bank**") hereby offers the credit facilities described below (the "**Credit Facilities**") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Natural Medco Ltd. (the "**Borrower**")

CREDIT FACILITIES

The aggregate of Facility #1, Facility #2 and Facility #3 shall not exceed \$18,700,000.00 at any time.

Facility #1: \$18,700,000.00 non-revolving term facility by way of:

a) RBP based loans ("**RBP Loans**") Interest rate (per annum) RBP + 1.00%

AVAILABILITY

The Borrower may borrow up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

The aggregate Borrowings outstanding under this facility and Facility #2, plus the aggregate Leases outstanding under Facility #3 must not exceed \$18,700,000.00 at any time.

Multiple draws are permitted under this facility.

REPAYMENT

Borrowings under this facility shall be repayable in full on the earlier of (i) the receipt by the Borrower of the proceeds of refinancing and (ii) December 31, 2019.

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SRF # 194 371 662

Page 1 of 7

Natural Medco Ltd.

March 12, 2019

Facility #2: \$18,700,000.00 non-revolving term facility by way of:

a) RBP Loans Interest rate (per annum) RBP + 1.00%

AVAILABILITY

The Borrower may borrow up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

The aggregate Borrowings outstanding under this facility and Facility #1, plus the aggregate Leases outstanding under Facility #3 must not exceed \$18,700,000.00 at any time.

Proceeds of the initial Borrowings under this facility must be utilized to repay in full all amounts outstanding under Facility #1 and Facility #1 shall be immediately cancelled.

Payment Amount:	To be determined at drawdown	Payment Frequency:	Monthly
Payment Type:	Blended (payment amount subject to annual adjustments to ensure amortization)	Payment date:	30 days from drawdown
Repayable in full on:	The last day of a 1 year term from drawdown	Original Amortization (months)	216

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "E" provided by the Borrower and accepted by the Bank.

MANDATORY REPAYMENTS

In addition to any payments required pursuant to the Repayment section above, the Borrower agrees that Facility #2 shall be permanently reduced and cancelled by the following:

- (a) To a maximum of \$3,000,000.00, of the Borrower's Free Cash Flow, commencing March 31, 2021, calculated as at the end of each fiscal year (each a "**Free Cash Flow Payment**"), within 90 days of the applicable fiscal year end.

Facility #3: \$18,700,000.00 revolving lease line of credit by way of Leases. Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and a separate agreement, the terms of the separate agreement will govern.

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

The aggregate Leases outstanding under this facility plus the aggregate Borrowings outstanding under Facility #1 and Facility #2 must not exceed \$18,700,000.00 at any time.

Natural Medco Ltd.

March 12, 2019

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Application Fee: [Commercially Sensitive Information]

Other Fees:**Renewal Fee:**

If the Bank renews or extends any term facility or term loan beyond its Maturity Date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) Collateral mortgage in the amount of \$25,000,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 2941 Napperton Drive, Strathroy, Ontario;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$18,700,000.00 signed by Eve & Co Incorporated;
- c) Postponement and assignment of claim on the Bank's form 918 signed by David Burch; and
- d) Postponement and assignment of claim on the Bank's form 918 signed by Melinda Rombouts.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain, to be measured as at the end of each fiscal year:
 - i. Debt Service Coverage of not less than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) monthly company prepared financial statements for the Borrower, consisting of balance sheet, income statement, cash flow and year to date variance to projection reports, within 25 days of each month end;
- b) annual Compliance Certificate, substantially in the form of Schedule "G" signed by an authorized signing officer of the Borrower, within 120 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;

Natural Medco Ltd.

March 12, 2019

-
- c) annual audited consolidated financial statements for the Borrower and Eve & Co Incorporated, within 120 days of each fiscal year end; and
 - d) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) an environmental questionnaire in respect of the Borrower and/or site checklist(s) in respect of all applicable real property on which the Borrower has granted Security to the Bank, on the Bank's standard form(s) and containing findings acceptable to the Bank; and
- e) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- f) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- g) no Lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.

CONDITIONS PRECEDENT – FACILITY #1

In addition to the conditions set forth in the Conditions Precedent section above, the availability of any Borrowing under Facility #1 is conditional upon the following:

A. Prior to initial drawdown:

1. The Borrower shall have provided to the Bank:
 - evidence acceptable to the Bank that all necessary permits and approvals required for the Project (including, without limitation, all development permits and agreements, zoning approvals and building permits) have been obtained.
2. The Bank shall have engaged an independent engineer to monitor the Project on behalf of the Bank throughout the term of the Project at the Borrower's expense.
3. The Bank shall have received a report on the Project prepared by a Professional Engineer, satisfactory to the Bank, certifying:
 - adequacy of the Project Budget for the purposes of completing construction of the Project;
 - completeness of plans and specifications;
 - compliance with building codes and zoning regulations;
 - compliance with environmental standards and regulations;
 - adequacy of structural, electrical and mechanical systems;
 - adequacy of the survey lot plan and soil conditions;
 - adequacy of the construction schedule.

Natural Medco Ltd.

March 12, 2019

ONGOING CONDITIONS - FACILITY #1

In addition to the conditions set forth in the Conditions Precedent section above and the Conditions Precedent Facility #1 above, the availability of any Borrowing under Facility #1 is conditional upon the satisfaction of each of the following conditions prior to each and every Borrowing:

- i) Borrowings shall be advanced by way of construction draws and each draw will be preceded by a title search confirming the continuing priority of the Bank's security in the required order of priority and the absence of any lien claims, judgements or other encumbrances which might impair the Bank's security.
- ii) Each request for borrowing must be accompanied by certificates of cost of work in place together with estimates of costs to complete. The certificates are to be submitted by the Borrower to the Engineer and, where applicable, signed by the Engineer.
- iii) All construction advances are to adhere to the Construction lien act, with 10% holdback for 45 days following completion of the Project.

PROJECT COVENANTS

Without affecting or limiting the right of the Bank at any time to demand payment or cancel any undrawn portion of any demand facility in this Agreement, the Borrower covenants and agrees with the Bank as follows:

- i) Sufficient funds must be available at all times to complete the Project within the authorized Credit Facility.
- ii) the Borrower will not make any material alterations to the Project exceeding a cumulative positive and negative amount of \$200,000.00 without the prior written consent of the Bank.
- iii) the Borrower shall fund immediately all cost overruns from resources outside the Project.
- iv) Prior to the drawdown of Facility #2, completion of the construction project is to be confirmed and all requirements of the construction lien act being satisfied.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

Natural Medco Ltd.

March 12, 2019

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until April 12, 2019, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA

[Signature Redacted]

Per: _____

Title: Vice President

RBC Contact: Cleo Gubbels

/mzm

Natural Medco Ltd.

March 12, 2019

We acknowledge and accept the terms and conditions of this Agreement on this 18 day of Mar., 2019.

NATURAL MEDCO LTD.

Per: _____
Name: [Signature Redacted]
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this 18 day of Mar., 2019.

EVE & CO INCORPORATED

Per: ✓
Name: [Signature Redacted]
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Guarantor

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Compliance Certificate
- Borrowing Request – Facility #2
- RBC Covarity Dashboard Terms and Conditions

Natural Medco Ltd.

March 12, 2019

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

Natural Medco Ltd.

March 12, 2019

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or

Natural Medco Ltd.

March 12, 2019

protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

Natural Medco Ltd.

March 12, 2019

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

Natural Medco Ltd.

March 12, 2019

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the

Natural Medco Ltd.

March 12, 2019

Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA, less Cash Taxes and, to the extent not deducted in determining net income, less Corporate Distributions, to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

Schedule A

“Environmental and Health and Safety Laws” means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

“Equivalent Amount” means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Free Cash Flow” means for any fiscal period, EBITDA less the sum of cash taxes, unfunded Capital Expenditures, Interest Expense, scheduled payments in respect of Funded Debt.

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Maturity Date” means the date on which a facility is due and payable in full;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“Project” means the construction of a greenhouse located 2941 Napperton Drive, Strathroy, Ontario, legally described as Pt Lot 17, Concession 5 SER Adelaide/Metcalf Twp, County of Middlesex;

Schedule A

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

Schedule "B"**CALCULATION AND PAYMENT OF INTEREST AND FEES****LIMIT ON INTEREST**

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

Schedule "E"

BORROWING REQUEST

The Borrower hereby requests the following be established under Facility #2:

Date of Borrowing			
Amount of Borrowing:	\$		
Amortization (in months):			
Selected Term: (Borrowing repayable in full on the last day of the Term)			
Payment Amount:	\$		
Payment Frequency:	weekly <input type="checkbox"/>	bi-weekly <input type="checkbox"/>	
	semi-monthly <input type="checkbox"/>	monthly <input type="checkbox"/>	
	quarterly <input type="checkbox"/>	semi-annual <input type="checkbox"/>	annual <input type="checkbox"/>
Selected Interest Rate (per annum):	% <input type="checkbox"/>	RBP + <input type="checkbox"/>	%
Selected Payment Type:	Blended (Principal and Interest) <input type="checkbox"/> If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization	Principal plus Interest <input type="checkbox"/>	
First Payment Due Date:			
Amount Eligible for Prepayment of FRT Loan:	0% <input type="checkbox"/>	10%	<input type="checkbox"/>

Dated this _____ day of _____, 20____.

NATURAL MEDCO LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

SRF# 194 371 662

Schedule "G"

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal year ending _____ :

1. I am familiar with and have examined the provisions of the Agreement dated March 12, 2019 and any amendments thereto, between Natural Medco Ltd., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of this Agreement or an Event of Default and there is no reason to believe that during the next fiscal year of the Borrower, any such event or circumstance will occur.
4. Debt Service Coverage is _____:1, being not less than the minimum required ratio of 1.25:1.
5. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

Schedule "H"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

Schedule J

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted

Schedule J

using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

Schedule J

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

This is **Exhibit “O”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

LRO # 33 **Charge/Mortgage**Registered as **ER1225054** on 2019 03 19 at 16:53

286

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 2

Properties

PIN 08584 - 0141 LT *Interest/Estate* Fee Simple
Description PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE
 METCALFE
Address 2941 NAPPERTON DRIVE
 STRATHROY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name NATURAL MEDCO LTD.
Address for Service 2941 Napperton Drive
 Strathroy, Ontario
 N7G 3H8

I, Melinda Rombouts, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name ROYAL BANK OF CANADA
Address for Service Business Lending Origination Group
 36 York Mills Road, 4th Floor
 Toronto, Ontario
 M2P 0A4

Provisions

Principal \$25,000,000.00 *Currency* CDN
Calculation Period
Balance Due Date
Interest Rate Prime Rate plus 5.000% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 20015
Insurance Amount Full insurable value
Guarantor

Signed By

Daniel Ezra Kyle Mahler 181 Bay St., Suite 1800, Box 754 acting for Signed 2019 03 19
 Toronto
 M5J 2T9 Chargor(s)

Tel 416-863-1500

Fax 416-863-1515

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

AIRD & BERLIS LLP 181 Bay St., Suite 1800, Box 754 2019 03 19
 Toronto
 M5J 2T9

Tel 416-863-1500

Fax 416-863-1515

Fees/Taxes/Payment

Statutory Registration Fee \$64.40
Total Paid \$64.40

LRO # 33 **Charge/Mortgage**

Registered as ER1225054 on 2019 03 19 at 16:53 **287**

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

File Number

Chargor Client File Number : 149527/DM/AR

This is **Exhibit "P"** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Royal Bank of Canada
Special Loans & Advisory Services
20 King Street West, 2nd Floor,
Toronto, ON, M5H 1C4

April 9, 2021

SENT VIA ELECTRONIC MAIL -rory@evecannabis.ca and melinda@evecannabis.ca

Private and Confidential
Natural Medco Ltd.
2941 Napperton Drive
Strathroy, Ontario

Dear Sirs and Mesdames:

Re: Natural Medco Ltd. (the "Borrower") - Credit Facilities with Royal Bank of Canada

We refer to the Loan Agreement dated June 11, 2020 (the "**Loan Agreement**").

We further refer to the Bank's letter dated March 13, 2020 wherein the Bank detailed the Borrower's default with respect to the Debt Service Coverage, at that time, and we refer to the Bank's e-mail correspondence of December 23, 2020 (the "**December 23 E-mail**").

Pursuant to the December 23 E-mail, the Bank provided certain conditions in relation to the Borrower granting a \$1,000,000 second charge in favour of Bryan and Joanne Van Engelen (the "**Van Engelen Charge**") over the Borrower's real property and premises located at 2941 Napperton Drive, Strathroy, Ontario (the "**Property**"). The subject conditions as set out in the December 23 E-mail were:

- i) The Borrower was to provide the Bank with a list outlining the status of all Potential Priority Claims on the Borrower and the Property as well as the status of all critical payments including all utilities related to the Borrower and the Property
- ii) The Borrower was to advise of a payment plan with Hydro One Networks Inc. with respect to the substantial arrears owing on account, and plans with other critical suppliers with arrears

We confirm that the Borrower did grant the Van Engelen Charge on December 29, 2020.

We further confirm that Borrower has failed to conclude on a payment plan with Hydro One Networks Inc. Further, the Borrower committed to the Bank to make certain payments to Hydro One Networks Inc., and failed to make such payments. The Borrower has also failed to make all payments agreed to under a payment plan with Endridge Gas Inc.

We further confirm that the Borrower is in default of the terms of the Loan Agreement as a result of:

1. The failure to keep municipal realty taxes current on the Property
2. Failure to keep Potential Prior-Ranking Claims current as a result of arrears owing to Canada Revenue Agency for HST of approximately \$162,000 as at March 29, 2021.

(collectively the "**Defaults**")

Further, the Bank has concerns with respect to the cash flow and general operations of the Borrower, noting that the Borrower is in substantial arrears to critical suppliers Hydro One Networks Inc. (due on account as at March 29, 2021 \$780,908) and Enbridge Gas Inc. (due on account as at March 29, 2021 \$208,761) and is in arrears to Canada Revenue Agency for Excise Duty imposed on cannabis of \$508,697, as at March 29, 2021.

As a result of the Defaults, and the Bank's concerns as detailed above, the Bank did engage BDO Canada Limited ("**BDO**") as a financial advisor pursuant the terms as set out in an engagement letter dated March 23, 2021, which terms were accepted and agreed to by the Borrower (the "**Engagement**").

In consideration of the Bank providing continued credit under the terms of the Letter Agreement, each of the undersigned confirms and agrees with the following, and acknowledges that the Bank is relying upon such confirmations and agreements:

1. **Acknowledgement of Covenant Breaches and Defaults:** The Borrower and Eve & Co Incorporated hereby acknowledge and confirm that the Defaults are valid, and notwithstanding the contents of this Letter Agreement, the Bank strictly reserves all of its rights and remedies under the Loan Agreement.
2. **Amendments to Loan Agreement:** The Loan Agreement is hereby amended as follows:

The Credit Facilities section of the Loan Agreement is amended and restated as follows:

Delete, immediately above Facility #1: "The aggregate of Facility #1 and Facility # 2 shall not exceed \$18,595,103.00"

Delete:

Facility #2: \$18,595,000.00 revolving lease line of credit by way of Leases. Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank, in the event of a conflict between this Agreement and a separate agreement, the terms of the separate agreement will govern.

Availability

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

The aggregate Leases outstanding under this facility plus the aggregate Borrowings outstanding under Facility #1 must not exceed \$18,595,103.00 at any time.

3. **Further Acknowledgements of the Borrower:** The Borrower and Eve & Co Incorporated hereby acknowledge and confirm:
 - (a) The Borrower and Eve & Co Incorporated shall be responsible for all legal and other professional fees, including those of BDO with respect to the Engagement, and incurred by the Bank on a full indemnity basis in connection with the preparation of this Letter Agreement, the review of the Loan Agreement and Security, the preparation of all documents, and advising the Bank in respect of same;
 - (b) The Borrower and Eve & Co Incorporated have been provided with a reasonable opportunity to seek legal advice with respect to their execution and delivery of this Letter Agreement, and have either done so or have decided to execute and deliver this Letter Agreement to the Bank without obtaining such legal advice.
4. **Further Covenants of the Borrower:** The Borrower hereby covenants and agrees to fully cooperate with BDO and meet all terms of the Engagement.
5. **Notice:** Each of the Bank and the Borrower agree that any notices that are required or permitted to be given by or to any of them under this Letter Agreement or the Loan Agreement, may be given in writing by personal delivery or electronic delivery, marked "Personal & Confidential" at the addresses noted above. The date of

receipt of such notices shall be the date of the actual delivery to the address specified if delivered or the date of actual electronic transmission.

6. **Entire Agreement:** This Letter Agreement amends the Loan Agreement, and subject to the terms of this Letter Agreement, the terms of the Loan Agreement continue to bind the parties. This Letter Agreement and the Loan Agreement constitute the entire agreement between the Bank and the Borrower with respect to the subject matter hereof and supersedes **all** prior agreements or discussions between the Bank and the Borrower whether written or oral.
7. **Severability:** If any provisions of this Letter Agreement are found by a Court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Letter Agreement shall not be affected thereby and shall remain valid and enforceable.
8. **Headings:** The headings in this Letter Agreement are executed for convenience of reference only and should not be considered to form part hereof for the purposes of interpreting or construing or applying this Letter Agreement, and such headings shall not define, limit, extend or describe the scope of this Letter Agreement or any of its terms and conditions.
9. **No Prejudice:** The provisions hereof shall operate and apply without prejudice to any rights which the Bank may now or in the future have under the Loan Agreements.
10. **Successors and Assigns:** This Letter Agreement shall enure to the benefit of and be binding upon the Bank and each of the undersigned and their respective successors.
11. **Timely Performance:** It is intended by the Bank and each of the undersigned that all obligations hereunder will be performed strictly in accordance with the provisions of this Letter Agreement and in a timely manner, with time being of the essence hereof.
12. **Counterparts and Electronic Execution:** This Letter Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to constitute one and the same agreement. The electronic transmission received by each party of the other parties' signatures shall serve to confirm the execution thereof by each such party.
13. **Governing Law:** This Letter Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada as are applicable therein.
14. **No Amendment:** This Letter Agreement shall not be amended unless such amendments are in writing and signed by each of the Bank and the Borrower.
15. **Acceptance:** The Borrower hereby acknowledges and agrees to and with the Bank that this Letter Agreement is open for acceptance until 12:00 p.m. on April 14, 2021, after which date it will be null and void, unless extended by the Bank in its discretion.

Yours very truly,

ROYAL BANK OF CANADA

Per: 

Name: John H. Lee
Title: Director, Special Loans and Advisory Services

We acknowledge and accept the terms and conditions of this Agreement on this day of April, 2021.

NATURAL MEDCO LTD.

Per:
Name:
Title:
I/We have Authority to Bind the
Corporation

EVE & CO INCORPORATED

Per:
Name:
Title:
I/We have Authority to Bind the
Corporation

This is **Exhibit “Q”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Royal Bank of Canada
Special Loans & Advisory Services
20 King Street West, 2nd Floor,
Toronto, ON, M5H 1C4

May 13, 2021

Sent Via Electronic Mail - rorry@evecannabis.ca and melinda@evecannabis.ca

Private and Confidential
Natural Medco Ltd.
2941 Napperton Drive
Strathroy, Ontario

Dear Sirs and Mesdames:

Re: Natural Medco Ltd. (the "Borrower") - Credit Facilities with Royal Bank of Canada (the "Bank")

We refer to the Loan Agreement dated June 11, 2020 (the "**Loan Agreement**").

This follows the Bank's letter of April 9, 2021. Pursuant to the April 9, 2021 letter, certain amendments were made to the Loan Agreement. The Bank does confirm that ongoing payments on Facility # 1 are required to be made under the Loan Agreement as follows:

Date of Borrowing: December 31, 2019
Amount of Borrowing: \$18,700,000.00
Amortization (in months): 216
Term (Borrowing repayable in full on the last day of the Term): 5 years, December 31, 2014
Payment Amount: \$130,955.63
Payment Frequency: monthly
Selected Interest Rate (per annum): RBP plus 1.00%
Selected Payment Type: Blended (Principal and Interest). If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization

We also refer to the Bank's letter of March 13, 2020, wherein the Bank detailed the Borrower's default with respect to the Debt Service Coverage, at that time.

Pursuant to the March 13, 2020 letter the Borrower was provided to April 30, 2021 to cure the Debt Service Coverage Default for period ending December 31, 2019 of actual -2.42:1 (based on draft 2019 financial statements) versus required of 1.25:1. The Bank confirms that the Debt Service Coverage Default for period ending December 31, 2019 based on audited 2019 financial statements was in fact -5.15:1.

The Bank's recent review has confirmed:

- a) That the Borrower's Debt Service Coverage Default for period ending December 31, 2019 was not cured by April 30, 2021;
- b) That the Borrower's Debt Service Coverage for period ending December 31, 2020 is -4.91:1 versus required of 1.25:1, and as such is in default.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with these defaults and any and all breaches, defaults or Events of Default now existing or hereafter arising under the Loan Agreement, the letter dated April 9, 2021 or any other agreement delivered to the Bank, and whether known or unknown, and this letter shall not be construed as a waiver of any of the default, breach, or Event of Default.

Further, we confirm the continued engagement of BDO Canada Limited ("**BDO**") as a financial advisor pursuant the terms as set out in an engagement letter dated March 23, 2021, which terms were accepted and agreed to by the Borrower (the "**Engagement**").

As has been communicated to the Borrower by the Bank and BDO, the Bank has concerns as to the Borrower's reporting under the terms of the Engagement. Specifically, the Borrower's reporting has at times not been fulsome and accurate. We confirm the Borrower's undertaking to improve its communication and the veracity of all reporting to BDO, and its agreement to fully cooperate with BDO and meet all terms of the Engagement.

Finally, the Bank does have continuing concerns with respect to the Borrower's cash flow, and the Borrower's failure to meet its cash flow projections previously provided to the Bank. Additionally, the substantial arrears owing by the Borrower to Hydro One Networks Inc. and Enbridge Gas Inc. place the Borrower's continued operations at risk should either critical supplier terminate service.

The Bank does continue to reserve all rights.

Yours very truly,

ROYAL BANK OF CANADA

Per:

A handwritten signature in blue ink, appearing to read 'J. Lee', is written over the printed name 'John H. Lee'.

Name: John H. Lee

Title: Director, Special Loans and Advisory Services

This is **Exhibit “R”** to the
Affidavit of **MELINDA ROMBOUTS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Royal Bank of Canada
Special Loans & Advisory Services
20 King Street West, 2nd Floor,
Toronto, ON, M5H 1C4

August 4, 2021

Sent Via Electronic Mail - rorry@evecannabis.ca and melinda@evecannabis.ca

Private and Confidential
Natural Medco Ltd.
2941 Napperton Drive
Strathroy, Ontario

Dear Sirs and Mesdames:

Re: Natural Medco Ltd. (the "Borrower") - Credit Facilities with Royal Bank of Canada (the "Bank")

We refer to the Loan Agreement dated June 11, 2020 (the "**Loan Agreement**").

This follows the Bank's letter of April 9, 2021 and May 13, 2021.

We confirm the continued engagement of BDO Canada Limited ("**BDO**") as a financial advisor pursuant the terms as set out in an engagement letter dated March 23, 2021, which terms were accepted and agreed to by the Borrower.

BDO has confirmed that the Borrower has committed further defaults under the Loan Agreement as a result of:

1. arrears with Canada Revenue Agency on account of employee deductions at source in the sum of \$112,175.46 as at July 23, 2021
2. the breach of the Master Factoring Agreement with Capital Now Cannabis

We confirm the Borrower's advice that it has engaged an investment bank to attempt to identify parties who may have an interest in acquiring the Borrower. Further, the Borrower advises that is seeking alternative financing to repay the loan outstanding to the Bank. The Bank confirms that it will require payment of all indebtedness, including costs and interest, through any acquisition transaction or refinancing.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with these defaults and any and all breaches, defaults or Events of Default now existing or hereafter arising under the Loan Agreement, the letters dated April 9, 2021 and May 13, 2021 or any other agreement delivered to the Bank, and whether known or unknown, and this letter shall not be construed as a waiver of any of the default, breach, or Event of Default.

Finally, the Bank has continuing and increased concerns with respect to the Borrower's deteriorating cash flow, the substantial arrears owing by the Borrower to Hydro One Networks Inc. and the ability of the Borrower to meet the payment terms reached with Hydro One Networks Inc. under the litigation settlement reached, arrears with Enbridge Gas Inc. and increasing arrears with all payables. The Bank's concerns as to the Borrower's growing payables continues, noting that Borrower continues to be in arrears on account to Canada Revenue Agency on account for HST and employee deductions at source.

The Bank does continue to reserve all rights, including taking steps to demand payment and enforce security held.

Yours very truly,

ROYAL BANK OF CANADA

Per:

A handwritten signature in blue ink, appearing to read 'John H. Lee'.

Name: John H. Lee

Title: Director, Special Loans and Advisory Services

This is **Exhibit “S”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.



Royal Bank of Canada
Special Loans & Advisory Services
20 King Street West, 2nd Floor,
Toronto, ON, M5H 1C4

November 12, 2021

Sent Via Electronic Mail melinda@evecannabis.ca

Private and Confidential

Natural Medco Ltd.
2941 Napperton Drive
Strathroy, Ontario

Dear Madame:

Re: Natural Medco Ltd. (the "Borrower") - Credit Facilities with Royal Bank of Canada (the "Bank")

We refer to the Loan Agreement dated June 11, 2020 (the "**Loan Agreement**").

This follows the Bank's letters of April 9, 2021, May 13, 2021 and August 4, 2021.

We confirm the continued engagement of BDO Canada Limited ("**BDO**") as a financial advisor pursuant the terms as set out in an engagement letter dated March 23, 2021, which terms were accepted and agreed to by the Borrower.

BDO has confirmed that the Borrower continues to be in default under the Loan Agreement as a result of defaults, including but not limited to the following:

1. Increased arrears with Canada Revenue Agency ("**CRA**") on account of employee deductions at source in the sum of now in the sum of \$140,410 as at November 4, 2021 (increased from \$112,175.46 as at July 23, 2021)
2. The continuing arrears owing to CRA on account of HST in the sum of \$213,478 as at November 4, 2021
3. the breach of the Master Factoring Agreement with Capital Now Cannabis, with obligations due to Capital Now Cannabis estimated to be in the sum of \$355,000.

The Bank continues to reserve all of its rights and remedies at any time and from time to time in connection with these defaults and any and all breaches, defaults or Events of Default now existing or hereafter arising under the Loan Agreement, the letters dated April 9, 2021, May 13, 2021 and August 4, 2021 or any other agreement delivered to the Bank, and whether known or unknown, and this letter shall not be construed as a waiver of any of the default, breach, or Event of Default.

The Bank's substantial concerns with respect to the Borrower's deteriorating cash flow continue.

The Borrower continues to owe substantial sums to its critical suppliers Hydro One Networks Inc. (in the amount of \$300,144 as at November 4, 2021) and Enbridge Gas Inc. (in the amount of \$193,891 as at November 4, 2021). Noting an arrangement is in place with Hydro One Networks Inc., the sums due on accounts place the Borrower's continued operations at risk.

Further, BDO has confirmed that Borrower arrears on account to CRA for Excise Tax have grown significantly to \$1,424,133 as at November 4, 2021. This substantial sum of arrears continues to grow over time and is not being addressed by the Borrower.

The Bank does continue to reserve all rights, including taking steps to demand payment and enforce security held.

Yours very truly,

A handwritten signature in blue ink, appearing to read "J. Lee", written in a cursive style.

ROYAL BANK OF CANADA

Per:

Name: John H. Lee

Title: Director, Special Loans and Advisory Services

This is **Exhibit "T"** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

THIS AGREEMENT made as of the 22nd day of March, 2022

AMONG:

ROYAL BANK OF CANADA
20 King Street West, 2nd Floor,
Toronto, ON, Canada, M5H 1C4

(hereinafter called the “Bank”)

OF THE FIRST PART

-and-

NATURAL MEDCO LTD.
2941 Napperton Drive
Strathroy, Ontario N7G 3H8

(hereinafter called the “Borrower”)

OF THE SECOND PART

-and-

EVE & CO INCORPORATED
2941 Napperton Drive
Strathroy, Ontario N7G 3H8

(hereinafter called the “Guarantor”)

OF THE THIRD PART

RECITALS

- A. The Bank has made certain Credit Facilities available to the Borrower as more particularly described in this Agreement;
- B. The Borrower operates as a licensed grower and processor of cannabis from owned premises municipally known as 2941 Napperton Drive, Strathroy, Ontario, and legally described as PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE METCALFE (PIN 08584-0141 LT) (the “**Real Property**”);
- C. The Guarantor is an Ontario corporation, and the sole shareholder of the Borrower, and is a TSX-V listed company under the symbol ‘EVE’;
- D. The Borrower is in default of the terms of the Credit Facilities as a result of, *inter alia*:
 - a. The Borrower is insolvent;

- 2 -

- b. The Borrower has failed to make the monthly payment on the Term Loan (as defined at Schedule "A") for the month of March, 2022, and is in arrears in the amount of \$285,145.64 as at March 22, 2022, inclusive of counsel to the Bank's billed legal fees to March 22, 2022 and the billed fees of BDO (as defined below) to March 11, 2022 (the "**Bank Arrears**");
- c. Failure to maintain the debt service coverage ratio required under the Letter Agreement (as defined in Schedule "A" hereto);
- d. Failure to fulfil all reporting requirements under the Letter Agreement;
- e. The Borrower was in substantial arrears of payment to Hydro One Networks Inc. which have now been cleared, and to Enbridge Gas Inc., which amount to \$346,360.00 as at March 3, 2022;
- f. The Borrower owes arrears of property tax to the Township of Adelaide-Metcalf in relation to the Real Property (the "**Property Tax Arrears**") in the sum of \$421,008.80 as at March 17, 2022;
- g. Breach of the Borrower's Master Factoring Agreement with Capital Now Cannabis, with obligations due to Capital Now Cannabis thereunder estimated to be in the sum of \$160,622.00 as at March 3, 2022;
- h. The Borrower owes substantial arrears to the Canada Revenue Agency, as follows:
 - i. Arrears of HST totalling \$281,397 as at March 3, 2022;
 - ii. Arrears of Excise Duties totalling \$1,434,051 as at March 3, 2022; and
 - iii. Arrears of employee deductions at source totalling \$166,132 as at March 3, 2022;(collectively, the "**CRA Arrears**" and together with the Property Tax Arrears, the "**Priority Arrears**")

(collectively, the "**Defaults**");

- E. The Defaults were set out in, *inter alia*, certain default letters sent by the Bank to the Borrower dated April 9, 2021, May 13, 2021, August 4, 2021, and November 12, 2021 (collectively, the “**Default Letters**”);
- F. Pursuant to the Default Letters, the Bank did engage BDO Canada Limited (“**BDO**”) in the capacity of financial advisor pursuant to the terms of an engagement letter dated March 23, 2021. BDO’s engagement as advisor to the Bank is now terminated;
- G. As a result of the Defaults, and concurrent with this Agreement, the Bank is issuing a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”) and a Notice of Intent by Secured Creditor pursuant to section 21 of the Farm Debt Mediation Act (“**FDMA**”) to the Borrower, and a demand for payment to the Guarantor (collectively, the “**Demands**”);
- H. The Borrower has advised the Bank that the Borrower and Guarantor intend to make an application for an Initial Order, in the standard form (an “**Initial CCAA Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C.36 (as amended, the “**CCAA**” and the “**CCAA Proceedings**”) in the Ontario Superior Court of Justice – Commercial List (the “**Court**”), seeking, *inter alia*: (i) the imposition of a stay of proceedings (the “**Initial Stay**”); (ii) the appointment of BDO as Monitor (in such capacity, the “**Monitor**”); (iii) the authority to, subject to further Court Order, file a plan of compromise or arrangement (collectively, a “**Plan**”); (iv) a charge in relation to the fees and costs of the Monitor, and of counsel for each of the Borrower/Guarantor and the Monitor, in the initial amount of \$150,000 (the “**Administration Charge**”); (v) a charge in relation to the indemnity provided to the directors and officers of the Borrower and the Guarantor against obligations and liabilities they may incur after the commencement of the CCAA Proceedings in the initial amount of \$150,000 (the “**Directors’ Charge**”); and (vi) a charge in relation to the DIP Loan (as defined herein) in an initial amount of \$1,200,000 (the “**DIP Charge**”, collectively with the Administration Charge, the “**Court Order Encumbrances**”);
- I. The Court Order Encumbrances shall stand in priority to the Bank’s Security pursuant to the terms of the Initial CCAA Order and the CCAA Order, and the Directors’ Charge shall not stand in priority to the Bank’s Security;
- J. In the event that the Initial CCAA Order is granted, and prior to the expiry of the Initial Stay, the Borrower and Guarantor will seek an Amended and Restated Initial Order within

the CCAA Proceedings (the “**CCAA Order**”) seeking, in addition to the relief set out in the Initial CCAA Order: (i) an extension of the Initial Stay; (ii) approval of the SISP (as defined herein); (iii) an increase in the Administration Charge to \$500,000; (iv) an increase in the Directors’ Charge to \$500,000; and (v) an increase in the DIP Charge to \$2,200,000.00;

- K. The Borrower/Guarantor have entered into a debtor-in-possession term sheet dated March 22 , 2022 (the “**DIP Term Sheet**”) pursuant to which Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, the “**DIP Lender**”) have agreed to provide interim financing to the Borrower and the Guarantor in the maximum principal amount of \$2,200,000(the “**DIP Loan**”);
- L. The Borrower and BDO, as proposed Monitor, have provided the Bank with cash flow projections approved by BDO, as proposed Monitor up to the Termination Date, that the Borrower/Guarantor will file with the Court in the CCAA Proceedings and seek approval of pursuant to orders under the CCAA Proceedings (the “**CCAA Cash Flows**”);
- M. The Borrower and the Guarantor intend to conduct a Court-supervised sales and investment solicitation process within the CCAA Proceedings (the “**SISP**”), which will include the solicitation of, *inter alia*: (i) offers to purchase all or part of the Real Property; (ii) investment offers involving the sale, transfer, conversion or other dealings with the shares of the Borrower and/or the Guarantor; and (iii) debt investments from one or more lenders;
- N. The Borrower and the Guarantor have requested that the Bank forbear from taking action on the Security (as defined in Schedule “B” to this Agreement) and the Bank, the Borrower and the Guarantor have agreed to enter into this Agreement for the purposes of allowing the Borrower time to complete the CCAA Proceedings, including the SISP, and to pay the Indebtedness (as defined below) in full by the Termination Date.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. RECITALS

The parties agree and acknowledge that the recitals contained herein are true.

2. DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

- a) **“Agreement”** or **“this Agreement”** means this Agreement;
- b) **“Credit Facilities”** means the Credit Facilities advanced to the Borrower by the Bank, as more particularly described in Schedule “A”;
- c) **“Priority Claims”** means deemed trusts and other claims ranking in priority to the Bank’s Security including, without limitation, charges under the BIA, utilities, realty taxes, GST, HST, PST, employee remittances and Workers’ Compensation;
- d) **“Security”** or **“Bank’s Security”** means all security currently held by the Bank, together with such additional security, as may be granted by the Borrower or the Guarantor, in support of the repayment of the Indebtedness as more particularly set out in Schedule “B”;
- e) **“Termination Date”** means September 15, 2022;
- f) **“Without Consent”** means without the prior written consent of the Bank.

3. INDEBTEDNESS

- a) As of March 22, 2022, the Indebtedness owing to the Bank by the Borrower pursuant to the Credit Facilities was **\$17,596,780.18** plus accrued interest as more particularly described in Schedule “C” to this Agreement.
- b) The above amount at 3 (a), plus accrued interest thereon, all of the Bank’s reasonable legal fees on a solicitor and own client basis and other professional costs, including those of BDO as advisor to the Bank prior to its role as Monitor, and all other amounts properly payable pursuant to the Credit Facilities, the Security and this Agreement including all banking fees, all accrued and unpaid legal fees and forbearance fees, are in total referred to as the **“Indebtedness”**.

4. TERM OF AGREEMENT

Subject to the terms of this Agreement, the Bank shall grant the Borrower the period of forbearance beginning on the date hereof and ending on the Termination Date (the "**Forbearance Period**"), to allow the Borrower time to complete the CCAA Proceedings, including the SISP, and to pay the Indebtedness in full.

5. ACKNOWLEDGEMENTS

The Borrower and the Guarantor hereby acknowledge and agree:

- a) That the Indebtedness as detailed herein is owing to the Bank by the Borrower, and is not disputed, and the Borrower makes no claim of set-off in any way against the Indebtedness;
- b) That the Letter Agreement is valid and binding on the Borrower and, where applicable, the Guarantor;
- c) Subject to the terms of this Agreement, that the Bank is and shall be an unaffected creditor in the CCAA Proceedings, and neither the Borrower nor the Guarantor shall take the position that the Bank is so affected by the CCAA Proceedings;
- d) The Borrower's and Guarantor's record before the Court in support of the Initial CCAA Order and the CCAA Order (and any amendments thereto) shall disclose to the Court this Agreement and include a term or terms incorporating this Agreement by reference and approving, ratifying and confirming same;
- e) That the Credit Facilities and the Security, including the Mortgage (as defined in Schedule "B" to this Agreement), and the Guarantee (as defined in Schedule "B" to this Agreement), are valid and binding and shall continue to be enforceable in accordance with the terms thereof, subject to this Agreement, and the Borrower and/or Guarantor shall execute such documents as are required by the Bank to confirm and acknowledge that the Security is valid and binding;
- f) That the Borrower, the Guarantor, their assigns, employees and any party able to claim through the same, each agree that they have no claim for set-off, counterclaim or damages to the present time on any basis whatsoever against the Bank, its officers, directors, employees, solicitors and agents (the "**Releasees**") in respect of this Agreement, the

CCAA Proceedings, or in any dealings with the Borrower and Guarantor including, without limitation, any action taken by the Bank in dealing with the Credit Facilities, or with the administration of any accounts held with the Bank by the Borrower, the Security and if there are any existing claims known or unknown, they are hereby expressly released and discharged by this Agreement;

- g) The Defaults are valid and the Bank is in a position to issue the Demands, and the time provided therein was reasonable. The Borrower and Guarantor hereby waive all statutory notice periods under the BIA. The Bank does not, by this Agreement, waive its rights, and the Indebtedness remains owing in full;
- h) Subject to the terms of this Agreement, the Bank may enforce its Security and pursue all remedies with respect to the Indebtedness as it may deem appropriate, and by the entering into of this Agreement, the Bank is not estopped from taking any steps it deems necessary in its sole and absolute discretion to enforce the Security and to terminate this Agreement;
- i) That to the date hereof, the Bank has acted in a commercially reasonable manner and the Borrower and, where applicable, the Guarantor are estopped from disputing same;
- j) Except as provided in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the Indebtedness, or in relation to the Bank as an unaffected creditor under the CCAA Proceedings; and,
- k) To the extent that the Bank accepts any payments or makes any advances of funds or credit available to the Borrower during the Forbearance Period, such payments accepted or advances of funds shall not constitute a waiver of any pre-existing default, maturity of loans, or any additional defaults of the Borrower or of the Bank's rights following the expiry of the Demands.
- l) Subject to the terms of this Agreement, the Bank's rights as secured creditor of the Borrower are not affected by the CCAA Proceedings.

6. FORBEARANCE FEE

A forbearance fee of \$125,000.00 shall be due upon the execution of this Agreement, and payable on the earlier of the payment of the Indebtedness in full, or the Termination Date.

7. NON-MANAGERIAL RESPONSIBILITY

The Borrower acknowledges that the Bank shall not have control over any of the operations or affairs of the Borrower and shall not take part in the management of the Borrower's affairs, including the approval of any transactions except as hereinafter qualified. Without limiting the generality of the foregoing, neither the Bank nor its agents shall be entitled to approve or execute agreements, sign cheques, or otherwise sign on bank accounts or interfere with the efficient and proper day-to-day conduct of the business and affairs of the Borrower.

8. NO PROTECTION WITHOUT CONSENT

The Borrower covenants and agrees that it will not, Without Consent, make any filing or seek any protection (including a stay of proceedings) or seek any stay pursuant to the BIA or the FDMA (a "**Filing**"), and that any Filing, including but not limited to the CCAA Proceedings, made in respect of any of the Borrower and/or the Guarantor will contain the following provisions, which are acknowledged and agreed to by the Borrower and Guarantor:

- i) the terms of this Agreement will continue to bind the parties to this Agreement;
- ii) Subject to the terms of this Agreement, the Bank will not be affected by any stay or other order in such proceedings;
- iii) the Bank will be an unaffected creditor in any plan or proposal, including any plan under the CCAA Proceedings, unless the Bank consents to be treated otherwise;
- iv) Subject to the terms of this Agreement, the Borrower irrevocably consents to the variation of any stay or order in such proceedings which would purport to affect the Bank, including the stay of proceedings under the CCAA Proceedings; and
- v) Without Consent, the Borrower will not make or support any application which would have the effect of:
 - (1) creating any charge ranking in priority to the Security or in priority to any other rights of the Bank (other than the Court Order Encumbrances); or
 - (2) altering or varying the rights of the Bank under the terms of the Credit Facilities, the Security or this Agreement.
- vi) For clarity, and subject to the terms of this Agreement, for the purposes of the CCAA Proceedings, the Bank shall be treated as an unaffected creditor in the CCAA Proceedings, and shall be treated as a secured creditor for all of the Borrower's obligations, with no change to its priority position subject only to the Court Order

Encumbrances, which Court Order Encumbrances shall not be obtained Without Consent.

9. CONFLICT WITH THE CREDIT FACILITIES

In the event of a conflict between this Agreement and the Credit Facilities, this Agreement shall prevail, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Bank under the Credit Facilities or this Agreement other than as may be specifically contemplated herein.

10. POSITIVE COVENANTS OF THE BORROWER

The Borrower, and where applicable the Guarantor, agree and covenant that they shall, to the satisfaction of the Bank in its sole discretion:

- a) Maintain all the assets and equipment of the Borrower in a good state of repair;
- b) With the sole exception of the current Priority Arrears, keep all post-Initial CCAA Order Priority Claims current, and provide to the Bank evidence that all such accounts are current, as requested by the Bank;
- c) Maintain all fire, liability, and property insurance with respect to the assets forming the Bank's Security on terms and amounts satisfactory to the Bank naming the Bank as Loss Payee and provide evidence of same as requested by the Bank;
- d) Keep property taxes and other amounts owing in relation to the Real Property current, and shall maintain all fire, liability, and property insurance with respect to the Real Property, naming the Bank as Loss Payee and provide evidence of same as requested by the Bank;
- e) Ensure that the Initial CCAA Order, the CCAA Order, and any other order(s) obtained by the Borrower/Guarantor in the CCAA Proceedings shall provide for the Court Order Encumbrances' priority over the Bank Security, and shall also provide that the Directors' Charge does not have priority over the Bank's Security;
- f) Keep current all payments of principal and interest to the Bank under the Credit Facilities during the term of this Agreement;
- g) Pay the Bank Arrears from the proceeds of the DIP Loan, within two (2) days of the issuance of the Initial CCAA Order;

- h) The CCAA Order shall approve the SISP, and the Borrower and the Guarantor shall meet the following milestones in connection with the SISP:
- i) On or before April 5, 2022, the Court shall have granted the CCAA Order, which shall include the approval of the SISP;
 - ii) April 29, 2022: completion of a Confidential Information Memorandum (“CIM”);
 - iii) May 6, 2022: distribution of the CIM;
 - iv) July 15, 2022: requirement for all parties to complete due diligence;
 - v) July 29, 2022: offers to be received by the Borrower;
 - vi) On or before August 15, 2022, the Borrower and the Guarantor shall have received binding offers from potential purchasers and investors participating in the SISP; and
 - vii) On or before the Termination Date, the Borrower and the Guarantor shall have closed the transaction resulting from the SISP;
- (collectively, the “**SISP Milestones**”);
- i) The Borrower and Guarantor shall meet the following milestones in the CCAA Proceedings:
- i) On or before March 25, 2022, the Court shall have granted the Initial CCAA Order;
 - ii) On or before April 5, 2022, the Court shall have granted the CCAA Order; and
 - iii) On or before the Termination Date, the Borrower shall have received Court approval of a Plan within the CCAA Proceedings, or shall have closed the transaction resulting from the SISP, in either case, including a term authorizing or confirming the payment in full of the Indebtedness on or before the Termination Date;
- (collectively, the “**CCAA Milestones**”)
- j) The Borrower and/or Guarantor agree that, regarding the SISP and/or the Plan:

- i) It shall provide full details of all offers made thereunder to the Bank prior to the acceptance of same;
 - ii) That with respect to any agreement(s) entered into by the Borrower and/or Guarantor pursuant to the SISP or otherwise, that the ultimate aggregate purchase price or transaction proceeds and allocation of same, taking into account and following the satisfaction in full of the Court Order Encumbrances and any Priority Claims, will be in a sum sufficient to pay in full the Indebtedness owed to the Bank; and,
 - iii) That no transaction entered into pursuant to the SISP shall be accepted and Court Approval sought with respect to same Without Consent of the Bank to such transaction;
- k) Provide to the Bank during the term of this Agreement Monitor-reviewed cash flow projections, on a weekly basis, commencing on April 1, 2022 and continuing on the fifth business day of each week thereafter until the Termination Date, with details of any material variances from the cash flow projections from the previous week (the “**Bank Cash Flow Reporting**”);
- l) The Borrower and the Guarantor will reimburse the Bank for all expenses that the Bank has incurred or will incur arising out of its dealings with the Borrower and with the preparation of this Agreement and in the protection, preservation and enforcement of the Security, including all legal fees of the Bank on a solicitor and own client basis, the fees of BDO as Bank advisor and all other fees in relation to the Borrower in general and this Agreement. The Borrower and the Guarantor specifically waive any and all rights they may have to assess any of the legal or agents’ fees previously paid or paid in the future by the Bank, or any agent, whether such right arises pursuant the *Solicitor’s Act* (Ontario) or any other law or statute. In this regard, the Borrower and the Guarantor acknowledge and agree that they fully indemnify the Bank for all expenses detailed herein; and
- m) The Borrower and the Guarantor will pay the Indebtedness in full by the Termination Date.

11. NEGATIVE COVENANTS OF THE BORROWER

The Borrower, and where applicable the Guarantor, agree and covenant that they shall not, Without Consent of the Bank:

- a) Declare or pay any payment to any person who does not deal with the Borrower at arm's length (as such term is defined in the *Income Tax Act* (Canada)) except for salaries, contracts, and repayment of loans presently in place;
- b) Seek Court approval of the Court Order Encumbrances;
- c) Agree to any amendment to the DIP Loan or enter into any agreements in connection with the DIP Loan;

Cash Flow

- d) Make any payments or create, incur, assume, permit to exist or otherwise become liable with respect to any indebtedness to third parties, other than: (i) the indebtedness existing as of the date of this Agreement and disclosed to the Bank in writing; (ii) the Indebtedness owing hereunder to the Bank; (iii) post-filing trade payables or other post filing unsecured obligations incurred in the ordinary course of business in accordance with the CCAA Cash Flow and the Bank Cash Flow Reporting; or (iv) indebtedness expressly provided or permitted in the CCAA Cash Flow and the Bank Cash Flow Reporting;
- e) Make any payment of principal, interest or other amounts on account of any pre-filing debt other than as required or permitted in the CCAA Cash Flow and the Bank Cash Flow Reporting, provided that the Borrower shall be permitted to pay the professional fees and expenses of the Bank in its capacity as holder of pre-filing Indebtedness;
- f) Amend, replace or modify the CCAA Cash Flow and the Bank Cash Flow Reporting, and shall not make expenditures in excess as budgeted therein;
- g) Make or give any financial assurances, in the form of bonds, letters of credit, financial guarantees or otherwise to any person or governmental authority;
- h) Create, incur, assume or permit to exist any encumbrance on any property or assets now owned or hereafter acquired by it (other than the Court Order Encumbrances);
- i) Merge into, amalgamate or consolidate with any other person or engage in any business other than business of the type conducted by the Borrower on the date hereof and business reasonably related thereto;
- j) Make any advance, loan, extension of credit (by way of guarantee or otherwise) or capital contribution to, or purchase, hold or acquire any equity interests, bonds, notes, debentures

or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any person, other than as reflected in all budgets and cash flow projections approved by the Monitor;

- k) Enter into any arrangement with any person whereby the Borrower shall sell or otherwise transfer any property owned by the Borrower to either:
 - i) such person and thereafter rent or lease such property from such person; or
 - ii) any other person to whom funds have been or are to be advanced by such person on the security of such property or rental obligations of the Borrower;
- l) Sell, lease, assign, transfer or otherwise dispose of any of its assets or property, whether now owned or hereafter acquired, except for: (i) in the ordinary course of business; (ii) dispositions expressly provided or permitted in the CCAA Cash Flow; (iii) dispositions of obsolete or worn out equipment or assets consistent with past practice; or (iv) dispositions resulting from the SISF;
- m) Make: (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); (ii) a retirement, redemption, purchase, or repayment of equity securities; or (iii) any payment on account of indebtedness (including any payment of principal, interest, fees or any other payment thereon), in each case, except amounts authorized by the CCAA Cash Flow;
- n) Enter into, renew, amend, modify or assume any employment, consulting, management, service or analogous agreement or arrangement with any director, senior or executive officer or senior management of the Borrower, or make any payment to any such person in respect of any bonus, change of control payment or severance package of any kind whatsoever other than: (i) as consented to by the Monitor and approved by the Court on prior notice to the Bank; or, (ii) as consented to by the Bank, acting reasonably;
- o) Enter into or be a party to any transaction including any purchase, sale, lease, license or exchange of property, the rendering of any service or the payment of any management, advisory or similar fee, with any person who is not at arm's length, other than: (i) as consented to by the Monitor, and approved by the Court on prior notice to the Bank and Without Consent.

- p) Obtain, apply for, or consent to, any new order, or amendment or modification to an existing order affecting the Bank, issued in the CCAA Proceedings, Without Consent, including, without limitation:
 - i) The Initial CCAA Order, the CCAA Order and any other order(s) obtained by the Borrower/Guarantor in the CCAA Proceedings;
- q) Seek or apply to stay, reverse, appeal, vacate, discharge, terminate or amend the Initial CCAA Order or the Monitor's role as monitor thereunder, Without Consent.

12. BANK'S RIGHTS

It is understood and agreed that nothing contained in this Agreement and no negotiations, correspondence or discussions among the parties hereto, shall prejudice, affect or waive any of the Bank's rights under the terms of the Credit Facilities or the Security, except as those rights may have been modified by this Agreement.

13. AFFIRMATION BY GUARANTOR

- a) The Guarantor hereby ratifies the covenants contained in the Guarantee provided, and hereby confirms to the Bank that the Guarantee (as defined in Schedule "B" to this Agreement) is and remains good, valid and binding upon and enforceable against it.
- b) It is further understood and agreed that nothing contained in this Agreement and no negotiations or discussions among the parties hereto shall prejudice the right of the Bank to pursue its remedies against the Guarantor except as those rights may have been modified in this Agreement.

14. PRIORITY

Save and except for the Court Order Encumbrances, obtained with the consent of the Bank, the Borrower and the Guarantor hereby agree that any and all charges to be granted to any party through the CCAA Proceedings shall not take priority over the Security.

15. EVENTS OF DEFAULT

The Borrower shall be in default of this Agreement upon the happening of any of the following Events of Default:

- a) The Borrower fails to make any payment due to the Bank under the Credit Facilities and/or this Agreement in a timely manner;
- b) The Borrower is in breach of any terms of this Agreement, or any further breach of the Credit Facilities or any other agreement with the Bank, including, without limitation, the Security (save and except for the Defaults);
- c) The Borrower and/or Guarantor fail to meet the CCAA Milestones and/or the SISF Milestones;
- d) The Borrower and Guarantor and Eve & Co International Holdings default under the DIP Term Sheet;
- e) The Borrower and/or Guarantor applies for, or consents to, any new order, or amendment or modification to an existing order affecting the Bank, issued in the CCAA Proceedings, Without Consent;
- f) if the Borrower defaults in the observance of the CCAA Initial Order, or any subsequent Court orders issued under the CCAA Proceedings;
- g) The failure to obtain the Initial CCAA Initial Order, the CCAA Order, or the issuance of a Court order lifting or terminating the stay of proceedings in the CCAA Proceedings, including through any appeal process, or discontinuing, dismissing, or otherwise terminating the CCAA Proceeding, Without Consent;
- h) The Monitor concludes that there is a material adverse change in the CCAA Cash Flows;
- i) If, for any reason whatsoever, a creditor of the Borrower holding security in priority or subordinate to the Security commences to enforce its security, or if any creditor of the Borrower should obtain a judgment and/or a lien as against the Borrower or its property;
- j) There is, in the opinion of the Bank, acting reasonably, a material deterioration in the Security or the ability of the Bank to maximize the recovery of the Indebtedness;
- k) The Borrower makes a Filing under the BIA or the FDMA; and
- l) The Borrower fails to pay the Indebtedness by the Termination Date.

16. ENFORCEMENT

From and after the occurrence of an Event of Default, the Bank may proceed to enforce its Security and to pursue the Borrower and the Guarantor for payment of the entire Indebtedness at any time and, accordingly, the Borrower and the Guarantor hereby consent to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the entire Indebtedness and enforce its Security and the terms of this Agreement, and to take all further necessary and lawful steps, and accordingly:

- i) The Borrower, and where applicable, the Guarantor, consent to the Bank taking such steps as the Bank deems reasonably necessary, in its discretion, to collect the Indebtedness and enforce its Security and the terms of this Agreement including, without limitation, the appointment of a receiver as against or over the Real Property;
- ii) The Borrower hereby consents to the appointment of any such receiver, in the form set out at Schedule "D" hereto (the "**Consent to Appointment**"), consenting to the immediate private or court appointment of an interim receiver, receiver or receiver and manager of and over the Real Property, which Consent to Appointment shall be held in escrow by the Bank's counsel, Harrison Pensa LLP, and used on an Event of Default, or following the Termination Date. If required, the Borrower consents to any Order typically sought, and as may be required under the CCAA Proceedings, to permit the Bank to lift the stay under the CCAA Proceedings to permit it to enforce its Security.

The Consent to Appointment is valid and binding upon its provision by the Borrower to the Bank, and not subject to any conditions precedent.

17. EXTENSION OF AGREEMENT OR PAYMENT IN FULL

The Bank, in its sole discretion, may extend the Forbearance Period on terms acceptable to it.

18. PREVIOUS AGREEMENTS

This Agreement replaces all previous agreements between the Borrower and the Bank, save and except the Credit Facilities.

19. NON-WAIVER

No delay on the part of the Bank in exercising any remedy or any waiver of the rights given to it hereunder or any of the Bank's Security shall operate as a waiver thereof except if such waiver is specifically given in writing by the Bank, and no forbearance on the part of the Bank with respect to any event of default shall be deemed to be of any waiver by the Bank of that event of default or any other subsequent or similar event of default.

20. TIME OF THE ESSENCE

Time is of the essence in this Agreement, but a forbearance by the Bank in the strict application of this provision shall not operate as a continuing or subsequent forbearance.

21. CONFLICT

Except as explicitly amended by this Agreement, the terms and provisions of the Credit Facilities, and the Bank's Security shall remain in full force and effect and no statement, representation, warranty, undertaking or agreement is enforceable unless in writing signed by the party against who it is asserted or his or her authorized agent. In the event of a conflict between the terms and provisions of same and this Agreement, the terms and provisions of this Agreement shall govern.

22. FURTHER ASSURANCES

The Borrower shall from time to time and at all times hereafter, at every reasonable request of the Bank, make, do, execute and deliver, or cause to be made, done, executed and delivered, at the sole cost and expense of the Borrower, all such further acts, deeds and assurances and things as may be necessary or desirable in the opinion of the Bank for more effectually implementing the true intent and meaning of this Agreement.

23. NOTICE

Any notice, demand, approval, consent, waiver or other communication ("**Notice**") to be given by one party to another under this Agreement, shall be in writing and shall be sufficiently given if delivered personally, forwarded by registered mail or transmitted by facsimile transmission to such party as follows:

In the case of the Borrower and the Guarantor:

To the addresses as provided in this Agreement.

With a copy to:

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Attention: Larry Ellis
Via E-Mail: lellis@millerthomson.com

In the case of the Bank to:

Royal Bank of Canada
20 King Street West, 2nd Floor,
Toronto, ON, Canada, M5H 1C4
Attention: Gary Ivany
Via E-Mail: gary.ivany@rbc.com

With a copy to:

Harrison Pensa ^{LLP}
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237,
London, Ontario N6A 4K3
Attention: Tim Hogan
Via e-mail: thogan@harrisonpensa.com

or to such other address or fax number as may be designated by Notice given as aforesaid to the other party by the party to whom Notice is to be given. Any Notice delivered and received as aforesaid shall be deemed to have been given and received on the first business day following the date of personal delivery, the forwarding by registered mail, or facsimile transmission, as the case may be.

24. SUCCESSORS AND ASSIGNS

The Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, administrators, executors or permitted assigns.

25. UNENFORCEABILITY

The invalidity, illegality or unenforceability, for any reason, of any term or provision of this Agreement, shall not in any manner invalidate any other term or provision hereof; the same shall be deemed to have been severed herefrom so that the validity, legality and enforceability

of the remaining terms and provisions hereof shall not be affected, prejudiced or impaired thereby.

26. GOOD FAITH

It is acknowledged by the Borrower that this Agreement was prepared following good faith negotiations, by the Bank and the Borrower.

27. PIPEDA

The Borrower and Guarantor hereby consent to the Bank's release of personal information in relation to the Credit Facilities, without notice to the Borrower and/or the Guarantor and at the Bank's absolute discretion, to any entity having an interest or potential interest in the collateral for its enforcement or collection purposes. The Borrower and Guarantor further agree and acknowledge that such release of personal information by the Bank is lawful and is permitted despite other avenues that may be available to any third party to obtain such personal information and that such release is not a violation of the provisions of the *Personal Information and Electronic Documents Act*, S.C. 2000, c.5, s.7 and is made with the knowledge and consent of the Borrower and Guarantor as is required under this legislation.

28. COUNTERPARTS and FACSIMILE COPIES

This Agreement or any amendment thereto may be executed in counterparts, and if so executed all counterparts when taken together shall comprise one and the same instrument, and facsimile copies or portable document format (PDF) of signatures shall be treated as originals for all purposes.

29. LIMITATION PERIOD

The Obligations of the Borrower and the Guarantor to the Bank are hereby acknowledged and shall be continued to be acknowledged through the term of this Agreement. Any limitation period in relation to the demands to the Borrower or the Guarantor, the Indebtedness, the Credit Facilities and the Security (in accordance with the *Limitations Act, 2002* (Ontario)) is hereby expressly extended to a period of six (6) years from the date of this Agreement.

30. ACKNOWLEDGEMENT BY THE BORROWER

The Borrower hereby confirms and acknowledges that it has no adverse claims whatsoever against the Bank, its agents or professional advisors including, without limitation, their agents, employees consultants and solicitors (including claims for set-off, counterclaim or damages) with respect to its dealings with the Borrower.

31. ACCEPTANCE

This Agreement is open for acceptance until 5:00 pm on March 22, 2022. Should the Borrower not accept this offer by the time indicated, the same shall become null and void and no longer binding on the Bank.

The Borrower covenants and agrees with the Bank that this Agreement is subject to the following conditions, which are for the exclusive benefit of the Bank and may be waived only by the Bank in writing. Each of the following conditions is to be completely fulfilled or performed prior to this Agreement being a binding Agreement on the Bank, unless the Bank waives any of the conditions, and this Agreement shall then be effective:

- The Bank's receipt of a duly authorized and executed copy of this Agreement; and
- Executed Consent to Appointment.

REMAINDER OF THIS PAGE INTENTIONALLY BLANK
SIGNING PAGE FOLLOWS

In witness whereof the parties hereto have executed this Agreement as of the day and year first above written.

ROYAL BANK OF CANADA

Per:  _____

Name: Gary Ivany
Title: Senior Director, Special Loans
& Advisory Services
I have the authority to bind the Bank

NATURAL MEDCO LTD.

Per: _____

I have the authority to bind the Corporation

EVE & CO INCORPORATED

Per: _____

I have the authority to bind the Corporation

- Schedule "A" – Credit Facilities
- Schedule "B" – Security
- Schedule "C" – Indebtedness
- Schedule "D" – Consent to Appointment

In witness whereof the parties hereto have executed this Agreement as of the day and year first above written.

ROYAL BANK OF CANADA

Per: _____

Name: Gary Ivany
Title: Senior Director, Special Loans
& Advisory Services
I have the authority to bind the Bank

NATURAL MEDCO LTD.

Per:  _____

I have the authority to bind the Corporation

EVE & CO INCORPORATED

Per:  _____

I have the authority to bind the Corporation

- Schedule "A" – Credit Facilities
- Schedule "B" – Security
- Schedule "C" – Indebtedness
- Schedule "D" – Consent to Appointment

SCHEDULE "A"
CREDIT FACILITIES

The following Facilities were provided to the Borrower by the Bank, as evidenced by the Letter Agreement dated June 11, 2020 (the "**Letter Agreement**"), as amended by the Default Letters.

1. Facility # 1 – Non-Revolving Term Facility: in the sum of \$18,595,102 (the "**Term Loan**");
2. ~~Facility # 2 – Revolving Lease Line Facility: in the sum of \$18,595,000¹; and,~~
3. Credit Card Facility: with a credit limit of \$25,000. Governed by the Letter Agreement and by an RBC Royal Bank Visa Business Card Agreement dated June 30, 2020.

1 Deleted pursuant to Default Letter dated April 9, 2021.

SCHEDULE "B" SECURITY

As security for the Credit Facilities and for any monies advanced or to be advanced in the future by the Bank to the Borrower, and for all other present and future indebtedness, fees, expenses and other liabilities, direct or indirect, absolute or contingent due by the Borrower to the Bank, including all of the Bank's solicitor and own client legal fees in relation to the enforcement of the Security, and the preparation of this Agreement, the Borrower and the Guarantor, as the case may be, have granted to the Bank security over their assets consisting of the following:

1. Guarantee and Postponement of Claim from the Guarantor dated March 18, 2019 and limited to the sum of \$18,700,000 (the "**Guarantee**");
2. Charge/Mortgage of Land in the principal sum of \$25,000,000 (the "**Mortgage**") and receipted as instrument number ER1225054 on March 19, 2019 over the Real Property, legally described as:
 - a. PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE METCALFE (PIN 08584-0141 LT).
3. Postponement and Assignment of Claim dated March 18, 2019 from David R. Burch; and,
4. Postponement and Assignment of Claim dated March 18, 2019 from Melinda Rombouts.

- 2 -

**SCHEDULE "C"
INDEBTEDNESS**

INDEBTEDNESS OF THE BORROWER AS AT MARCH 22 , 2022 ²

	TOTAL DUE
Term Facility (#04117-35614875-003)	Principal:\$17,330,394.53 Interest: \$84,159.24 (per diem \$1,756.78)
Visa (number subject to change)	\$28,036.40
Legal Fees (billed)	\$37,826.57
Professional fees of BDO, prior to becoming Monitor	\$116,363.44
TOTAL	\$17,596,780.18

² Plus accruing interest, continuing billed and unbilled legal fees, and the forbearance fee.

SCHEDULE "D"
CONSENT TO APPOINTMENT

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

NATURAL MEDCO LTD.

Respondent

CONSENT

The Respondent hereby consents to the appointment of a Receiver of the property of the Respondent under the terms of an Order substantially in the form attached at Schedule D-1 hereto or to the private appointment of same.

Dated at Strathroy, Ontario this 22nd day of March, 2022.

NATURAL MEDCO LTD.

Per:  _____

I have the authority to bind the Corporation

SCHEDULE "D-1"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEEKDAY, THE #
JUSTICE) DAY OF MONTH, 20YR

ROYAL BANK OF CANADA

Applicant

- and -

NATURAL MEDCO LTD.

Respondent

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing BDO Canada Limited as receiver [and manager] (in such capacities, the "**Receiver**") without security, of the real property and premises described at Schedule "A" to this Order (the "**Real Property**") and owned by Natural Medco Ltd. (the "**Debtor**") was heard this day at by judicial videoconference via Zoom at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

EXCLUSION OF CANNABIS ASSETS, LICENSES, AND OPERATIONS

2. **THIS COURT ORDERS** that the Receiver shall not take possession or control of any asset of the Debtor for which any permit or license is issued in accordance, or in connection, with the following legislation:

(a) *Excise Act*, 2001, S.C. 2002, c. 22;

(b) *Cannabis Act*, S.C. 2018, c. C. 16;

(c) *Cannabis Control Act*, 2017, S.O. 2017 c. 26;

(d) *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26; or,

(e) *Cannabis License Act*, 2018, S.O. 2018 c. 12.

and any regulations issued in connection therewith (collectively the “**Controlled Substances Legislation**”) is required, nor shall it take possession or control of any such permits or licenses themselves (collectively, the “**Excluded Assets**”).

3. **THIS COURT DECLARES** that the Receiver has no authority over the undertakings of the Debtor insofar as they concern the Excluded Assets (the “**Excluded Undertakings**”).

4. **THIS COURT ORDERS** that the Receiver shall not manage, operate, or carry on the business of the Debtor insofar as the business concerns the Excluded Assets or Excluded Undertakings (such business, the “**Excluded Business**”).

5. **THIS COURT ORDERS** that the Excluded Assets shall remain the possession of the Debtor, who shall continue to have authority over the Excluded Undertakings and manage, operate,

and carry on the Excluded Business for the sole purpose of disposing of the Excluded Assets as soon as practicable, but in accordance with the applicable Controlled Substances Legislation.

TERMINATION OF CANNABIS LICENSE AND DISPOSAL OF CANNABIS

6. **THIS COURT ORDERS AND DIRECTS** Melinda Rombouts, as Responsible Person in Charge for the Debtor, to immediately submit to Health Canada a Cannabis Notice of Cessation Form (the "**Termination Notice**") to terminate the license for the production and sale of cannabis products (the "**Cannabis License**") granted to the Debtor under the Controlled Substances Legislation, indicating an immediate cessation date. The Receiver shall not be held liable in respect of the submission of the Termination Notice and such submission shall not deem the Receiver to be in possession and control of the Excluded Assets or in operation of the Excluded Business.

7. **THIS COURT ORDERS** that the Receiver shall not be required to fund any fees or costs associated with the Excluded Assets or the Excluded Business, unless as may be agreed to by the Receiver in its sole and absolute discretion.

8. **THIS COURT ORDERS** that, in consultation with the Canada Revenue Agency and/or Health Canada, the Debtor shall arrange for the orderly, expeditious and lawful disposal or destruction of all of the cannabis or cannabis products located on the Real Property and any related equipment or tools used in the growing or processing of cannabis in compliance with applicable law, forthwith.

APPOINTMENT

9. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of the Real Property, including all proceeds thereof, but not the Excluded Assets or Excluded Undertakings (collectively, the "**Property**").

RECEIVER'S POWERS

10. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

- 4 -

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, , the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to the extent permitted by this Order, and other than in respect of the Excluded Business, to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to the extent permitted by this Order, and other than in respect of the Excluded Business, to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- 5 -

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- 6 -

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Real Property;
- (o) to the extent permitted by this Order, to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor, other than those relating to the Excluded Business, Excluded Assets, and/or Excluded Undertakings;
- (p) to facilitate and assist in obtaining approvals or permissions as may be required by any governmental authority, including but not limited to any such approvals or permissions required under the Controlled Substances Legislation, for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor, and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such discussion including to act as the agent of the Debtor as may be necessary or applicable to facilitate the removal of the Excluded Assets from the Real Property and the disposal of the Excluded Assets;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

11. **THIS COURT ORDERS** that, for greater certainty, nothing herein contained shall require the Receiver to take Possession of any substances subject to the Controlled Substances Legislation and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Controlled Substances Legislation.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

12. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

13. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 13 or in paragraph 14 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

14. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

15. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's 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 Receiver's 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 Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

16. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

17. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property and/or the Excluded Assets shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property and/or the Excluded Assets are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property and/or the Excluded Assets, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

19. **THIS COURT ORDERS** that 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 the Debtor other than with respect to the Excluded Assets, Excluded Undertakings, or Excluded Business, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

20. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

21. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

22. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

23. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or 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 Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

24. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of 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**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

25. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except

for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

26. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to the CCAA Charges (as defined below) and sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

28. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

29. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may

arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, the CCAA Charges (as defined below), and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

30. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

31. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

32. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

CCAA ORDER CHARGES

33. **THIS COURT ORDERS** that the Administration Charge and the DIP Lender's Charge, each as defined in the initial order of the Court dated [], 2022 granted under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (collectively, the "**CCAA Charges**") shall only secure amounts or liabilities incurred up to the date of this Order.

SERVICE AND NOTICE

34. **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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

- 14 -

[protocol/](#)) 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 ‘<[@](#)>’.

35. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is 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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

36. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

37. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

38. **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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

39. **THIS COURT ORDERS** that the Receiver 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 Receiver 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.

40. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

41. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Justice, Ontario Superior Court of Justice

Commercial List

Schedule "A"

REAL PROPERTY

PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE
METCALFE (PIN 08584-0141 LT)

- 2 -

Schedule "B"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "Receiver") of the Property of the Debtor, Natural Medco Ltd. (the "Debtor") (the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per:

Name:

Title:

This is **Exhibit “U”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.

Loan Agreement

THIS AGREEMENT made as of the 21st day of December, 2020.

BETWEEN:

NATURAL MEDCO LTD., a corporation incorporated under the laws of the Province of Ontario and having its head office at 2941 Napperton Drive, Strathroy, Ontario (hereinafter referred to as the "Borrower")

OF THE FIRST PART

–and –

BRYAN VAN ENGELEN, of Baden, Ontario, and **JOANN VAN ENGELEN**, of Port Franks, Ontario (hereinafter referred to as "Lender")

OF THE SECOND PART

–and –

EVE & CO INCORPORATED, a corporation incorporated under the laws of the Province of Ontario and having its head office at 268 Royal York Rd, Etobicoke, Ontario (hereinafter referred to as the "Corporate Guarantor")

OF THE THIRD PART

–and –

MELINDA ROMBOUITS, of Strathroy, Ontario (hereinafter referred to as the "Personal Guarantor")

OF THE FOURTH PART

–and –

DAVID ROY BURCH, of Thedford, Ontario (hereinafter referred to as the "Personal Guarantor")

OF THE FIFTH PART

WHEREAS the Borrower has requested the Lender to loan to the Borrower up to the sum of One Million Dollars (\$1,000,000) (the "Loan") on the terms and conditions hereinafter set forth;

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

ARTICLE ONE – DEFINITIONS AND INTERPRETATION

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

- (a) "Amortization Schedule" shall refer to Schedule "G" which is the amortization schedule for Facility A.
- (b) "Borrower" shall refer to Natural Medco Ltd.;
- (c) "Borrower's Solicitor" shall refer to Ruth Chun, Chun Law Professional Corporation;
- (d) "Business Day" means any day other than a Saturday or Sunday, or holiday, on which Canadian chartered banks are open for business in Toronto, Ontario;
- (e) "Corporate Guarantor" shall refer to Eve & Co Inc.;
- (f) "Facility A" shall refer to the Five Hundred Thousand Dollar (\$500,000) facility to be advanced by the Lender on Closing as set out herein;
- (g) "Facility B" shall refer to the additional Five Hundred Dollar (\$500,000) credit facility which shall be available to the Borrower as set out herein;
- (h) "GSA" shall refer to the General Security Agreements to be granted by the Borrower and the Corporate Guarantor to the Lender, as set out in Schedules "D" and "E";
- (i) "Lender" shall be Bryan Van Engelen & JoAnn Van Engelen;
- (j) "Lender's Solicitor" shall refer to D. Ryan Bell, D'Arcy D. W. Bell Professional Corporation;
- (k) "Charge" means the second mortgage/charge to be registered against the property known municipally as 2941 Napperton Drive, Strathroy, ON which will be registered from the Borrower to the Lender as collateral security for amounts owing from time to time by the Borrower to the Lender, as set out in Schedule "C";
- (l) "Notes A & B" means the promissory notes from the Borrower and Corporate Guarantor in favour of the Lender denominated in Canadian Dollars and attached hereto as Schedules "A" & "B";
- (m) "Lands" and "Subject Lands" shall comprise the property known municipally as 2941 Napperton Drive, Strathroy, ON;
- (n) "Loan" shall refer to the total amount of principal and interest owing by the Borrower under Facility A and Facility B;
- (o) "Personal Guarantors" shall refer to Melinda Rombouts and David Burch and "Personal Guarantees" shall refer to the guarantees of Melinda Rombouts and David Roy Burch as security for the Loan, as set out in Schedule "F"; and
- (p) "Term" shall refer to the term of the Loan, which shall be a two (2) year term beginning January 1, 2021 and expiring December 31, 2022.

1.2 **Schedules.** Schedules "A" "B" "C" "D" "E" "F" and "G" attached hereto are incorporated into and deemed to be an integral part of this Agreement.

ARTICLE TWO – THE LOAN

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

2.2 **Advances.** The Lender shall advance to the Borrower:

- (a) Facility A - Five Hundred Thousand Dollars (\$500,000) on Closing, subject

to the following deductions:

- i. The Lender's legal fees of \$7500, plus disbursements (including Title Insurance and Charge/PPSA registration costs), plus HST; and
 - ii. \$20,000 "finder's fee" to be paid to David R. Mallick;
- (b) Facility B - Up to Five Hundred Thousand Dollars (\$500,000) as requested by the Borrower in writing, within five (5) business days of such request, on or before December 31, 2021, subject to the following deduction:
- i. Lender's legal draw processing fee of \$300, plus HST (for each draw)

All advances shall be made by wire or bank draft from the trust account of the Lender's Solicitor to the trust account of the Borrower's Solicitor, or as otherwise directed by the Borrower. There shall be no further advances after the end of year 1.

2.3 **Loan Facilities.** The Loan shall consist of Facilities A & B with the following terms:

Facility A

Amount: \$500,000
 Term: 2 years
 Interest: 1st year - 15% simple interest per annum, calculated monthly
 2nd year - 11% simple interest per annum, calculated monthly
 Payments: 1st year – closed for repayment of principal, monthly payments of interest due
 2nd year – outstanding principal and interest to be repaid in full in 12 equal instalments of principal and interest, balance due at end of year 2 – borrower may pay full balance and accrued interest at any time in year 2 without penalty

Facility B

Amount: Up to \$500,000
 Term: 2 years – borrowing only in year 1, repayment in year 2
 Draws: Upon 5 business days written request; no draws after year 1
 Interest: 1st year - 15% simple interest per annum, calculated monthly (interest does not begin to accrue until funds are advanced)
 2nd year - 11% simple interest per annum, calculated monthly
 Fees: Fee of 0.5% per month "unused portion fee" for any unused portion of Facility A
 Payments: 1st year – closed for repayment of principal, monthly payments of interest and "unused portion fee" due
 2nd year – outstanding principal and interest to be repaid in 12 equal instalments of principal and interest, balance due at end of year 2 – borrower may pay full balance and accrued interest at any time in year 2 without penalty

2.4 **Closing Date.** The Closing Date shall be no later than December 30th, 2020

however the parties shall make all commercially reasonable efforts to close by December 24, 2020. All Security Documents shall be duly executed by the Parties on or before the Closing Date, and the Charge and PPSA security shall be registered.

- 2.5 **Term.** The Term of this Loan shall be 2 years commencing January 2, 2021 and ending on December 31, 2022; All references to "Term", "Year 1", "Year 2", and other references to dates in this Agreement or in the Schedules shall be read with this in mind.

ARTICLE THREE – SECURITY

- 3.1 **Security.** The Borrower shall give to the Lender security as follows (the "Security Documents"):
- (a) **Notes A & B** from the Borrower and Corporate Guarantor jointly and severally in the form shown in Schedules "A" & "B".
 - (b) **Charge** from the Borrower to be registered against the property known municipally as 2941 Napperton Drive, Strathroy, ON, in second position (behind the Borrower's institutional lender), in the form shown in Schedule "C". The Charge shall be subject to the following additional terms and condition:
 - i. Insurance - proof of replacement value insurance with loss payable to Lender; A fee of \$250 for any cancellation of insurance or inadequate insurance. Proof to be provided before Closing and thereafter on request.
 - (c) **GSAs** from the Borrower and the Corporate Guarantor securing the sum of One Million Dollars (\$1,000,000) in the form attached hereto as Schedules "D" and "E" granting a security interest to the Lenders, to be secured by financing statements showing the Borrower and Corporate Guarantor as debtors and the Borrowers as secured parties (in second position behind the Borrower and Corporate Guarantor's institutional lender(s)), pursuant to the *Personal Property Security Act (Ontario)* (the "**PPSA Registrations**") for a registration period of five (5) years.
 - (d) **Personal Guarantees** from the Personal Guarantors (Melinda Rombouts & David Burch) in the amount of Five Hundred Thousand Dollars (\$500,000) each in the form attached as Schedule "F".

ARTICLE FOUR – PAYMENTS

- 4.1 **Type and Place of Payment.** All payments of principal, interest and other amounts payable hereunder by the Borrower, shall be made or delivered to the Lender by direct deposit to the Lender's account via direct deposit, or as otherwise directed by the Borrower in writing, on the first day of each month of the Term, or upon demand when due.

4.2 Payments. Payments shall be due on the first date of each month of the Term. For clarity:

- Year 1: Facility A - interest only payments shall be due each month
Facility B - interest plus any "unused portion fee" due each month (based on the amount advanced to such date;
- Year 2: Facility A & B - payments of principal and interest shall be due each month on Facility A and Facility B in twelve equal instalments such that the balance of both Facilities and the total loan will be reduced to zero at the end of Year 2. The total amount borrowed plus accrued interest shall be due and paid by the end of Year 2, provided however that in Year 2 the Borrower may pay the balance of the Loan and any accrued interest to such date in full, without penalty.

4.3 Interest Only Payment January 1. The date of advance for Facility A shall be the Closing Date, which shall likely be December 23rd or 24th but shall be no later than December 30, 2020. On January 1, 2021, an interest only payment shall be due for accrued interest on Facility A since the date of advance of Facility A. This is the only payment that shall be due on January 1st, 2021. All monthly payments, interest, "unpaid portion fees" etc. shall thereafter be based on full months for the duration of the Term.

4.4 Schedule "G" is the Amortization Schedule for Facility A. The Parties agree that the Amortization Schedule for Facility B shall take the same form, based on the actual amount borrowed on Facility B provided that for Facility B, there shall be monthly payments in year one for any "unused portion fees" on top of the interest only payments.

ARTICLE FIVE – REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Borrower. To induce the Lender to enter into this Agreement and to make the Loan, the Borrower and Corporate Guarantor make the following representations and warranties which shall survive the execution and delivery of this Agreement and Security Documents:

- (a) Neither the execution and delivery of this Agreement nor compliance with the terms, conditions and provisions hereof, will conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any agreement, instrument or arrangement to which the Borrower or Corporate Guarantor is now a party or by which it is or may be bound, or constitute a default thereunder;
 - (ii) any judgment or order, writ, injunction or decree of any court;
 - (iii) any applicable law or governmental regulation;
 - (iv) any by-law, shareholder agreement or other corporate document of the Borrower or Corporate Guarantor.
- (b) No action of, or filing with any governmental or public body or authority is required to authorize, or is otherwise required in connection with, the execution, delivery and performance of this Agreement by the Borrower or

Corporate Guarantor.

- (c) There are no actions, suits or proceedings pending, to the knowledge of the Borrower or Corporate Guarantor, threatened (nor to the best knowledge of the Borrower is there any pending investigation) against or involving the Borrower at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind, which involve a reasonable possibility (so far as the Borrower or Corporate Guarantor can foresee) of any material adverse change in the financial affairs of the Borrower or Corporate Guarantor, and the Borrower and Corporate Guarantor are not in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court, arbitrator or federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involves a reasonable possibility (so far as the Borrower or Corporate Guarantor can foresee) of any material adverse change in the financial affairs of the Borrower or Corporate Guarantor.

ARTICLE SIX – COVENANTS

6.1 Covenants of the Borrower and Corporate Guarantor. From the date of this Agreement and thereafter until the Loan (including interest thereon) and any other amounts to be paid by the Borrower to the Lender hereunder, are paid in full:

- (a) The Borrower or Corporate Guarantor will notify the Lender immediately if the Borrower shall default in a material manner in the payment of any of its indebtedness for borrowed money, whether such indebtedness now exists or shall hereafter be created. The Borrower or Corporate also shall notify the Lender immediately if there shall occur a material event of default under any mortgage, indenture or instrument (including without limitation this Agreement) under which there may be issued, or by which there may be incurred or evidenced, any indebtedness of the Borrower for borrowed money, whether such indebtedness now exists or shall hereafter be created.
- (b) The Borrower and Corporate Guarantor will comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, a breach of which would materially and adversely affect the financial condition or businesses of the Borrower, except where contested in good faith and by proper proceedings.
- (c) The Borrower or Corporate will promptly give the Lender notice in writing of all litigation and all proceedings before any governmental or regulatory agencies or arbitration authorities affecting the Borrower or Corporate Guarantor, except those which, if adversely determined, would not have a material adverse effect on the financial condition or business of the Borrower.

ARTICLE SEVEN – EVENTS OF DEFAULT

7.1 Default. The Loan, together with accrued interest thereon, and all other obligations of the Borrower hereunder shall become and be immediately due and payable upon written notice of the Lender if any one or more of the following events (herein called "Events of Default") shall occur for any reason whatsoever:

- (a) if default shall be made in the due and punctual payment of the principal of the Loan, when and as the same shall become due and payable, whether on demand by the Lender or by acceleration or otherwise;
- (b) if default shall be made in the due and punctual payment of interest on the Loan or any other amounts due hereunder, when and as the same shall become due and payable;
- (c) if any representation or warranty of the Borrower, Corporate Guarantor, or Personal Guarantor in this Agreement shall prove to have been untrue or incorrect in any material respect on the date as of which it was made;
- (d) if the Borrower, Corporate Guarantor, or Personal Guarantor shall default in the performance or observance of any covenant in this Agreement;
- (e) if the Borrower shall:
 - (i) admit in writing its inability to pay its debts generally as they become due;
 - (ii) file an assignment or a petition in bankruptcy, as the case may be, or a petition to take advantage of any insolvency statute;
 - (iii) make an assignment for the benefit of its creditors;
 - (iv) consent to the appointment of a receiver of the whole or any substantial part of their properties;
 - (v) file a petition or answer seeking reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other applicable law or statute of Canada or any subdivision thereof; and
 - (vi) have been adjudged by a court having jurisdiction in the premises a bankrupt or insolvent, or a decree or order of a court having jurisdiction in the premises shall have been entered for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy of the Borrower and such decree or order shall remain in force undischarged or unstayed for a period of sixty (60) days; or
- (f) the validity or enforceability of this Agreement or the Note shall be contested by the Borrower, Corporate Guarantor, or Personal Guarantor.

ARTICLE EIGHT – GENERAL CONTRACT PROVISIONS

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

(a) To the Borrower at:

Natural Medco Ltd.
2941 Napperton Drive
Strathroy, ON N7G 3H8
Attn: Melinda Rombouts, President

AND to

Eve & Co Incorporated
2941 Napperton Drive
Strathroy, ON N7G 3H8
Attn: Melinda Rombouts, President

AND to

Melinda Rombouts
7727 Alfred Street
Port Franks, ON N0M 2L0

AND to

David Roy Burch
226 Main St. P.O. Box 212
Thedford, ON N0M 2L0

AND with a copy to the Borrower's Solicitor at:

Ruth Chun
Chun Law Professional Corporation
ruth@chunlaw.ca

(b) To the Lender at:

Bryan Van Engelen
2601 Erbs Rd.
Baden, ON N3A 3M4
bryanve21@gmail.com

AND to

JoAnn Van Engelen
10013 Raeburn Rd.
Port Franks, ON N0M 2L0
cottage_mom@yahoo.com

AND with a copy to the Lender's Solicitor at:

D. Ryan Bell
D'Arcy D. W. Bell Professional Corporation
GMSB LLP
222 Front St. N. P.O. Box 2196
Sarnia, ON N7T 7L8
rbell@sarnialaw.com

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

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

8.2 Additional Considerations. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof, and the Borrower shall provide such other documents reasonably requested by the Lender's Solicitor on or before Closing.

8.3 Discharges & Releases. The Lender shall release and cause to be discharged the Charge and the PPSA Registrations forthwith upon payment of all principal and interest owed by the Borrower pursuant to this Agreement.

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

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

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

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

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

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

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

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

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

8.13 Severability. If any term of this Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, such term shall be excluded to the extent of such invalidity or unenforceability; all other terms hereof shall remain in full force and effect; and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term.

The next page is the signing page

8.14 **Counterparts and Electronic Documents.** For the convenience of the parties hereto, this Agreement may be executed and delivered in two or more counterparts, or by facsimile or e-mail transmission of PDF files or either of them, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Any party executing this Agreement by facsimile or PDF file shall, immediately upon the request by any other party, provide an originally signed counterpart of this Agreement, provided however, that any failure to provide such originally signed counterpart shall not constitute a breach of this Agreement except to the extent that such electronic execution is not otherwise permitted under the Electronic Commerce Act, 2000 of Ontario as amended, and any successor or replacement legislation.


IN WITNESS WHEREOF the parties have duly executed this Loan Agreement this 21st day of December, 2020.

Lender

Bryan Van Engelen


JoAnn Van Engelen

Borrower - Natural Medco Ltd.



Per: Melinda Rombouts, President
I have authority to bind the corporation

Corporate Guarantor - Eve & Co Incorporated



Melinda Rombouts, President
I have authority to bind the corporation

Personal Guarantors



Melinda Rombouts



David Roy Burch

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Lender



Bryan Van Engelen

JoAnn Van Engelen

Borrower - Natural Medco Ltd.

Per: Melinda Rombouts, President
I have authority to bind the corporation

Corporate Guarantor - Eve & Co Incorporated

Melinda Rombouts, President
I have authority to bind the corporation

Personal Guarantors

Melinda Rombouts

David Roy Burch

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IN WITNESS WHEREOF the parties have duly executed this Loan Agreement this 21st day of December, 2020.

Lender

Bryan Van Engelen



JoAnn Van Engelen

Borrower - Natural Medco Ltd.

Per: Melinda Rombouts, President
I have authority to bind the corporation

Corporate Guarantor - Eve & Co Incorporated

Melinda Rombouts, President
I have authority to bind the corporation

Personal Guarantors

Melinda Rombouts

David Roy Burch

SCHEDULE "A"

Promissory Note A

PROMISSORY NOTE

DATED: December 29, 2020

BALANCE DUE: December 31, 2022

FOR VALUE RECEIVED NATURAL MEDCO LTD. (Borrower), EVE & CO INCORPORATED (Corporate Guarantor), and MELINDA ROMBOUITS (Personal Guarantor) jointly and severally hereby promise to pay to BRYAN VAN ENGELEN (the "Lender") the sum of Five Hundred Thousand Dollars (\$500,000.00), plus accrued interest, in lawful money of Canada, to be repaid in accordance with terms set out with respect to Facility A in the Loan Agreement between the parties dated December 21, 2020.

Interest shall accrue on this Note as set out in the Loan Agreement.

If this Note is collected through any legal proceedings, the Borrower agrees to pay the court costs, solicitor's fees on a full indemnity basis, and other costs of collection of the debt.

The Borrower and both Guarantors, insomuch as they are liable at any time for payment of any sums of money payable under this Note, jointly and severally waive presentment and demand for payment, protest, and notice of protest and non-payment, and agree that their liability on this Note shall not be affected by any renewal or any extension in the time of payment hereof or by any indulgences and hereby consent to any and all such renewals, extensions or indulgences, regardless of the number of such renewals, extensions or indulgences. The failure of the Lender to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in any other instance.

Time is and shall be in all respects of the essence hereof.

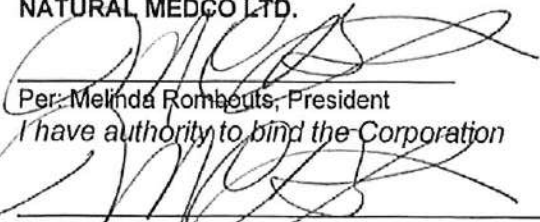
This Note has been made and issued in Canada and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Corporate Guarantor and Personal Guarantor unconditionally guarantees payment by the Borrower of the principal sum and interest that the Borrower has promised to pay under this Note.

The Parties hereto agree and confirm that the Lender shall not be bound to exhaust any remedies against the Borrower before proceeding against the Guarantors or to realize on any particular security before realizing on another, it being the intent that the Lender may pursue any or all remedies in whatever order or simultaneously, all in the Lender's sole discretion.

IN WITNESS WHEREOF the Borrower, Corporate Guarantor, and Personal Guarantor have hereunto signed this Promissory Note on the day and year first above written.

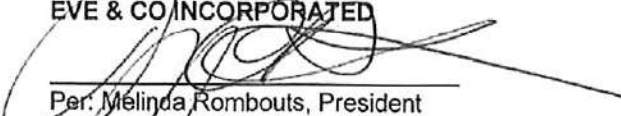
NATURAL MEDCO LTD.




Per: Melinda Rombouts, President
I have authority to bind the Corporation

Melinda Rombouts

EVE & CO INCORPORATED



Per: Melinda Rombouts, President
I have authority to bind the Corporation


David Roy Burch

SCHEDULE "B"

Promissory Note B

PROMISSORY NOTE

DATED: December 29, 2020

BALANCE DUE: December 31, 2022

FOR VALUE RECEIVED NATURAL MEDCO LTD. (Borrower), EVE & CO INCORPORATED (Corporate Guarantor), and MELINDA ROMBOUTS (Personal Guarantor) jointly and severally hereby promise to pay to JOANN VAN ENGELEN (the "Lender") any amount borrowed under Facility B in the Loan Agreement between the parties dated December 21, 2020, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest, in lawful money of Canada, to be repaid in accordance with terms set out with respect to Facility B in the Loan Agreement.

Interest shall accrue on this Note as set out in the Loan Agreement.

If this Note is collected through any legal proceedings, the Borrower agrees to pay the court costs, solicitor's fees on a full indemnity basis, and other costs of collection of the debt.

The Borrower and both Guarantors, insomuch as they are liable at any time for payment of any sums of money payable under this Note, jointly and severally waive presentment and demand for payment, protest, and notice of protest and non-payment, and agree that their liability on this Note shall not be affected by any renewal or any extension in the time of payment hereof or by any indulgences and hereby consent to any and all such renewals, extensions or indulgences, regardless of the number of such renewals, extensions or indulgences. The failure of the Lender to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in any other instance.

Time is and shall be in all respects of the essence hereof.

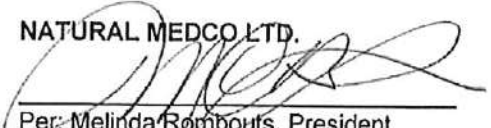
This Note has been made and issued in Canada and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Corporate Guarantor and Personal Guarantor unconditionally guarantees payment by the Borrower of the principal sum and interest that the Borrower has promised to pay under this Note.

The Parties hereto agree and confirm that the Lender shall not be bound to exhaust any remedies against the Borrower before proceeding against the Guarantors or to realize on any particular security before realizing on another, it being the intent that the Lender may pursue any or all remedies in whatever order or simultaneously, all in the Lender's sole discretion.

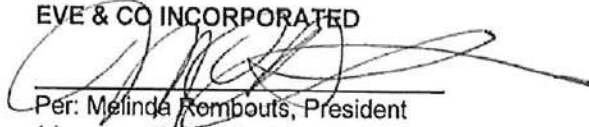
IN WITNESS WHEREOF the Borrower, Corporate Guarantor, and Personal Guarantor have hereunto signed this Promissory Note on the day and year first above written.

NATURAL MEDCO LTD.


Per: Melinda Rombouts, President
I have authority to bind the Corporation

Melinda Rombouts

EVE & CO INCORPORATED


Per: Melinda Rombouts, President
I have authority to bind the Corporation

David Roy Burch

SCHEDULE "C"

Charge

LRO # 33 Charge/Mortgage

In preparation on 2020 12 22 at 14:54

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 2

Properties

PIN 08584 - 0141 LT *Interest/Estate* Fee Simple
Description PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE METCALFE
Address 2941 NAPPERTON DRIVE STRATHROY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name NATURAL MEDCO LTD.
 Acting as a company
Address for Service 2941 Napperton Drive
 Strathroy, Ontario
 N7G 3H8

I, , have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name VAN ENGELEN, BRYAN
 Acting as an individual
Address for Service 2601 Erbs Rd.
 Baden ON
 N3A 3M4
 Joint Account, Right Of
 Survivorship

Name VAN ENGELEN, JOANNE
 Acting as an individual
Address for Service 10013 Raeburn Rd
 Port Franks ON
 N0M 2L0
 Joint Account, Right Of
 Survivorship

Statements

Schedule:

Provisions

Principal \$1,200,000.00 *Currency* CDN
Calculation Period Monthly
Balance Due Date 2022/12/31
Interest Rate See Additional Provisions
Payments
Interest Adjustment Date 2021 01 01
Payment Date See Additional Provisions
First Payment Date 2021 02 01
Last Payment Date 2022 12 31
Standard Charge Terms 200033
Insurance Amount Full Insurable value
Guarantor EVE & CO INCORPORATED, MELINDA ROMBOUTS, DAVID ROY BURCH

Additional Provisions

This Charge secures all amounts borrowed by the Chargor pursuant to the Loan Agreement between the Chargor and the Chargees dated December 21 2020 (principal and interest). Interest in year 1 shall be 16% per annum calculated monthly, and interest in year 2 shall be 11% per annum calculated monthly. Interest only payments shall be due in year 1, but there shall be no repayment of principal permitted in year 1 without the written consent of the Chargee. The total outstanding principal and interest at the end of year 1 shall be repaid in 12 equal monthly installments of principal and interest in year 2, with interest accruing at 11%. The balance shall be due at the end of year 2. The Chargor may repay the balance of principal and interest at any time in year 2 without penalty.

LRO # 33 Charge/Mortgage

In preparation on 2020 12 22 at 14:54

This document has not been submitted and may be incomplete.

yyyy mm dd Page 2 of 2

File Number

Chargor Client File Number :

RB 20-2953

SCHEDULE "D"

General Security Agreement from Borrower, Natural Medco Ltd.

GENERAL SECURITY AGREEMENT

TO: **BRYAN VAN ENGELEN & JOANNE VAN ENGELEN**
 (collectively the "Secured Party")
 c/o
 D. Ryan Bell, D'Arcy D. W. Bell Professional Corporation
 GMSB LLP, 222 N. Front Street
 P.O. Box 2196
 Sarnia, Ontario N7T 5S5

1. **Security Interest** - The Undersigned (the "Debtor") for valuable consideration hereby grants, assigns, transfers, sets over, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in the present and future undertaking, property and assets of the Debtor including without limitation the following (the "Collateral"):
- (a) all goods now or hereafter comprising part of the inventory of the Debtor including, but not limited to, goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods;
 - (b) all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including, but not limited to, fixtures, equipment, machinery, vehicles and other tangible personal property;
 - (c) all debts, accounts, claims, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
 - (d) all chattel paper now or hereafter owned by the Debtor;
 - (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
 - (f) with respect to the personal property described in subparagraphs (a) to (e) inclusive, all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
 - (g) all shares, stock, warrants, bonds, debentures, debenture stock or other securities now or hereafter owned by the Debtor;
 - (h) all goodwill, patents, trade marks, copyrights and other industrial property and all other intangibles now or hereafter owned by the Debtor;
 - (i) with respect to the personal property described in subparagraphs (a) to (h) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and
 - (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in The Personal Property Security Act of Ontario including all

amendments thereto (the "PPSA"). In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

2. **Obligations Secured** - The fixed and specific mortgages and charges and security interest granted hereby secures the performance by the Debtor of all of its present and future obligations (such obligations herein called, and included in, the "Obligations") to the Secured Party under the following described agreement:

Loan Agreement dated the 21st day of December, 2020, between Natural Medco Ltd., (as the Borrower), Eve & Co. Incorporated (as the Corporate Guarantor), David Burch and Melinda Rombouts (as the Personal Guarantors) and Bryan Van Engelen and JoAnn Van Engelen (as the Lender) whereby the Lender agreed to lend the aggregate total of up to One Million Dollars (\$1,000,000.00) on the terms and conditions as set out therein.

3. **Representations and Warranties** - The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Debtor has, or will have when the Collateral is acquired, the right to create mortgages and charges of, and grant a security interest in, the Collateral in favour of the Secured Party;
- (c) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (d) this Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor.

4. **Covenants** - The Debtor hereby agrees that:

- (a) **Maintain, Use, Etc.** - the Debtor shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) **Insurance** - the Debtor shall cause all of the Collateral which is of a character usually insured by business operating Collateral of a similar nature to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards of the nature of and to the extent that such Collateral is usually insured by businesses operating or using Collateral of a similar nature in the same or similar localities and shall maintain such insurance with loss, if any, payable to the Secured Party and shall deliver to the Secured Party evidence of such insurance satisfactory to the Secured Party;
- (c) **Rent, Taxes, Etc.** - the Debtor shall pay all rents, taxes, rates, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payments;
- (d) **Observe Law** - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) **Books, Records** - the Debtor shall keep proper books of accounts in accordance with sound accounting practice and the Debtor shall furnish to the Secured Party such financial information and statements relating to its business and the Collateral as the

Secured Party may from time to time require and the Debtor shall permit the Secured Party or its authorized agent at any time at the expense of the Debtor to examine the Collateral and to examine the books of accounts and other financial records and reports of the Debtor including but not limited to books of accounts and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

- (f) **Information** - the Debtor shall furnish to the Secured Party such information with respect to the Collateral and the insurance thereon as the Secured Party may from time to time require and the Debtor shall give written notice to the Secured Party of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral;
- (g) **Other Encumbrances** - the Debtor shall not, without the prior consent in writing of the Secured Party, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral or any part thereof;
- (h) **Defend Title** - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the secured Party furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement; and
- (i) **Change of Name** - the Debtor shall not change its name or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 6 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

5. **Immediate Possession** - Upon failure by the Debtor to perform any of the agreements described in paragraph 4 hereof, the Secured Party is authorized and has the option to take immediate possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The expenses (including the cost of any insurance and the amount of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to the Secured Party immediately after they are incurred, shall bear interest at the rate of twenty percent (20%) per annum and the repayment of such expenses and interest thereof shall be secured by this Agreement.

6. **Events of Default** - At the option and upon the declaration of the Secured Party, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:

- (a) if the Debtor shall fail to pay or perform when due any of the Obligations;
- (b) if the Debtor shall fail to perform any provisions of this Agreement or of any other agreement to which the Debtor and the Secured Party are parties;
- (c) if any of the representations and warranties herein is or becomes incorrect in any respect at any time;
- (d) if the Debtor or any guarantor of any of the Obligations ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
- (e) if any proceeding is taken with respect to a compromise or arrangement, or to have the Debtor or any guarantor of any of the Obligations declared bankrupt or wound up, or to

have a receiver appointed in respect of the Debtor or of any guarantor of any of the Obligations or of any part of the Collateral or if any encumbrancer takes possession of any part thereof;

- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or any guarantor of any of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof;
- (g) if the Secured Party in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. **Remedies** - If pursuant to paragraph 6 hereof the Secured Party declares that the Obligations shall immediately become due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and those provided by this Agreement. The Secured Party may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any means and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party. The Secured Party may enter the premises of the Debtor to exercise its rights and remedies in respect of the Collateral. The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof or may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power

- (a) to take possession of the Collateral or any part thereof,
- (b) to carry on the business of the Debtor,
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Debtor on the security of the Collateral in priority to the mortgage and charge and security interest created under this Agreement, and
- (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Debtor and the Secured Party shall not be, in any way, responsible for any misconduct or negligence of any such receiver.

In addition to all its other rights and powers, the Secured Party may, either directly or through its nominees, exercise all of the powers and rights given to a receiver under the provisions of this paragraph.

8. **Expenses** - Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including solicitors' fees and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Secured Party towards the payment of the Obligations in such order of application as the Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 7 hereof shall bear interest at twenty percent (20%) per annum and shall be Obligations under this Agreement. If disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Secured Party, the Debtor shall be liable to pay for any deficiency on demand.

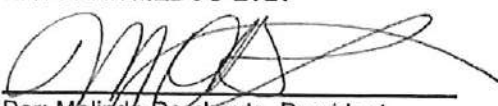
9. **Miscellaneous** - The Debtor and the Secured Party further agree that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals or extensions, the taking of further security, releasing security, extinguishment of mortgages or charges or the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the mortgages or charges or security interest upon payment in full of the Obligations including charges, expenses, fees, costs and interest;
- (b) any failure by the Secured Party to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment or performance in full of the Obligations secured by this Agreement;
- (c) all rights of the Secured Party hereunder shall be assignable and, in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Secured Party;
- (d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for the Secured Party;
- (e) the Debtor agrees that if the Collateral or any part thereof is being sold or delivered to the Debtor by the Secured Party, title and ownership of each part of the Collateral shall not pass to the Debtor but shall be and remain in the Secured Party until all Obligations in respect of each such part are paid or performed in full;
- (f) all rights of the Secured Party hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his heirs, executors, administrators, successors and assigns;
- (g) if more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (h) this Agreement shall be governed in all respects by the laws of the Province of Ontario;
- (i) the Debtor hereby acknowledges receipt of an executed copy of this Agreement; and
- (j) this Agreement shall become effective when it is signed by the Debtor.

EXECUTED on the 29 day of December, 2020

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NATURAL MEDCO LTD.



Per: Melinda Rombouts, President
I have authority to bind the Corporation

SCHEDULE "E"

General Security Agreement from Corporate Guarantor, Eve & Co Incorporated

GENERAL SECURITY AGREEMENT

TO: BRYAN VAN ENGELEN & JOANNE VAN ENGELEN
(collectively the "Secured Party")

c/o
D. Ryan Bell, D'Arcy D. W. Bell Professional Corporation
GMSB LLP, 222 N. Front Street
P.O. Box 2196
Sarnia, Ontario N7T 5S5

1. **Security Interest** - The Undersigned (the "Debtor") for valuable consideration hereby grants, assigns, transfers, sets over, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in the present and future undertaking, property and assets of the Debtor including without limitation the following (the "Collateral"):
- (a) all goods now or hereafter comprising part of the inventory of the Debtor including, but not limited to, goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods;
 - (b) all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including, but not limited to, fixtures, equipment, machinery, vehicles and other tangible personal property;
 - (c) all debts, accounts, claims, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
 - (d) all chattel paper now or hereafter owned by the Debtor;
 - (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
 - (f) with respect to the personal property described in subparagraphs (a) to (e) inclusive, all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
 - (g) all shares, stock, warrants, bonds, debentures, debenture stock or other securities now or hereafter owned by the Debtor;
 - (h) all goodwill, patents, trade marks, copyrights and other industrial property and all other intangibles now or hereafter owned by the Debtor;
 - (i) with respect to the personal property described in subparagraphs (a) to (h) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and
 - (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in The Personal Property Security Act of Ontario including all

amendments thereto (the "PPSA"). In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

2. **Obligations Secured** - The fixed and specific mortgages and charges and security interest granted hereby secures the performance by the Debtor of all of its present and future obligations (such obligations herein called, and included in, the "Obligations") to the Secured Party under the following described agreement:

Loan Agreement dated the 21st day of December, 2020, between Natural Medco Ltd., (as the Borrower), Eve & Co. Incorporated (as the Corporate Guarantor), Melinda Rombouts (as the Personal Guarantor) and Bryan Van Engelen and JoAnn Van Engelen (as the Lender) whereby the Lender agreed to lend the aggregate total of up to One Million Dollars (\$1,000,000.00) on the terms and conditions as set out therein.

3. **Representations and Warranties** - The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Debtor has, or will have when the Collateral is acquired, the right to create mortgages and charges of, and grant a security interest in, the Collateral in favour of the Secured Party;
- (c) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (d) this Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor.

4. **Covenants** - The Debtor hereby agrees that:

- (a) **Maintain, Use, Etc.** - the Debtor shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) **Insurance** - the Debtor shall cause all of the Collateral which is of a character usually insured by business operating Collateral of a similar nature to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards of the nature of and to the extent that such Collateral is usually insured by businesses operating or using Collateral of a similar nature in the same or similar localities and shall maintain such insurance with loss, if any, payable to the Secured Party and shall deliver to the Secured Party evidence of such insurance satisfactory to the Secured Party;
- (c) **Rent, Taxes, Etc.** - the Debtor shall pay all rents, taxes, rates, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payments;
- (d) **Observe Law** - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) **Books, Records** - the Debtor shall keep proper books of accounts in accordance with sound accounting practice and the Debtor shall furnish to the Secured Party such financial information and statements relating to its business and the Collateral as the

Secured Party may from time to time require and the Debtor shall permit the Secured Party or its authorized agent at any time at the expense of the Debtor to examine the Collateral and to examine the books of accounts and other financial records and reports of the Debtor including but not limited to books of accounts and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

- (f) **Information** - the Debtor shall furnish to the Secured Party such information with respect to the Collateral and the insurance thereon as the Secured Party may from time to time require and the Debtor shall give written notice to the Secured Party of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral;
- (g) **Other Encumbrances** - the Debtor shall not, without the prior consent in writing of the Secured Party, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral or any part thereof;
- (h) **Defend Title** - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the secured Party furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement; and
- (i) **Change of Name** - the Debtor shall not change its name or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 6 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

5. **Immediate Possession** - Upon failure by the Debtor to perform any of the agreements described in paragraph 4 hereof, the Secured Party is authorized and has the option to take immediate possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The expenses (including the cost of any insurance and the amount of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to the Secured Party immediately after they are incurred, shall bear interest at the rate of twenty percent (20%) per annum and the repayment of such expenses and interest thereof shall be secured by this Agreement.

6. **Events of Default** - At the option and upon the declaration of the Secured Party, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:

- (a) if the Debtor shall fail to pay or perform when due any of the Obligations;
- (b) if the Debtor shall fail to perform any provisions of this Agreement or of any other agreement to which the Debtor and the Secured Party are parties;
- (c) if any of the representations and warranties herein is or becomes incorrect in any respect at any time;
- (d) if the Debtor or any guarantor of any of the Obligations ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
- (e) if any proceeding is taken with respect to a compromise or arrangement, or to have the Debtor or any guarantor of any of the Obligations declared bankrupt or wound up, or to

have a receiver appointed in respect of the Debtor or of any guarantor of any of the Obligations or of any part of the Collateral or if any encumbrancer takes possession of any part thereof;

- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or any guarantor of any of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof;
- (g) if the Secured Party in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. **Remedies** - If pursuant to paragraph 6 hereof the Secured Party declares that the Obligations shall immediately become due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and those provided by this Agreement. The Secured Party may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any means and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party. The Secured Party may enter the premises of the Debtor to exercise its rights and remedies in respect of the Collateral. The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof or may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power

- (a) to take possession of the Collateral or any part thereof,
- (b) to carry on the business of the Debtor,
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Debtor on the security of the Collateral in priority to the mortgage and charge and security interest created under this Agreement, and
- (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Debtor and the Secured Party shall not be, in any way, responsible for any misconduct or negligence of any such receiver.

In addition to all its other rights and powers, the Secured Party may, either directly or through its nominees, exercise all of the powers and rights given to a receiver under the provisions of this paragraph.


8. **Expenses** - Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including solicitors' fees and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Secured Party towards the payment of the Obligations in such order of application as the Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 7 hereof shall bear interest at twenty percent (20%) per annum and shall be Obligations under this Agreement. If disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Secured Party, the Debtor shall be liable to pay for any deficiency on demand.

9. **Miscellaneous** - The Debtor and the Secured Party further agree that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals or extensions, the taking of further security, releasing security, extinguishment of mortgages or charges or the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the mortgages or charges or security interest upon payment in full of the Obligations including charges, expenses, fees, costs and interest;
- (b) any failure by the Secured Party to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment or performance in full of the Obligations secured by this Agreement;
- (c) all rights of the Secured Party hereunder shall be assignable and, in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Secured Party;
- (d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for the Secured Party;
- (e) the Debtor agrees that if the Collateral or any part thereof is being sold or delivered to the Debtor by the Secured Party, title and ownership of each part of the Collateral shall not pass to the Debtor but shall be and remain in the Secured Party until all Obligations in respect of each such part are paid or performed in full;
- (f) all rights of the Secured Party hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his heirs, executors, administrators, successors and assigns;
- (g) if more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (h) this Agreement shall be governed in all respects by the laws of the Province of Ontario;
- (i) the Debtor hereby acknowledges receipt of an executed copy of this Agreement; and
- (j) this Agreement shall become effective when it is signed by the Debtor.

EXECUTED on the 29 day of December, 2020

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EVE & CO INCORPORATED.


 Per: Melinda Rombouts, President
I have authority to bind the Corporation

SCHEDULE "F"

Personal Guarantees of Melinda Rombouts and David Roy Burch

PERSONAL GUARANTEE

THIS GUARANTEE (the "**Guarantee**") is made by Melinda Rombouts ("**Personal Guarantor**") in favour of Bryan Van Engelen and JoAnn Engelen (collectively the "**Lender**").

Whereas the Personal Guarantor has agreed to guarantee certain indebtedness, liabilities and obligations of Natural Medco Ltd. (the "**Borrower**") to the Lender pursuant to the Loan Agreement between the parties dated December 21, 2020 (the "Loan Agreement");

Now therefore, for valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Personal Guarantor, the Personal Guarantor hereby agrees as follows:

1. **Guarantee.** The Personal Guarantor hereby unconditionally and irrevocably guarantees payment to the Lender, forthwith upon demand by the Lender, and performance of all indebtedness, liabilities and obligations now or hereafter due or owing by the Borrower to the Lender, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender heretofore or hereafter arising (the "**Obligations**") pursuant to the Loan Agreement, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest and any enforcement costs as set out in the Loan Agreement or any schedule thereto. Any amounts payable by the Personal Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Lender shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **Guarantee Unconditional.** The obligations of the Personal Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, subordination or release in respect of any Obligation;
- (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;
- (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation;
- (d) any change in the corporate existence, structure or ownership of the Borrower, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or their assets;
- (e) the existence of any claim, set-off or other rights which the Personal Guarantor may have at any time against the Borrower, either of the Lender, or any other person, whether in connection herewith or any unrelated transactions;
- (f) any invalidity or unenforceability relating to or against the Borrower or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal or interest under the Obligations;

- (g) any other act or omission to act or delay of any kind by the Borrower, either of the Lender, or any other person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Personal Guarantor's obligations hereunder other than the payment or extinguishment of the Obligations;
- (h) any release, substitution or addition of any co-signer, endorser or other Personal Guarantor of the Obligations; or
- (i) any limitation, postponement, prohibition, subordination or other restriction on the Lender's rights to payment of the Obligations.

3. **Waivers.** The Personal Guarantor irrevocably waives, to the extent permitted by applicable law:

- (a) all presentments, demands for performance, notices of non-performance, protests, guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;
- (b) any right to require the Lender to proceed against the Borrower or any other person, to proceed against, apply or exhaust any security held from the Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Personal Guarantor or any other person for this Guarantee or to pursue any other remedy in the Lender's power whatsoever;
- (c) the benefit of any law which provides that the obligation of a Personal Guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a Personal Guarantor's obligation in proportion to the principal obligation;
- (d) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof, or by reason of any incapacity, lack of authority, or other defense of the Borrower or any other person, or by reason of any limitation, postponement, prohibition on the Lender's right to payment of the Obligations, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower or any other person or any obligations or any security therefor, whether by operation of law or otherwise;
- (e) any defence arising by reason of the Lender's failure to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Borrower or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Lender of any right to recourse or collateral;
- (f) any right to require either of the Lender to marshal any assets in favour of the Personal Guarantor;

- (g) any defence based upon any failure of the Lender to give to the Borrower or the Personal Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of either of the Lender to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by either of the Lender to dispose of any such property in a commercially reasonable manner; and
- (h) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower or any other person, including any discharge of, or bar against collecting, any of the Obligations (including any interest), in or as a result of any such proceeding.

4. **Exercise of Remedies.** The Lender may exercise any right or remedy they may have against the Borrower or any other person without affecting or impairing in any way the liability of the Personal Guarantor hereunder except, subject to the provisions of Section 18 hereunder, to the extent the Obligations have been paid, even if the effect of such action is to destroy or diminish the Personal Guarantor's subrogation rights, the Personal Guarantor's right to proceed against the Borrower for reimbursement, the Personal Guarantor's right to recover contribution from any other Personal Guarantor or any other right or remedy or any such security, and the Personal Guarantor waives any defence arising out of the absence, impairment or loss of any right of subrogation, reimbursement or contribution or of any other right or remedy of the Personal Guarantor against the Borrower or any other person or any such security, whether resulting from any election of remedies by either of the Lender or any act or omission by either of the Lender or otherwise.

5. **Reliance on Agents.** The Lender shall not be required to enquire into the power of the Borrower or the Personal Guarantor or the authority of their officers, directors or agents acting or purporting to act on behalf of the Borrower or the Personal Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority shall be guaranteed hereunder.

6. **Dealings with Borrower.** The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender see fit, and apply all moneys received from the Borrower or others or from any security upon such part of the Obligations as they think best, without the consent of, or notice to, the Personal Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Personal Guarantor hereunder. Without limiting the generality of the foregoing, the Personal Guarantor hereby authorize and empower the Lender, in the Lender' sole and unfettered discretion, without any notice to the Personal Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the Obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Personal Guarantor hereunder and the Personal Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy.

7. **Recourse against Borrower.** The Lender shall not be bound to exhaust the Lender' recourse against the Borrower or others or under any other security before being entitled to payment from the Personal Guarantor under this Guarantee.

8. **Loss of Securities.** Any loss of any security held by the Lender, whether occasioned through the fault of the Lender, the Borrower or otherwise shall not discharge pro tanto or limit or lessen the liability of the Personal Guarantor hereunder.

9. **Settlement of Accounts.** Any account settled or stated between the Lender and the Borrower shall be accepted by the Personal Guarantor as prima facie evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

10. **Change in Composition of Borrower.** Neither a change in the name, objects, capital constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, any circumstance affecting the Borrower or the Personal Guarantor, which might otherwise afford a legal or equitable defence to the Personal Guarantor or a discharge of this Guarantee shall affect or in any way limit or lessen the liability of the Personal Guarantor hereunder. This Guarantee shall extend to any person acquiring, or from time to time carrying on, the business of the Borrower.

11. **Waiver.** No delay on the part of the Lender in exercising any of the Lender' options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of the Lender' rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the liabilities of the Personal Guarantor to the Lender in any other respect at any other time.

12. **Guarantee of all Monies Borrowed.** All moneys and credits in fact borrowed or obtained by the Borrower from the Lender shall be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Personal Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Personal Guarantor as principal Borrower in respect thereof and shall be paid to the Lender forthwith after demand therefor as herein provided.

13. **No Subrogation.** Until all the Obligations have been paid in full, the Personal Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Lender now have or may hereafter have against the Borrower in respect of the Obligations; and the Personal Guarantor waive any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Lender for the Obligations; provided, however, that if the Obligations have been paid in full by the Personal Guarantor to the Lender, the Lender will co-operate with the Personal Guarantor by executing any and all assignments which may be required by law to evidence the Personal Guarantor' right of subrogation with respect to the Obligations.

14. **Stay of Acceleration.** If acceleration of the time for payment of any amount payable by the Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or any moratorium affecting the payment of the Obligations of the Borrower, all such amounts otherwise subject to acceleration shall

nonetheless be payable by the Personal Guarantor hereunder forthwith on demand by the Lender.

15. **Revival of Indebtedness.** If at any time all or any part of any payment previously applied by the Lender to any Obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, as though such application by the Lender had not been made.

16. **Expenses.** The Personal Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all reasonable expenses (including legal fees) incurred by the Lender in the preservation or enforcement of any of the Lender' rights hereunder.

17. **Additional Security.** This Guarantee is in addition and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

18. **Set-off.** The Lender may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Lender and any other indebtedness at any time owing by the Lender to or for the credit or for the account of the Personal Guarantor against any and all of the obligations of the Personal Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Lender shall have made any demand hereunder and although such Obligations may be contingent and unmatured.

19. **Representations, Warranties and Covenants.** The Personal Guarantor hereby represents and warrants to the Lender, upon which representations and warranties the Lender specifically rely, that:

- (a) they have full right, power and authority to enter into this Guarantee and to fulfill its obligations hereunder;
- (b) this Guarantee is binding and enforceable against them, subject to usual exceptions in respect of bankruptcy and the availability of equitable remedies;
- (c) there is no action, proceeding or investigation pending or threatened involving the Personal Guarantor which would affect the validity or enforceability of this Guarantee or any documentation contemplated herein; and
- (d) the entering into of this Guarantee and the documentation contemplated hereby, and the consummation of transactions contemplated herein, will not contravene, or result in a default under:
 - i. any agreements to which the Personal Guarantor are a party or by which it is bound; or
 - ii. the provisions of applicable law.

20. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Personal Guarantor hereby voluntarily and irrevocably submit themselves and their property that is from time to time the subject of any security given by

the Personal Guarantor to the Lender (the "Security") to the jurisdiction of any court or tribunal in the Province of Ontario to enable the Lender to commence and carry to a conclusion any suit, action or proceeding for the collection of any and all amounts payable hereunder and/or the foreclosure or enforcement of the Security or any of it and/or the enforcement of any other right or security given to the Lender by the Personal Guarantor in connection with any amount payable hereunder.

21. **Successors and Assigns.** This Guarantee shall extend and enure to the benefit of the Lender and the Lender' heirs, executors, personal representatives, successors and assigns (as applicable) and shall be binding upon the Personal Guarantor and the Personal Guarantor' successors and permitted assigns. The Personal Guarantor' obligations hereunder shall not be assigned nor delegated. The Lender may assign this Guarantee and their rights hereunder at any time without the consent of the Personal Guarantor.

22. **Time.** Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Personal Guarantor under this Guarantee may be strictly enforced by the Lender.


23. **Headings and Definitions.** The headings used herein are for the purpose of convenience only and shall not be referred to in construing the provisions of this Guarantee.

24. **Severability.** If any provision of this Guarantee shall be determined to be illegal, unconscionable, or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

25. **Communication.** All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by telecopy, to the address set forth below the name of the applicable party in the execution pages of this Guarantee or to such other address as the recipient hereto may from time to time designate to the other in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by telecopy shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent. Communications so sent by mail shall be deemed to have been validly and effectively given on the fifth business day next following the day on which it is sent.

26. **Miscellaneous.** Any reference in this Guarantee to a "person" shall be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual.

IN WITNESS WHEREOF the Personal Guarantor has duly executed this Guarantee as of the 29 day of December, 2020



Witness



MELINDA ROMBOUITS

PERSONAL GUARANTEE

THIS GUARANTEE (the "**Guarantee**") is made by David Roy Burch ("**Personal Guarantor**") in favour of Bryan Van Engelen and JoAnn Engelen (collectively the "**Lender**").

Whereas the Personal Guarantor has agreed to guarantee certain indebtedness, liabilities and obligations of Natural Medco Ltd. (the "**Borrower**") to the Lender pursuant to the Loan Agreement between the parties dated December 21, 2020 (the "Loan Agreement");

Now therefore, for valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Personal Guarantor, the Personal Guarantor hereby agrees as follows:

1. **Guarantee.** The Personal Guarantor hereby unconditionally and irrevocably guarantees payment to the Lender, forthwith upon demand by the Lender, and performance of all indebtedness, liabilities and obligations now or hereafter due or owing by the Borrower to the Lender, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender heretofore or hereafter arising (the "**Obligations**") pursuant to the Loan Agreement, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest and any enforcement costs as set out in the Loan Agreement or any schedule thereto. Any amounts payable by the Personal Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Lender shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **Guarantee Unconditional.** The obligations of the Personal Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, subordination or release in respect of any Obligation;
- (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;
- (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation;
- (d) any change in the corporate existence, structure or ownership of the Borrower, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or their assets;
- (e) the existence of any claim, set-off or other rights which the Personal Guarantor may have at any time against the Borrower, either of the Lender, or any other person, whether in connection herewith or any unrelated transactions;
- (f) any invalidity or unenforceability relating to or against the Borrower or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal or interest under the Obligations;

- (g) any other act or omission to act or delay of any kind by the Borrower, either of the Lender, or any other person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Personal Guarantor's obligations hereunder other than the payment or extinguishment of the Obligations;
- (h) any release, substitution or addition of any co-signer, endorser or other Personal Guarantor of the Obligations; or
- (i) any limitation, postponement, prohibition, subordination or other restriction on the Lender's rights to payment of the Obligations.

3. **Waivers.** The Personal Guarantor irrevocably waives, to the extent permitted by applicable law:

- (a) all presentments, demands for performance, notices of non-performance, protests, guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;
- (b) any right to require the Lender to proceed against the Borrower or any other person, to proceed against, apply or exhaust any security held from the Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Personal Guarantor or any other person for this Guarantee or to pursue any other remedy in the Lender's power whatsoever;
- (c) the benefit of any law which provides that the obligation of a Personal Guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a Personal Guarantor's obligation in proportion to the principal obligation;
- (d) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof, or by reason of any incapacity, lack of authority, or other defense of the Borrower or any other person, or by reason of any limitation, postponement, prohibition on the Lender's right to payment of the Obligations, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower or any other person or any obligations or any security therefor, whether by operation of law or otherwise;
- (e) any defence arising by reason of the Lender's failure to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Borrower or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Lender of any right to recourse or collateral;
- (f) any right to require either of the Lender to marshal any assets in favour of the Personal Guarantor;

- (g) any defence based upon any failure of the Lender to give to the Borrower or the Personal Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of either of the Lender to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by either of the Lender to dispose of any such property in a commercially reasonable manner; and
- (h) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower or any other person, including any discharge of, or bar against collecting, any of the Obligations (including any interest), in or as a result of any such proceeding.

4. **Exercise of Remedies.** The Lender may exercise any right or remedy they may have against the Borrower or any other person without affecting or impairing in any way the liability of the Personal Guarantor hereunder except, subject to the provisions of Section 18 hereunder, to the extent the Obligations have been paid, even if the effect of such action is to destroy or diminish the Personal Guarantor's subrogation rights, the Personal Guarantor's right to proceed against the Borrower for reimbursement, the Personal Guarantor's right to recover contribution from any other Personal Guarantor or any other right or remedy or any such security, and the Personal Guarantor waives any defence arising out of the absence, impairment or loss of any right of subrogation, reimbursement or contribution or of any other right or remedy of the Personal Guarantor against the Borrower or any other person or any such security, whether resulting from any election of remedies by either of the Lender or any act or omission by either of the Lender or otherwise.

5. **Reliance on Agents.** The Lender shall not be required to enquire into the power of the Borrower or the Personal Guarantor or the authority of their officers, directors or agents acting or purporting to act on behalf of the Borrower or the Personal Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority shall be guaranteed hereunder.

6. **Dealings with Borrower.** The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender see fit, and apply all moneys received from the Borrower or others or from any security upon such part of the Obligations as they think best, without the consent of, or notice to, the Personal Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Personal Guarantor hereunder. Without limiting the generality of the foregoing, the Personal Guarantor hereby authorize and empower the Lender, in the Lender' sole and unfettered discretion, without any notice to the Personal Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the Obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Personal Guarantor hereunder and the Personal Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy.

7. **Recourse against Borrower.** The Lender shall not be bound to exhaust the Lender' recourse against the Borrower or others or under any other security before being entitled to payment from the Personal Guarantor under this Guarantee.

8. **Loss of Securities.** Any loss of any security held by the Lender, whether occasioned through the fault of the Lender, the Borrower or otherwise shall not discharge pro tanto or limit or lessen the liability of the Personal Guarantor hereunder.

9. **Settlement of Accounts.** Any account settled or stated between the Lender and the Borrower shall be accepted by the Personal Guarantor as prima facie evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

10. **Change in Composition of Borrower.** Neither a change in the name, objects, capital constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, any circumstance affecting the Borrower or the Personal Guarantor, which might otherwise afford a legal or equitable defence to the Personal Guarantor or a discharge of this Guarantee shall affect or in any way limit or lessen the liability of the Personal Guarantor hereunder. This Guarantee shall extend to any person acquiring, or from time to time carrying on, the business of the Borrower.

11. **Waiver.** No delay on the part of the Lender in exercising any of the Lender' options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of the Lender' rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the liabilities of the Personal Guarantor to the Lender in any other respect at any other time.

12. **Guarantee of all Monies Borrowed.** All moneys and credits in fact borrowed or obtained by the Borrower from the Lender shall be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Personal Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Personal Guarantor as principal Borrower in respect thereof and shall be paid to the Lender forthwith after demand therefor as herein provided.

13. **No Subrogation.** Until all the Obligations have been paid in full, the Personal Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Lender now have or may hereafter have against the Borrower in respect of the Obligations; and the Personal Guarantor waive any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Lender for the Obligations; provided, however, that if the Obligations have been paid in full by the Personal Guarantor to the Lender, the Lender will co-operate with the Personal Guarantor by executing any and all assignments which may be required by law to evidence the Personal Guarantor' right of subrogation with respect to the Obligations.

14. **Stay of Acceleration.** If acceleration of the time for payment of any amount payable by the Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or any moratorium affecting the payment of the Obligations of the Borrower, all such amounts otherwise subject to acceleration shall

nonetheless be payable by the Personal Guarantor hereunder forthwith on demand by the Lender.

15. **Revival of Indebtedness.** If at any time all or any part of any payment previously applied by the Lender to any Obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, as though such application by the Lender had not been made.

16. **Expenses.** The Personal Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all reasonable expenses (including legal fees) incurred by the Lender in the preservation or enforcement of any of the Lender' rights hereunder.

17. **Additional Security.** This Guarantee is in addition and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

18. **Set-off.** The Lender may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Lender and any other indebtedness at any time owing by the Lender to or for the credit or for the account of the Personal Guarantor against any and all of the obligations of the Personal Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Lender shall have made any demand hereunder and although such Obligations may be contingent and unmatured.

19. **Representations, Warranties and Covenants.** The Personal Guarantor hereby represents and warrants to the Lender, upon which representations and warranties the Lender specifically rely, that:

- (a) they have full right, power and authority to enter into this Guarantee and to fulfill its obligations hereunder;
- (b) this Guarantee is binding and enforceable against them, subject to usual exceptions in respect of bankruptcy and the availability of equitable remedies;
- (c) there is no action, proceeding or investigation pending or threatened involving the Personal Guarantor which would affect the validity or enforceability of this Guarantee or any documentation contemplated herein; and
- (d) the entering into of this Guarantee and the documentation contemplated hereby, and the consummation of transactions contemplated herein, will not contravene, or result in a default under:
 - i. any agreements to which the Personal Guarantor are a party or by which it is bound; or
 - ii. the provisions of applicable law.

20. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Personal Guarantor hereby voluntarily and irrevocably submit themselves and their property that is from time to time the subject of any security given by

the Personal Guarantor to the Lender (the "Security") to the jurisdiction of any court or tribunal in the Province of Ontario to enable the Lender to commence and carry to a conclusion any suit, action or proceeding for the collection of any and all amounts payable hereunder and/or the foreclosure or enforcement of the Security or any of it and/or the enforcement of any other right or security given to the Lender by the Personal Guarantor in connection with any amount payable hereunder.

21. **Successors and Assigns.** This Guarantee shall extend and enure to the benefit of the Lender and the Lender' heirs, executors, personal representatives, successors and assigns (as applicable) and shall be binding upon the Personal Guarantor and the Personal Guarantor' successors and permitted assigns. The Personal Guarantor' obligations hereunder shall not be assigned nor delegated. The Lender may assign this Guarantee and their rights hereunder at any time without the consent of the Personal Guarantor.

22. **Time.** Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Personal Guarantor under this Guarantee may be strictly enforced by the Lender.

23. **Headings and Definitions.** The headings used herein are for the purpose of convenience only and shall not be referred to in construing the provisions of this Guarantee.

24. **Severability.** If any provision of this Guarantee shall be determined to be illegal, unconscionable, or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

25. **Communication.** All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by telecopy, to the address set forth below the name of the applicable party in the execution pages of this Guarantee or to such other address as the recipient hereto may from time to time designate to the other in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by telecopy shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent. Communications so sent by mail shall be deemed to have been validly and effectively given on the fifth business day next following the day on which it is sent.

26. **Miscellaneous.** Any reference in this Guarantee to a "person" shall be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual.

IN WITNESS WHEREOF the Personal Guarantor has duly executed this Guarantee as of the 24 day of December, 2020



Witness



DAVID ROY BURCH

SCHEDULE "G"

AMORTIZATION SCHEDULE FOR FACILITY A

Dec/22/2020

D'ARCY D W BELL PROFESSIONAL CORPORATION
Mortgage Amortization
Dec/23/2020 To Dec/31/2021

394 Page 1

Prepared For:	NATURAL MEDCO LTD.	Years :	1.00
Re:	VAN ENGELEN	Payment :	6250.01
Principal:	500000.00	Payment Frequency:	Monthly
Rate:	15.0000	Interest Factor	1.012500000
Compounded:	12		

Date	Payment Number	Total Payment	Interest Payment	Principal Payment	Balance Loan	Total Int. Per Year	Per Diem
*** Interest Adjustment ***							
Dec/23/2020	To Jan/ 1/2021		1849.36			1849.36	
Feb/ 1/2021	2	6250.00	6250.00	0.00	500000.00	8099.36	205.48
Mar/ 1/2021	3	6250.00	6250.00	0.00	500000.00	14349.36	205.48
Apr/ 1/2021	4	6250.00	6250.00	0.00	500000.00	20599.36	205.48
May/ 1/2021	5	6250.00	6250.00	0.00	500000.00	26849.36	205.48
Jun/ 1/2021	6	6250.00	6250.00	0.00	500000.00	33099.36	205.48
Jul/ 1/2021	7	6250.00	6250.00	0.00	500000.00	39349.36	205.48
Aug/ 1/2021	8	6250.00	6250.00	0.00	500000.00	45599.36	205.48
Sep/ 1/2021	9	6250.00	6250.00	0.00	500000.00	51849.36	205.48
Oct/ 1/2021	10	6250.00	6250.00	0.00	500000.00	58099.36	205.48
Nov/ 1/2021	11	6250.00	6250.00	0.00	500000.00	64349.36	205.48
Dec/ 1/2021	12	6250.00	6250.00	0.00	500000.00	70599.36	205.48
Dec/31/2021					Sub-Total	76647.75	

Final Payment	500000.00
Principal Paid to Date	0.00
Interest Paid to Date	70599.36
Total Paid to Date	70599.36

E. & O.E.

REPORT SELECTIONS - Mortgage Amortization

Layout Template:	All
Requested by:	Staff
Finished:	Tuesday, December 22, 2020 at 03:06:49 PM
Date Range:	Dec/23/2020 To Dec/31/2021
Name:	NATURAL MEDCO LTD.
Re:	VAN ENGELEN
Principal:	500000.00
Rate:	15.00
Payment:	6250.01
Ver:	14.2.2 (14.2.20181026)

Dec/22/2020

D'ARCY D W BELL PROFESSIONAL CORPORATION
Mortgage Amortization
Dec/23/2020 To Dec/31/2022

395 Page 1

Prepared For:	NATURAL MEDCO LTD.	Years :	1.00
Re:	VAN ENGELEN	Payment :	44190.03
Principal:	500000.00	Payment Frequency:	Monthly
Rate:	11.0000	Interest Factor	1.009166667
Compounded:	12		

Date	Payment Number	Total Payment	Interest Payment	Principal Payment	Balance Loan	Total Int Per Year	Per Diem
Jan/ 1/2022	1	44190.83	4583.33	39607.50	460392.50	4583.33	150.69
Feb/ 1/2022	2	44190.83	4220.26	39970.57	420421.93	8803.59	138.75
Mar/ 1/2022	3	44190.83	3853.87	40336.96	380084.97	12657.46	126.71
Apr/ 1/2022	4	44190.83	3484.11	40706.72	339378.25	16141.57	114.55
May/ 1/2022	5	44190.83	3110.97	41079.86	298298.39	19252.54	102.28
Jun/ 1/2022	6	44190.83	2734.40	41456.43	256841.96	21986.94	89.90
Jul/ 1/2022	7	44190.83	2354.38	41836.45	215005.51	24341.32	77.41
Aug/ 1/2022	8	44190.83	1970.88	42219.95	172785.56	26312.20	64.80
Sep/ 1/2022	9	44190.83	1583.87	42606.96	130178.60	27896.07	52.08
Oct/ 1/2022	10	44190.83	1193.30	42997.53	87181.07	29089.37	39.24
Nov/ 1/2022	11	44190.83	799.16	43391.67	43789.40	29888.53	26.28
Dec/ 1/2022	12	44190.80	401.40	43789.40	0.00	30289.93	13.20
Dec/31/2022				Sub-Total		30289.93	

Final Payment	0.00
Principal Paid to Date	500000.00
Interest Paid to Date	30289.93
Total Paid to Date	530289.93

E. & O.E.

REPORT SELECTIONS - Mortgage Amortization

Layout Template:	All
Requested by:	Staff
Finished:	Tuesday, December 22, 2020 at 03:04:45 PM
Date Range:	Dec/23/2020 To Dec/31/2022
Name:	NATURAL MEDCO LTD.
Re:	VAN ENGELEN
Principal:	500000.00
Rate:	11.00
Payment:	44190.83
Ver:	14.2.2 (14.2.20181026)

This is **Exhibit “V”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

PROMISSORY NOTE

DATED: December 29, 2020

BALANCE DUE: December 31, 2022

FOR VALUE RECEIVED NATURAL MEDCO LTD. (Borrower), EVE & CO INCORPORATED (Corporate Guarantor), and MELINDA ROMBOUITS (Personal Guarantor) jointly and severally hereby promise to pay to BRYAN VAN ENGELEN (the "Lender") the sum of Five Hundred Thousand Dollars (\$500,000.00), plus accrued interest, in lawful money of Canada, to be repaid in accordance with terms set out with respect to Facility A in the Loan Agreement between the parties dated December 21, 2020.

Interest shall accrue on this Note as set out in the Loan Agreement.

If this Note is collected through any legal proceedings, the Borrower agrees to pay the court costs, solicitor's fees on a full indemnity basis, and other costs of collection of the debt.

The Borrower and both Guarantors, insomuch as they are liable at any time for payment of any sums of money payable under this Note, jointly and severally waive presentment and demand for payment, protest, and notice of protest and non-payment, and agree that their liability on this Note shall not be affected by any renewal or any extension in the time of payment hereof or by any indulgences and hereby consent to any and all such renewals, extensions or indulgences, regardless of the number of such renewals, extensions or indulgences. The failure of the Lender to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in any other instance.

Time is and shall be in all respects of the essence hereof.

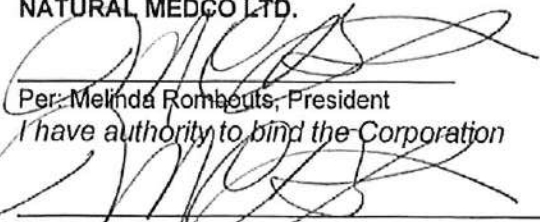
This Note has been made and issued in Canada and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Corporate Guarantor and Personal Guarantor unconditionally guarantees payment by the Borrower of the principal sum and interest that the Borrower has promised to pay under this Note.

The Parties hereto agree and confirm that the Lender shall not be bound to exhaust any remedies against the Borrower before proceeding against the Guarantors or to realize on any particular security before realizing on another, it being the intent that the Lender may pursue any or all remedies in whatever order or simultaneously, all in the Lender's sole discretion.

IN WITNESS WHEREOF the Borrower, Corporate Guarantor, and Personal Guarantor have hereunto signed this Promissory Note on the day and year first above written.


NATURAL MEDCO LTD.




Per: Melinda Rombouts, President
I have authority to bind the Corporation

Melinda Rombouts

EVE & CO INCORPORATED



Per: Melinda Rombouts, President
I have authority to bind the Corporation


David Roy Burch

PROMISSORY NOTE

DATED: December 29, 2020

BALANCE DUE: December 31, 2022

FOR VALUE RECEIVED NATURAL MEDCO LTD. (Borrower), EVE & CO INCORPORATED (Corporate Guarantor), and MELINDA ROMBOUTS (Personal Guarantor) jointly and severally hereby promise to pay to JOANN VAN ENGELEN (the "Lender") any amount borrowed under Facility B in the Loan Agreement between the parties dated December 21, 2020, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest, in lawful money of Canada, to be repaid in accordance with terms set out with respect to Facility B in the Loan Agreement.

Interest shall accrue on this Note as set out in the Loan Agreement.

If this Note is collected through any legal proceedings, the Borrower agrees to pay the court costs, solicitor's fees on a full indemnity basis, and other costs of collection of the debt.

The Borrower and both Guarantors, insomuch as they are liable at any time for payment of any sums of money payable under this Note, jointly and severally waive presentment and demand for payment, protest, and notice of protest and non-payment, and agree that their liability on this Note shall not be affected by any renewal or any extension in the time of payment hereof or by any indulgences and hereby consent to any and all such renewals, extensions or indulgences, regardless of the number of such renewals, extensions or indulgences. The failure of the Lender to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in any other instance.

Time is and shall be in all respects of the essence hereof.

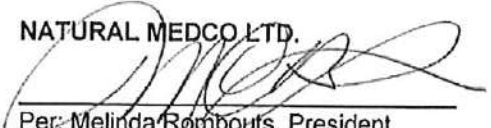
This Note has been made and issued in Canada and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The Corporate Guarantor and Personal Guarantor unconditionally guarantees payment by the Borrower of the principal sum and interest that the Borrower has promised to pay under this Note.

The Parties hereto agree and confirm that the Lender shall not be bound to exhaust any remedies against the Borrower before proceeding against the Guarantors or to realize on any particular security before realizing on another, it being the intent that the Lender may pursue any or all remedies in whatever order or simultaneously, all in the Lender's sole discretion.

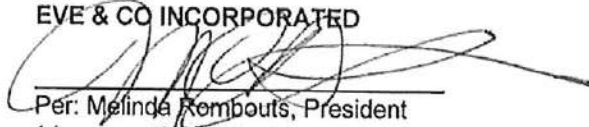
IN WITNESS WHEREOF the Borrower, Corporate Guarantor, and Personal Guarantor have hereunto signed this Promissory Note on the day and year first above written.

NATURAL MEDCO LTD.


Per: Melinda Rombouts, President
I have authority to bind the Corporation

Melinda Rombouts

EVE & CO INCORPORATED


Per: Melinda Rombouts, President
I have authority to bind the Corporation

David Roy Burch

This is **Exhibit “W”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

GENERAL SECURITY AGREEMENT

TO: **BRYAN VAN ENGELEN & JOANNE VAN ENGELEN**
 (collectively the "Secured Party")
 c/o
 D. Ryan Bell, D'Arcy D. W. Bell Professional Corporation
 GMSB LLP, 222 N. Front Street
 P.O. Box 2196
 Sarnia, Ontario N7T 5S5

1. **Security Interest** - The Undersigned (the "Debtor") for valuable consideration hereby grants, assigns, transfers, sets over, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in the present and future undertaking, property and assets of the Debtor including without limitation the following (the "Collateral"):
- (a) all goods now or hereafter comprising part of the inventory of the Debtor including, but not limited to, goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods;
 - (b) all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including, but not limited to, fixtures, equipment, machinery, vehicles and other tangible personal property;
 - (c) all debts, accounts, claims, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
 - (d) all chattel paper now or hereafter owned by the Debtor;
 - (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
 - (f) with respect to the personal property described in subparagraphs (a) to (e) inclusive, all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
 - (g) all shares, stock, warrants, bonds, debentures, debenture stock or other securities now or hereafter owned by the Debtor;
 - (h) all goodwill, patents, trade marks, copyrights and other industrial property and all other intangibles now or hereafter owned by the Debtor;
 - (i) with respect to the personal property described in subparagraphs (a) to (h) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and
 - (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in The Personal Property Security Act of Ontario including all

amendments thereto (the "PPSA"). In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

2. **Obligations Secured** - The fixed and specific mortgages and charges and security interest granted hereby secures the performance by the Debtor of all of its present and future obligations (such obligations herein called, and included in, the "Obligations") to the Secured Party under the following described agreement:

Loan Agreement dated the 21st day of December, 2020, between Natural Medco Ltd., (as the Borrower), Eve & Co. Incorporated (as the Corporate Guarantor), David Burch and Melinda Rombouts (as the Personal Guarantors) and Bryan Van Engelen and JoAnn Van Engelen (as the Lender) whereby the Lender agreed to lend the aggregate total of up to One Million Dollars (\$1,000,000.00) on the terms and conditions as set out therein.

3. **Representations and Warranties** - The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Debtor has, or will have when the Collateral is acquired, the right to create mortgages and charges of, and grant a security interest in, the Collateral in favour of the Secured Party;
- (c) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (d) this Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor.

4. **Covenants** - The Debtor hereby agrees that:

- (a) **Maintain, Use, Etc.** - the Debtor shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) **Insurance** - the Debtor shall cause all of the Collateral which is of a character usually insured by business operating Collateral of a similar nature to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards of the nature of and to the extent that such Collateral is usually insured by businesses operating or using Collateral of a similar nature in the same or similar localities and shall maintain such insurance with loss, if any, payable to the Secured Party and shall deliver to the Secured Party evidence of such insurance satisfactory to the Secured Party;
- (c) **Rent, Taxes, Etc.** - the Debtor shall pay all rents, taxes, rates, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payments;
- (d) **Observe Law** - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) **Books, Records** - the Debtor shall keep proper books of accounts in accordance with sound accounting practice and the Debtor shall furnish to the Secured Party such financial information and statements relating to its business and the Collateral as the

Secured Party may from time to time require and the Debtor shall permit the Secured Party or its authorized agent at any time at the expense of the Debtor to examine the Collateral and to examine the books of accounts and other financial records and reports of the Debtor including but not limited to books of accounts and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

- (f) **Information** - the Debtor shall furnish to the Secured Party such information with respect to the Collateral and the insurance thereon as the Secured Party may from time to time require and the Debtor shall give written notice to the Secured Party of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral;
- (g) **Other Encumbrances** - the Debtor shall not, without the prior consent in writing of the Secured Party, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral or any part thereof;
- (h) **Defend Title** - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the secured Party furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement; and
- (i) **Change of Name** - the Debtor shall not change its name or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 6 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

5. **Immediate Possession** - Upon failure by the Debtor to perform any of the agreements described in paragraph 4 hereof, the Secured Party is authorized and has the option to take immediate possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The expenses (including the cost of any insurance and the amount of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to the Secured Party immediately after they are incurred, shall bear interest at the rate of twenty percent (20%) per annum and the repayment of such expenses and interest thereof shall be secured by this Agreement.

6. **Events of Default** - At the option and upon the declaration of the Secured Party, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:

- (a) if the Debtor shall fail to pay or perform when due any of the Obligations;
- (b) if the Debtor shall fail to perform any provisions of this Agreement or of any other agreement to which the Debtor and the Secured Party are parties;
- (c) if any of the representations and warranties herein is or becomes incorrect in any respect at any time;
- (d) if the Debtor or any guarantor of any of the Obligations ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
- (e) if any proceeding is taken with respect to a compromise or arrangement, or to have the Debtor or any guarantor of any of the Obligations declared bankrupt or wound up, or to

have a receiver appointed in respect of the Debtor or of any guarantor of any of the Obligations or of any part of the Collateral or if any encumbrancer takes possession of any part thereof;

- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or any guarantor of any of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof;
- (g) if the Secured Party in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. **Remedies** - If pursuant to paragraph 6 hereof the Secured Party declares that the Obligations shall immediately become due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and those provided by this Agreement. The Secured Party may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any means and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party. The Secured Party may enter the premises of the Debtor to exercise its rights and remedies in respect of the Collateral. The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof or may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power

- (a) to take possession of the Collateral or any part thereof,
- (b) to carry on the business of the Debtor,
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Debtor on the security of the Collateral in priority to the mortgage and charge and security interest created under this Agreement, and
- (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Debtor and the Secured Party shall not be, in any way, responsible for any misconduct or negligence of any such receiver.

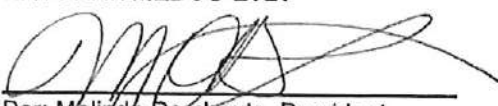
In addition to all its other rights and powers, the Secured Party may, either directly or through its nominees, exercise all of the powers and rights given to a receiver under the provisions of this paragraph.

8. **Expenses** - Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including solicitors' fees and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Secured Party towards the payment of the Obligations in such order of application as the Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 7 hereof shall bear interest at twenty percent (20%) per annum and shall be Obligations under this Agreement. If disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Secured Party, the Debtor shall be liable to pay for any deficiency on demand.

9. **Miscellaneous** - The Debtor and the Secured Party further agree that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals or extensions, the taking of further security, releasing security, extinguishment of mortgages or charges or the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the mortgages or charges or security interest upon payment in full of the Obligations including charges, expenses, fees, costs and interest;
- (b) any failure by the Secured Party to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment or performance in full of the Obligations secured by this Agreement;
- (c) all rights of the Secured Party hereunder shall be assignable and, in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Secured Party;
- (d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for the Secured Party;
- (e) the Debtor agrees that if the Collateral or any part thereof is being sold or delivered to the Debtor by the Secured Party, title and ownership of each part of the Collateral shall not pass to the Debtor but shall be and remain in the Secured Party until all Obligations in respect of each such part are paid or performed in full;
- (f) all rights of the Secured Party hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his heirs, executors, administrators, successors and assigns;
- (g) if more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (h) this Agreement shall be governed in all respects by the laws of the Province of Ontario;
- (i) the Debtor hereby acknowledges receipt of an executed copy of this Agreement; and
- (j) this Agreement shall become effective when it is signed by the Debtor.

EXECUTED on the 29 day of December, 2020

) NATURAL MEDCO LTD.
)
)
) 
) _____
) Per: Melinda Rombouts, President
) I have authority to bind the Corporation

GENERAL SECURITY AGREEMENT

TO: BRYAN VAN ENGELEN & JOANNE VAN ENGELEN
(collectively the "Secured Party")

c/o
D. Ryan Bell, D'Arcy D. W. Bell Professional Corporation
GMSB LLP, 222 N. Front Street
P.O. Box 2196
Sarnia, Ontario N7T 5S5

1. **Security Interest** - The Undersigned (the "Debtor") for valuable consideration hereby grants, assigns, transfers, sets over, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in the present and future undertaking, property and assets of the Debtor including without limitation the following (the "Collateral"):
- (a) all goods now or hereafter comprising part of the inventory of the Debtor including, but not limited to, goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods;
 - (b) all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including, but not limited to, fixtures, equipment, machinery, vehicles and other tangible personal property;
 - (c) all debts, accounts, claims, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
 - (d) all chattel paper now or hereafter owned by the Debtor;
 - (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
 - (f) with respect to the personal property described in subparagraphs (a) to (e) inclusive, all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
 - (g) all shares, stock, warrants, bonds, debentures, debenture stock or other securities now or hereafter owned by the Debtor;
 - (h) all goodwill, patents, trade marks, copyrights and other industrial property and all other intangibles now or hereafter owned by the Debtor;
 - (i) with respect to the personal property described in subparagraphs (a) to (h) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and
 - (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged.

In this paragraph, the words "goods", "inventory", "equipment", "chattel paper", "document of title", "instrument", "securities", "intangible" and "accessions" shall have the same meanings as their defined meanings in The Personal Property Security Act of Ontario including all

amendments thereto (the "PPSA"). In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof.

2. **Obligations Secured** - The fixed and specific mortgages and charges and security interest granted hereby secures the performance by the Debtor of all of its present and future obligations (such obligations herein called, and included in, the "Obligations") to the Secured Party under the following described agreement:

Loan Agreement dated the 21st day of December, 2020, between Natural Medco Ltd., (as the Borrower), Eve & Co. Incorporated (as the Corporate Guarantor), Melinda Rombouts (as the Personal Guarantor) and Bryan Van Engelen and JoAnn Van Engelen (as the Lender) whereby the Lender agreed to lend the aggregate total of up to One Million Dollars (\$1,000,000.00) on the terms and conditions as set out therein.

3. **Representations and Warranties** - The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Debtor has, or will have when the Collateral is acquired, the right to create mortgages and charges of, and grant a security interest in, the Collateral in favour of the Secured Party;
- (c) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (d) this Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor.

4. **Covenants** - The Debtor hereby agrees that:

- (a) **Maintain, Use, Etc.** - the Debtor shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) **Insurance** - the Debtor shall cause all of the Collateral which is of a character usually insured by business operating Collateral of a similar nature to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards of the nature of and to the extent that such Collateral is usually insured by businesses operating or using Collateral of a similar nature in the same or similar localities and shall maintain such insurance with loss, if any, payable to the Secured Party and shall deliver to the Secured Party evidence of such insurance satisfactory to the Secured Party;
- (c) **Rent, Taxes, Etc.** - the Debtor shall pay all rents, taxes, rates, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payments;
- (d) **Observe Law** - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) **Books, Records** - the Debtor shall keep proper books of accounts in accordance with sound accounting practice and the Debtor shall furnish to the Secured Party such financial information and statements relating to its business and the Collateral as the

Secured Party may from time to time require and the Debtor shall permit the Secured Party or its authorized agent at any time at the expense of the Debtor to examine the Collateral and to examine the books of accounts and other financial records and reports of the Debtor including but not limited to books of accounts and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

- (f) **Information** - the Debtor shall furnish to the Secured Party such information with respect to the Collateral and the insurance thereon as the Secured Party may from time to time require and the Debtor shall give written notice to the Secured Party of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral;
 - (g) **Other Encumbrances** - the Debtor shall not, without the prior consent in writing of the Secured Party, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral or any part thereof;
 - (h) **Defend Title** - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the secured Party furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement; and
 - (i) **Change of Name** - the Debtor shall not change its name or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 6 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.
5. **Immediate Possession** - Upon failure by the Debtor to perform any of the agreements described in paragraph 4 hereof, the Secured Party is authorized and has the option to take immediate possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The expenses (including the cost of any insurance and the amount of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to the Secured Party immediately after they are incurred, shall bear interest at the rate of twenty percent (20%) per annum and the repayment of such expenses and interest thereof shall be secured by this Agreement.
6. **Events of Default** - At the option and upon the declaration of the Secured Party, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:
- (a) if the Debtor shall fail to pay or perform when due any of the Obligations;
 - (b) if the Debtor shall fail to perform any provisions of this Agreement or of any other agreement to which the Debtor and the Secured Party are parties;
 - (c) if any of the representations and warranties herein is or becomes incorrect in any respect at any time;
 - (d) if the Debtor or any guarantor of any of the Obligations ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangement to its creditors;
 - (e) if any proceeding is taken with respect to a compromise or arrangement, or to have the Debtor or any guarantor of any of the Obligations declared bankrupt or wound up, or to

have a receiver appointed in respect of the Debtor or of any guarantor of any of the Obligations or of any part of the Collateral or if any encumbrancer takes possession of any part thereof;

- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or any guarantor of any of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof;
- (g) if the Secured Party in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. **Remedies** - If pursuant to paragraph 6 hereof the Secured Party declares that the Obligations shall immediately become due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and those provided by this Agreement. The Secured Party may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any means and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party. The Secured Party may enter the premises of the Debtor to exercise its rights and remedies in respect of the Collateral. The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof or may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral or of any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power

- (a) to take possession of the Collateral or any part thereof,
- (b) to carry on the business of the Debtor,
- (c) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Debtor on the security of the Collateral in priority to the mortgage and charge and security interest created under this Agreement, and
- (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Debtor and the Secured Party shall not be, in any way, responsible for any misconduct or negligence of any such receiver.

In addition to all its other rights and powers, the Secured Party may, either directly or through its nominees, exercise all of the powers and rights given to a receiver under the provisions of this paragraph.


8. **Expenses** - Any proceeds of any disposition of any of the Collateral may be applied by the Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including solicitors' fees and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Secured Party towards the payment of the Obligations in such order of application as the Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 7 hereof shall bear interest at twenty percent (20%) per annum and shall be Obligations under this Agreement. If disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Secured Party, the Debtor shall be liable to pay for any deficiency on demand.

9. **Miscellaneous** - The Debtor and the Secured Party further agree that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals or extensions, the taking of further security, releasing security, extinguishment of mortgages or charges or the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the mortgages or charges or security interest upon payment in full of the Obligations including charges, expenses, fees, costs and interest;
- (b) any failure by the Secured Party to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment or performance in full of the Obligations secured by this Agreement;
- (c) all rights of the Secured Party hereunder shall be assignable and, in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Secured Party;
- (d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for the Secured Party;
- (e) the Debtor agrees that if the Collateral or any part thereof is being sold or delivered to the Debtor by the Secured Party, title and ownership of each part of the Collateral shall not pass to the Debtor but shall be and remain in the Secured Party until all Obligations in respect of each such part are paid or performed in full;
- (f) all rights of the Secured Party hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his heirs, executors, administrators, successors and assigns;
- (g) if more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (h) this Agreement shall be governed in all respects by the laws of the Province of Ontario;
- (i) the Debtor hereby acknowledges receipt of an executed copy of this Agreement; and
- (j) this Agreement shall become effective when it is signed by the Debtor.

EXECUTED on the 29 day of December, 2020

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EVE & CO INCORPORATED.


 Per: Melinda Rombouts, President
I have authority to bind the Corporation

This is **Exhibit "X"** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

LRO # 33 **Charge/Mortgage**Registered as **ER1345852** on 2020 12 29 at 14:06

411

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 2

Properties

PIN 08584 - 0141 LT *Interest/Estate* Fee Simple
Description PT LT 17, CON 5, SER ADELAIDE AS IN MW105987; TOWNSHIP OF ADELAIDE METCALFE
Address 2941 NAPPERTON DRIVE
 STRATHROY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name NATURAL MEDCO LTD.
Address for Service 2941 Napperton Drive
 Strathroy, Ontario
 N7G 3H8

I, Melinda Rombouts, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name VAN ENGELEN, BRYAN *Capacity* Joint Account, Right Of Survivorship
Address for Service 2601 Erbs Rd.
 Baden ON
 N3A 3M4

Name VAN ENGELEN, JOANNE *Capacity* Joint Account, Right Of Survivorship
Address for Service 10013 Raeburn Rd
 Port Franks ON
 N0M 2L0

Provisions

Principal \$1,200,000.00 *Currency* CDN
Calculation Period Monthly
Balance Due Date 2022/12/31
Interest Rate See Additional Provisions
Payments
Interest Adjustment Date 2021 01 01
Payment Date See Additional Provisions
First Payment Date 2021 02 01
Last Payment Date 2022 12 31
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor EVE & CO INCORPORATED, MELINDA ROMBOUTS, DAVID ROY BURCH

Additional Provisions

This Charge secures all amounts borrowed by the Chargor pursuant to the Loan Agreement between the Chargor and the Chargees dated December 21 2020 (principal and interest). Interest in year 1 shall be 15% per annum calculated monthly, and interest in year 2 shall be 11% per annum calculated monthly. Interest only payments shall be due in year 1, but there shall be no repayment of principal permitted in year 1 without the written consent of the Chargee. The total outstanding principal and interest at the end of year 1 shall be repaid in 12 equal monthly installments of principal and interest in year 2, with interest accruing at 11%. The balance shall be due at the end of year 2. The Chargor may repay the balance of principal and interest at any time in year 2 without penalty.

Signed By

D'Arcy Ryan Bell 222 North Front Street acting for Signed 2020 12 29
 Sarnia Chargor(s)
 N7T 5S5

Tel 519-336-8770

Fax 519-336-1811

LRO # 33 **Charge/Mortgage**

Registered as ER1345852 on 2020 12 29 at 14:06

412

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

Signed By

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

D'ARCY D. W. BELL PROFESSIONAL CORPORATION 222 North Front Street
Sarnia
N7T 5S5

2020 12 29

Tel 519-336-8770

Fax 519-336-1811

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Chargor Client File Number : RB 20-2953

This is **Exhibit “Y”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

PERSONAL GUARANTEE

THIS GUARANTEE (the "**Guarantee**") is made by Melinda Rombouts ("**Personal Guarantor**") in favour of Bryan Van Engelen and JoAnn Engelen (collectively the "**Lender**").

Whereas the Personal Guarantor has agreed to guarantee certain indebtedness, liabilities and obligations of Natural Medco Ltd. (the "**Borrower**") to the Lender pursuant to the Loan Agreement between the parties dated December 21, 2020 (the "Loan Agreement");

Now therefore, for valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Personal Guarantor, the Personal Guarantor hereby agrees as follows:

1. **Guarantee.** The Personal Guarantor hereby unconditionally and irrevocably guarantees payment to the Lender, forthwith upon demand by the Lender, and performance of all indebtedness, liabilities and obligations now or hereafter due or owing by the Borrower to the Lender, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender heretofore or hereafter arising (the "**Obligations**") pursuant to the Loan Agreement, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest and any enforcement costs as set out in the Loan Agreement or any schedule thereto. Any amounts payable by the Personal Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Lender shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **Guarantee Unconditional.** The obligations of the Personal Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, subordination or release in respect of any Obligation;
- (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;
- (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation;
- (d) any change in the corporate existence, structure or ownership of the Borrower, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or their assets;
- (e) the existence of any claim, set-off or other rights which the Personal Guarantor may have at any time against the Borrower, either of the Lender, or any other person, whether in connection herewith or any unrelated transactions;
- (f) any invalidity or unenforceability relating to or against the Borrower or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal or interest under the Obligations;

- (g) any other act or omission to act or delay of any kind by the Borrower, either of the Lender, or any other person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Personal Guarantor's obligations hereunder other than the payment or extinguishment of the Obligations;
- (h) any release, substitution or addition of any co-signer, endorser or other Personal Guarantor of the Obligations; or
- (i) any limitation, postponement, prohibition, subordination or other restriction on the Lender's rights to payment of the Obligations.

3. **Waivers.** The Personal Guarantor irrevocably waives, to the extent permitted by applicable law:

- (a) all presentments, demands for performance, notices of non-performance, protests, guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;
- (b) any right to require the Lender to proceed against the Borrower or any other person, to proceed against, apply or exhaust any security held from the Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Personal Guarantor or any other person for this Guarantee or to pursue any other remedy in the Lender's power whatsoever;
- (c) the benefit of any law which provides that the obligation of a Personal Guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a Personal Guarantor's obligation in proportion to the principal obligation;
- (d) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof, or by reason of any incapacity, lack of authority, or other defense of the Borrower or any other person, or by reason of any limitation, postponement, prohibition on the Lender's right to payment of the Obligations, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower or any other person or any obligations or any security therefor, whether by operation of law or otherwise;
- (e) any defence arising by reason of the Lender's failure to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Borrower or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Lender of any right to recourse or collateral;
- (f) any right to require either of the Lender to marshal any assets in favour of the Personal Guarantor;

- (g) any defence based upon any failure of the Lender to give to the Borrower or the Personal Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of either of the Lender to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by either of the Lender to dispose of any such property in a commercially reasonable manner; and
- (h) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower or any other person, including any discharge of, or bar against collecting, any of the Obligations (including any interest), in or as a result of any such proceeding.

4. **Exercise of Remedies.** The Lender may exercise any right or remedy they may have against the Borrower or any other person without affecting or impairing in any way the liability of the Personal Guarantor hereunder except, subject to the provisions of Section 18 hereunder, to the extent the Obligations have been paid, even if the effect of such action is to destroy or diminish the Personal Guarantor's subrogation rights, the Personal Guarantor's right to proceed against the Borrower for reimbursement, the Personal Guarantor's right to recover contribution from any other Personal Guarantor or any other right or remedy or any such security, and the Personal Guarantor waives any defence arising out of the absence, impairment or loss of any right of subrogation, reimbursement or contribution or of any other right or remedy of the Personal Guarantor against the Borrower or any other person or any such security, whether resulting from any election of remedies by either of the Lender or any act or omission by either of the Lender or otherwise.

5. **Reliance on Agents.** The Lender shall not be required to enquire into the power of the Borrower or the Personal Guarantor or the authority of their officers, directors or agents acting or purporting to act on behalf of the Borrower or the Personal Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority shall be guaranteed hereunder.

6. **Dealings with Borrower.** The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender see fit, and apply all moneys received from the Borrower or others or from any security upon such part of the Obligations as they think best, without the consent of, or notice to, the Personal Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Personal Guarantor hereunder. Without limiting the generality of the foregoing, the Personal Guarantor hereby authorize and empower the Lender, in the Lender' sole and unfettered discretion, without any notice to the Personal Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the Obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Personal Guarantor hereunder and the Personal Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy.

7. **Recourse against Borrower.** The Lender shall not be bound to exhaust the Lender' recourse against the Borrower or others or under any other security before being entitled to payment from the Personal Guarantor under this Guarantee.

8. **Loss of Securities.** Any loss of any security held by the Lender, whether occasioned through the fault of the Lender, the Borrower or otherwise shall not discharge pro tanto or limit or lessen the liability of the Personal Guarantor hereunder.

9. **Settlement of Accounts.** Any account settled or stated between the Lender and the Borrower shall be accepted by the Personal Guarantor as prima facie evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

10. **Change in Composition of Borrower.** Neither a change in the name, objects, capital constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, any circumstance affecting the Borrower or the Personal Guarantor, which might otherwise afford a legal or equitable defence to the Personal Guarantor or a discharge of this Guarantee shall affect or in any way limit or lessen the liability of the Personal Guarantor hereunder. This Guarantee shall extend to any person acquiring, or from time to time carrying on, the business of the Borrower.

11. **Waiver.** No delay on the part of the Lender in exercising any of the Lender' options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of the Lender' rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the liabilities of the Personal Guarantor to the Lender in any other respect at any other time.

12. **Guarantee of all Monies Borrowed.** All moneys and credits in fact borrowed or obtained by the Borrower from the Lender shall be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Personal Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Personal Guarantor as principal Borrower in respect thereof and shall be paid to the Lender forthwith after demand therefor as herein provided.

13. **No Subrogation.** Until all the Obligations have been paid in full, the Personal Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Lender now have or may hereafter have against the Borrower in respect of the Obligations; and the Personal Guarantor waive any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Lender for the Obligations; provided, however, that if the Obligations have been paid in full by the Personal Guarantor to the Lender, the Lender will co-operate with the Personal Guarantor by executing any and all assignments which may be required by law to evidence the Personal Guarantor' right of subrogation with respect to the Obligations.

14. **Stay of Acceleration.** If acceleration of the time for payment of any amount payable by the Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or any moratorium affecting the payment of the Obligations of the Borrower, all such amounts otherwise subject to acceleration shall

nonetheless be payable by the Personal Guarantor hereunder forthwith on demand by the Lender.

15. **Revival of Indebtedness.** If at any time all or any part of any payment previously applied by the Lender to any Obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, as though such application by the Lender had not been made.

16. **Expenses.** The Personal Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all reasonable expenses (including legal fees) incurred by the Lender in the preservation or enforcement of any of the Lender' rights hereunder.

17. **Additional Security.** This Guarantee is in addition and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

18. **Set-off.** The Lender may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Lender and any other indebtedness at any time owing by the Lender to or for the credit or for the account of the Personal Guarantor against any and all of the obligations of the Personal Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Lender shall have made any demand hereunder and although such Obligations may be contingent and unmatured.

19. **Representations, Warranties and Covenants.** The Personal Guarantor hereby represents and warrants to the Lender, upon which representations and warranties the Lender specifically rely, that:

- (a) they have full right, power and authority to enter into this Guarantee and to fulfill its obligations hereunder;
- (b) this Guarantee is binding and enforceable against them, subject to usual exceptions in respect of bankruptcy and the availability of equitable remedies;
- (c) there is no action, proceeding or investigation pending or threatened involving the Personal Guarantor which would affect the validity or enforceability of this Guarantee or any documentation contemplated herein; and
- (d) the entering into of this Guarantee and the documentation contemplated hereby, and the consummation of transactions contemplated herein, will not contravene, or result in a default under:
 - i. any agreements to which the Personal Guarantor are a party or by which it is bound; or
 - ii. the provisions of applicable law.

20. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Personal Guarantor hereby voluntarily and irrevocably submit themselves and their property that is from time to time the subject of any security given by

the Personal Guarantor to the Lender (the "Security") to the jurisdiction of any court or tribunal in the Province of Ontario to enable the Lender to commence and carry to a conclusion any suit, action or proceeding for the collection of any and all amounts payable hereunder and/or the foreclosure or enforcement of the Security or any of it and/or the enforcement of any other right or security given to the Lender by the Personal Guarantor in connection with any amount payable hereunder.

21. **Successors and Assigns.** This Guarantee shall extend and enure to the benefit of the Lender and the Lender' heirs, executors, personal representatives, successors and assigns (as applicable) and shall be binding upon the Personal Guarantor and the Personal Guarantor' successors and permitted assigns. The Personal Guarantor' obligations hereunder shall not be assigned nor delegated. The Lender may assign this Guarantee and their rights hereunder at any time without the consent of the Personal Guarantor.

22. **Time.** Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Personal Guarantor under this Guarantee may be strictly enforced by the Lender.

23. **Headings and Definitions.** The headings used herein are for the purpose of convenience only and shall not be referred to in construing the provisions of this Guarantee.

24. **Severability.** If any provision of this Guarantee shall be determined to be illegal, unconscionable, or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

25. **Communication.** All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by telecopy, to the address set forth below the name of the applicable party in the execution pages of this Guarantee or to such other address as the recipient hereto may from time to time designate to the other in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by telecopy shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent. Communications so sent by mail shall be deemed to have been validly and effectively given on the fifth business day next following the day on which it is sent.

26. **Miscellaneous.** Any reference in this Guarantee to a "person" shall be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual.

IN WITNESS WHEREOF the Personal Guarantor has duly executed this Guarantee as of the 29 day of December, 2020



Witness


MELINDA ROMBOUITS

PERSONAL GUARANTEE

THIS GUARANTEE (the "**Guarantee**") is made by David Roy Burch ("**Personal Guarantor**") in favour of Bryan Van Engelen and JoAnn Engelen (collectively the "**Lender**").

Whereas the Personal Guarantor has agreed to guarantee certain indebtedness, liabilities and obligations of Natural Medco Ltd. (the "**Borrower**") to the Lender pursuant to the Loan Agreement between the parties dated December 21, 2020 (the "Loan Agreement");

Now therefore, for valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Personal Guarantor, the Personal Guarantor hereby agrees as follows:

1. **Guarantee.** The Personal Guarantor hereby unconditionally and irrevocably guarantees payment to the Lender, forthwith upon demand by the Lender, and performance of all indebtedness, liabilities and obligations now or hereafter due or owing by the Borrower to the Lender, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender heretofore or hereafter arising (the "**Obligations**") pursuant to the Loan Agreement, to a maximum of Five Hundred Thousand Dollars (\$500,000.00) plus accrued interest and any enforcement costs as set out in the Loan Agreement or any schedule thereto. Any amounts payable by the Personal Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Lender shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **Guarantee Unconditional.** The obligations of the Personal Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, subordination or release in respect of any Obligation;
- (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder;
- (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation;
- (d) any change in the corporate existence, structure or ownership of the Borrower, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or their assets;
- (e) the existence of any claim, set-off or other rights which the Personal Guarantor may have at any time against the Borrower, either of the Lender, or any other person, whether in connection herewith or any unrelated transactions;
- (f) any invalidity or unenforceability relating to or against the Borrower or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal or interest under the Obligations;

- (g) any other act or omission to act or delay of any kind by the Borrower, either of the Lender, or any other person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Personal Guarantor's obligations hereunder other than the payment or extinguishment of the Obligations;
- (h) any release, substitution or addition of any co-signer, endorser or other Personal Guarantor of the Obligations; or
- (i) any limitation, postponement, prohibition, subordination or other restriction on the Lender's rights to payment of the Obligations.

3. **Waivers.** The Personal Guarantor irrevocably waives, to the extent permitted by applicable law:

- (a) all presentments, demands for performance, notices of non-performance, protests, guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations;
- (b) any right to require the Lender to proceed against the Borrower or any other person, to proceed against, apply or exhaust any security held from the Borrower or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Personal Guarantor or any other person for this Guarantee or to pursue any other remedy in the Lender's power whatsoever;
- (c) the benefit of any law which provides that the obligation of a Personal Guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a Personal Guarantor's obligation in proportion to the principal obligation;
- (d) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Obligations or any part thereof, or by reason of any incapacity, lack of authority, or other defense of the Borrower or any other person, or by reason of any limitation, postponement, prohibition on the Lender's right to payment of the Obligations, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Lender or others which directly or indirectly results in the discharge or release of the Borrower or any other person or any obligations or any security therefor, whether by operation of law or otherwise;
- (e) any defence arising by reason of the Lender's failure to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Borrower or any other person, or by reason of any interest of the Lender in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Lender of any right to recourse or collateral;
- (f) any right to require either of the Lender to marshal any assets in favour of the Personal Guarantor;

- (g) any defence based upon any failure of the Lender to give to the Borrower or the Personal Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of either of the Lender to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by either of the Lender to dispose of any such property in a commercially reasonable manner; and
- (h) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower or any other person, including any discharge of, or bar against collecting, any of the Obligations (including any interest), in or as a result of any such proceeding.

4. **Exercise of Remedies.** The Lender may exercise any right or remedy they may have against the Borrower or any other person without affecting or impairing in any way the liability of the Personal Guarantor hereunder except, subject to the provisions of Section 18 hereunder, to the extent the Obligations have been paid, even if the effect of such action is to destroy or diminish the Personal Guarantor's subrogation rights, the Personal Guarantor's right to proceed against the Borrower for reimbursement, the Personal Guarantor's right to recover contribution from any other Personal Guarantor or any other right or remedy or any such security, and the Personal Guarantor waives any defence arising out of the absence, impairment or loss of any right of subrogation, reimbursement or contribution or of any other right or remedy of the Personal Guarantor against the Borrower or any other person or any such security, whether resulting from any election of remedies by either of the Lender or any act or omission by either of the Lender or otherwise.

5. **Reliance on Agents.** The Lender shall not be required to enquire into the power of the Borrower or the Personal Guarantor or the authority of their officers, directors or agents acting or purporting to act on behalf of the Borrower or the Personal Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority shall be guaranteed hereunder.

6. **Dealings with Borrower.** The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender see fit, and apply all moneys received from the Borrower or others or from any security upon such part of the Obligations as they think best, without the consent of, or notice to, the Personal Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Personal Guarantor hereunder. Without limiting the generality of the foregoing, the Personal Guarantor hereby authorize and empower the Lender, in the Lender' sole and unfettered discretion, without any notice to the Personal Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the Obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Personal Guarantor hereunder and the Personal Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy.

7. **Recourse against Borrower.** The Lender shall not be bound to exhaust the Lender' recourse against the Borrower or others or under any other security before being entitled to payment from the Personal Guarantor under this Guarantee.

8. **Loss of Securities.** Any loss of any security held by the Lender, whether occasioned through the fault of the Lender, the Borrower or otherwise shall not discharge pro tanto or limit or lessen the liability of the Personal Guarantor hereunder.

9. **Settlement of Accounts.** Any account settled or stated between the Lender and the Borrower shall be accepted by the Personal Guarantor as prima facie evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

10. **Change in Composition of Borrower.** Neither a change in the name, objects, capital constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, any circumstance affecting the Borrower or the Personal Guarantor, which might otherwise afford a legal or equitable defence to the Personal Guarantor or a discharge of this Guarantee shall affect or in any way limit or lessen the liability of the Personal Guarantor hereunder. This Guarantee shall extend to any person acquiring, or from time to time carrying on, the business of the Borrower.

11. **Waiver.** No delay on the part of the Lender in exercising any of the Lender' options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of the Lender' rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the liabilities of the Personal Guarantor to the Lender in any other respect at any other time.

12. **Guarantee of all Monies Borrowed.** All moneys and credits in fact borrowed or obtained by the Borrower from the Lender shall be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Personal Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Personal Guarantor as principal Borrower in respect thereof and shall be paid to the Lender forthwith after demand therefor as herein provided.

13. **No Subrogation.** Until all the Obligations have been paid in full, the Personal Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Lender now have or may hereafter have against the Borrower in respect of the Obligations; and the Personal Guarantor waive any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Lender for the Obligations; provided, however, that if the Obligations have been paid in full by the Personal Guarantor to the Lender, the Lender will co-operate with the Personal Guarantor by executing any and all assignments which may be required by law to evidence the Personal Guarantor' right of subrogation with respect to the Obligations.

14. **Stay of Acceleration.** If acceleration of the time for payment of any amount payable by the Borrower in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or any moratorium affecting the payment of the Obligations of the Borrower, all such amounts otherwise subject to acceleration shall

nonetheless be payable by the Personal Guarantor hereunder forthwith on demand by the Lender.

15. **Revival of Indebtedness.** If at any time all or any part of any payment previously applied by the Lender to any Obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Borrower), such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, as though such application by the Lender had not been made.

16. **Expenses.** The Personal Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all reasonable expenses (including legal fees) incurred by the Lender in the preservation or enforcement of any of the Lender' rights hereunder.

17. **Additional Security.** This Guarantee is in addition and without prejudice to any security of any kind (including without limitation other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

18. **Set-off.** The Lender may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Lender and any other indebtedness at any time owing by the Lender to or for the credit or for the account of the Personal Guarantor against any and all of the obligations of the Personal Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Lender shall have made any demand hereunder and although such Obligations may be contingent and unmatured.

19. **Representations, Warranties and Covenants.** The Personal Guarantor hereby represents and warrants to the Lender, upon which representations and warranties the Lender specifically rely, that:

- (a) they have full right, power and authority to enter into this Guarantee and to fulfill its obligations hereunder;
- (b) this Guarantee is binding and enforceable against them, subject to usual exceptions in respect of bankruptcy and the availability of equitable remedies;
- (c) there is no action, proceeding or investigation pending or threatened involving the Personal Guarantor which would affect the validity or enforceability of this Guarantee or any documentation contemplated herein; and
- (d) the entering into of this Guarantee and the documentation contemplated hereby, and the consummation of transactions contemplated herein, will not contravene, or result in a default under:
 - i. any agreements to which the Personal Guarantor are a party or by which it is bound; or
 - ii. the provisions of applicable law.

20. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Personal Guarantor hereby voluntarily and irrevocably submit themselves and their property that is from time to time the subject of any security given by

the Personal Guarantor to the Lender (the "Security") to the jurisdiction of any court or tribunal in the Province of Ontario to enable the Lender to commence and carry to a conclusion any suit, action or proceeding for the collection of any and all amounts payable hereunder and/or the foreclosure or enforcement of the Security or any of it and/or the enforcement of any other right or security given to the Lender by the Personal Guarantor in connection with any amount payable hereunder.

21. **Successors and Assigns.** This Guarantee shall extend and enure to the benefit of the Lender and the Lender' heirs, executors, personal representatives, successors and assigns (as applicable) and shall be binding upon the Personal Guarantor and the Personal Guarantor' successors and permitted assigns. The Personal Guarantor' obligations hereunder shall not be assigned nor delegated. The Lender may assign this Guarantee and their rights hereunder at any time without the consent of the Personal Guarantor.

22. **Time.** Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Personal Guarantor under this Guarantee may be strictly enforced by the Lender.

23. **Headings and Definitions.** The headings used herein are for the purpose of convenience only and shall not be referred to in construing the provisions of this Guarantee.

24. **Severability.** If any provision of this Guarantee shall be determined to be illegal, unconscionable, or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

25. **Communication.** All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by telecopy, to the address set forth below the name of the applicable party in the execution pages of this Guarantee or to such other address as the recipient hereto may from time to time designate to the other in such manner. Any communication so personally delivered shall be deemed to have been validly and effectively given on the date of such delivery. Communications so sent by telecopy shall be deemed to have been validly and effectively given on the business day next following the day on which it is sent. Communications so sent by mail shall be deemed to have been validly and effectively given on the fifth business day next following the day on which it is sent.

26. **Miscellaneous.** Any reference in this Guarantee to a "person" shall be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual.

IN WITNESS WHEREOF the Personal Guarantor has duly executed this Guarantee as of the 24 day of December, 2020



Witness



DAVID ROY BURCH

This is **Exhibit “Z”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



Master Factoring Agreement

WHEREAS the Seller listed below wishes to sell, factor, and irrevocably assign to 2355097 Alberta Ltd o/a **Capital Now Cannabis** (hereinafter referred to as "CNC"), certain acceptable accounts receivable from time to time in accordance with the terms of this Agreement.

1. Definitions

- (a) **"Account"** means any right to payment for any reason whatsoever including but not limited to goods sold, leased or delivered, or services provided, or refunds due.
- (b) **"Acceptable Account"** means an Account, including the Accounts set out in the Schedule attached, in respect of which all of the representations and warranties set forth herein are true and accurate and which are sold, transferred and assigned by the Seller to CNC pursuant to this Agreement.
- (c) **"Collateral"** has the meaning given to it in the GSA.
- (d) **"Customer"** means the Seller's customer or the account debtor of any Account purchased by CNC pursuant to this Agreement.
- (e) **"GSA"** means the General Security Agreement executed by the Seller in favour of CNC and any replacements or amendments thereto.

2. Representations and Warranties By The Seller

As an inducement for CNC to enter into this Agreement, and with full knowledge that the truth and accuracy of the representations and warranties of the Seller in this Agreement are being relied upon by CNC instead of the delay of a complete credit investigation, the Seller represents and warrants that the following statements are true and correct, and covenants that the same will remain true and correct for so long as any amount remains owing to CNC hereunder:

- (a) The Seller is properly licensed and authorized to operate its business.
- (b) The complete and proper legal name of the Seller is as set out below, and the Seller has no French version of such name.
- (c) The Seller's business is solvent.
- (d) Each Customer's business is solvent, to the best of the Seller's information and knowledge.
- (e) The Seller owns the goods invoiced to each Customer, or is authorized and licensed, as required, to provide the services, for which each Acceptable Account represents a right to payment.
- (f) The Seller is, at the time of purchase by CNC, the lawful owner of and has good, unencumbered and undisputed title to each Account purchased by CNC.
- (g) Each and every Account offered for sale to CNC is and will be clear of any liens, rights of third parties or other charges with the exception of any charge in favour of CNC.
- (h) No Customer shall have a right of set-off, abatement or reduction whatsoever in respect of any Account which is offered for sale by the Seller to CNC.
- (i) Each Account offered for sale to CNC is an accurate statement of indebtedness by the respective Customer to the Seller for a certain sum which is due and payable in thirty (30) days or less from the date such Account is offered to CNC.
- (j) Each Account offered for sale to CNC is an accurate statement of a bona fide sale, delivery and acceptance of merchandise or performance of service by the Seller to the Customer, or other good and valid liability of the Customer to the Seller.
- (k) The execution and delivery of this Agreement by the Seller has been duly authorized by all necessary corporate acts on the part of the Seller and this Agreement is enforceable against the Seller in accordance with its terms.

- (l) The Seller does not own, control or exercise dominion over, in any way whatsoever, the business of any Customer whose Account is to be factored, sold or assigned by the Seller to CNC.
- (m) All financial records, statements, books, or other documents shown to CNC by the Seller at any time, either before or after the signing of this Agreement, are true and accurate.
- (n) On the execution of the Master Factoring Agreement and any schedules, such execution does not and will not
 - (i) violate, as applicable, its articles, by-laws or other governing documents;
 - (ii) require any third party consents, other than such as have been obtained; or
 - (iii) contravene any presently existing provision of any contract applicable to it or any of its properties or assets.
- (o) The purpose of any sale of accounts is commercial in nature, and not for household, family or personal use.

3. Covenants of the Seller

- (a) The Seller will not, under any circumstances or in any manner whatsoever, interfere with any of CNC's rights under this Agreement.
- (b) The Seller will not factor or sell Accounts except to CNC for the term of this Agreement as hereinafter provided.
- (c) The Seller will not offer any Account to CNC that is not an Acceptable Account. By offering any Account to CNC, the Seller shall be deemed to have represented and warranted that such Account is an Acceptable Account.
- (d) The Seller has not and will not transfer, pledge or give security interest in any of its Accounts to any other party unless, prior to the sale of such Account to CNC, such pledge or security interest shall have been released in writing.
- (e) The Seller will discharge all taxes, levies or assessments imposed upon it or incurred by it in the operation of its business as and when it becomes due.
- (f) The Seller will not change or modify any term of any Acceptable Account with any Customer unless CNC first consents to such change in writing.
- (g) The Seller will not permit any lien, security interest or encumbrance to be created upon its fixtures, inventory or property without prior written consent from CNC.
- (h) The Seller will maintain such insurance covering the Seller's business and/or the property of the Seller's Customers as is customary for businesses similar to the business of the Seller and, at the request of CNC, will name CNC as a loss payee of such insurance.
- (i) The Seller will notify CNC in writing prior to any change in the Seller's place of business, or if the Seller has or acquires more than one place of business, or prior to any change in the Seller's chief executive office or the office or offices where the Seller's books and records concerning Accounts are kept.
- (j) The Seller will immediately notify CNC of any proposed or actual change of the Seller's name, identity, legal entity or corporate structure.

4. Transfer and Assignment of Accounts

- (a) Assignment: The Seller shall from time to time at the Seller's option sell, transfer and irrevocably assign all of its right, title and interest in Acceptable Accounts, which accounts shall be identified through schedules to this agreement.
- (b) Approval: CNC shall not have any obligation to purchase an Account unless such Account is first submitted to CNC by the Seller for written approval by CNC, provided however that CNC shall not in any manner constitute a waiver of, or consent to, any existing Default.
- (c) Each time a new schedule is executed, the Seller thereby affirms that the representations and warranties contained herein are true and correct with respect to such new accounts.

- (d) This Master Factoring Agreement and all schedules may be executed in any number of counterparts and by different parties and separate counterparts and by facsimile or electronic signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. All schedules shall be read together with the Master Factoring Agreement as one instrument.

5. Procedures Regarding The Factoring Of Accounts

- (a) **Discount:** CNC agrees to buy Acceptable Accounts from the Seller at 95% of the face value of each Account, payable after CNC has received suitable acknowledgement from the Customer and is satisfied in its absolute discretion that the account is acceptable.
- (b) **Notification:** At any time CNC may in its sole discretion notify the Customer of such Acceptable Account and to make any payment directly to CNC.
- (c) **Reserve:** CNC will withhold from the purchase price of each Acceptable Account a reserve (the "Reserve") in an amount equal to 20% of the face value of such Acceptable Account purchased. Upon CNC receiving payment in full of an Acceptable Account, CNC will pay to the Seller the amount of the Reserve relating thereto, after deducting any discounts to which CNC is entitled under this Agreement and any other amounts owing to CNC from the Seller in connection with such Acceptable Account or any other Account purchased by CNC from the Seller.
- (d) **Late Adjustments:** If an account has not been paid in full by the Customer within 30 days after monies have been advanced by CNC for the purchase of the account, then the Seller shall be liable to pay, and CNC will be entitled to deduct from the Reserve, an amount equal to 1/10% of the unpaid balance for each day thereafter that such Account or portion of such Account remains unpaid.
- (e) **Repurchase:** The Seller will immediately, at CNC's option and request, repurchase any applicable Account for a price equal to the outstanding amount under the Account plus applicable Late Adjustments calculated until payment is made in full, upon the occurrence of any of the following:
- (i) A **Customer Dispute** being any claim by a Customer, of any kind whatsoever, that reduces, or may reduce, the amount collectible from the Customer in respect of any Account purchased by CNC. CNC is not obliged to investigate the Customer Dispute, or in the event CNC does investigate or make enquiries, it is agreed that, whether reasonable or not, valid or invalid, such Customer Dispute shall be deemed to be reasonable and valid and may be relied upon by CNC, in its absolute discretion, notwithstanding at some later date the Customer Dispute is established to be invalid,
 - or
 - (ii) the Seller submits a mistaken, incorrect or erroneous invoice to CNC, or
 - (iii) the Seller is in default under this agreement.
- (f) **Statement of Repurchased Accounts:** CNC shall identify in writing all Accounts repurchased by the Seller and provide to the Seller a written statement thereof. Such statement shall be deemed an "ACCOUNT STATED" between the Seller and CNC as to such repurchased Accounts except for any errors of which the Seller shall have notified CNC in writing within (15) days after the date of receipt by the Seller of such statement.
- (g) **Notice of Dispute:** The Seller must immediately notify CNC of any Customer Disputes or any other disputes between a Customer and the Seller.
- (h) **Settlement of Dispute:** CNC may settle any dispute, including Customer Disputes, directly with a Customer as it sees fit. Such settlement does not relieve the Seller of final responsibility for payment of the full amount of such Account.
- (i) **Sole Property:** Once CNC has purchased an Acceptable Account, the payment from the Customer as to such Account is the sole property of CNC without limiting the Seller's continuing liability therefore. Any interference by the Seller with this payment will result in civil and/or criminal liability and CNC may act to enforce its rights in such property.
- (j) **Hold in Trust:** The Seller will hold in trust and safekeeping, as the property of CNC, and immediately turn over to CNC any cheque or other form of payment received by the Seller, whenever any payment on an Account purchased by CNC comes into the Seller's possession. Should the Seller come into possession of a cheque comprising payments owing to both the Seller and CNC, the Seller shall turn

over the validly endorsed cheque to CNC. CNC will remit the Seller's portion to the Seller subject to any additional charges, charge-backs or any other obligations of the Seller to CNC.

- (k) **GST, PST, Third Party Liabilities:** If an Acceptable Account includes GST, PST or such other third party liabilities, the Seller shall pay all of those liabilities when they come due without recourse to the Acceptable Account in question, and hereby indemnifies CNC and saves it harmless from all such liabilities and obligations.
- (l) **Financial Records:** The Seller will furnish CNC with financial statements and information as requested by CNC from time to time.
- (m) **Tax Compliance:** The Seller will furnish CNC with satisfactory proof of payment and/ or compliance with all Federal, Provincial and/or local tax requirements as they become due. This includes, but is not limited to, evidence of submission to Canada Revenue Agency of income tax holdbacks from employees, GST, PST, Excise Taxes, source deductions, health care premiums, Workers' Compensation Board premiums, and all bank deposits and/or cancelled cheques exhibiting payment.
- (n) **Notice Of Levy:** The Seller will promptly notify CNC of any attachment, seizure, or any other legal process levied against the Seller or any of the Seller's Customers.
- (o) **Change In Customer Financial Status:** The Seller shall immediately notify CNC of any adverse change in a Customer's financial status, including default in other payments to the Seller, insolvency or bankruptcy proceedings, or any sale in bulk or change in control related to the Customer.
- (p) **Book Entry:** The Seller will immediately upon sale of Acceptable Accounts to CNC make proper entries on its books and records disclosing the absolute sale of said Acceptable Accounts to CNC.
- (q) **Legal Fees:** The Seller will pay all fees and expenses incurred by CNC (including legal fees and disbursements on a solicitor and his own client scale) in the enforcement of CNC's rights hereunder.
- (r) **Double Payments:** In the event CNC receives a double payment on an Acceptable Account or other payment that is not identified, CNC shall carry these sums as open items and shall return them to the payor upon proper identification. After six months following receipt of such payments, CNC may, if it so elects, consider such payments or unidentified items as credits toward any outstanding matter or indebtedness of the Seller.
- (s) **Hold Harmless:** CNC shall not be liable to the Seller for any Customer's ill will or claims relating thereto, arising from CNC's collecting or attempting to collect any Account.

6. Power of Attorney

In order to carry out this Agreement and avoid unnecessary notification of customers, the Seller irrevocably appoints CNC, or any person designated by CNC, its special attorney in fact, or agent, for all collection matters relating to the Acceptable Accounts, and, without limiting the scope of this appointment, with power to take any of the following actions:

- (a) strike out the Seller's address on all accounts mailed to Customers and put on CNC's address;
- (b) receive, open and dispose of all mail addressed to the Seller or to the Seller's trade name via CNC's address;
- (c) endorse the name of the Seller or the Seller's trade name on any cheques or other evidence of payment that may come into the possession of CNC on Acceptable Accounts purchased by CNC or, pursuant to default, on any other documents relating to any of the Acceptable Accounts or to the Collateral;
- (d) in the Seller's name, or otherwise, demand, sue for, collect, and give releases for any and all monies due or to become due on Accounts purchased by CNC hereunder;
- (e) compromise, prosecute, or defend any action, claim or proceeding as to Accounts purchased by CNC hereunder;
- (f) from time to time offer a trade discount to a Customer for an amount equal to the Seller's normal business custom with such Customer; or
- (g) do any and all things necessary and proper to carry out the purpose intended by this Agreement.

The authority granted CNC shall remain in full force and effect until all assigned Acceptable Accounts to CNC have been satisfied in full.

7. Default Provisions

- (a) **Defaults:** Any one or more of the following shall be a default hereunder:
- (i) The Seller shall fail to pay any indebtedness to CNC when due.
 - (ii) The Seller is in breach of any term, provision, covenant, warranty or representation under this Agreement, or under any other agreements, contracts between the Seller and CNC or obligations of the Seller to CNC.
 - (iii) The appointment of any receiver or trustee over all or a substantial portion of the assets of the Seller.
 - (iv) The Seller shall become insolvent or commit any act of bankruptcy as defined by the Bankruptcy and Insolvency Act.
 - (v) Any levies of attachment, executions, seizure or similar process are issued against the Collateral or any assets of the Seller.
 - (vi) Any financial statements, profit and loss statements, borrowing certificates or schedules, or other statements furnished by the Seller to CNC prove false or incorrect in any material respect.
 - (vii) Any mortgage charge, lien security interest or other encumbrance affecting any Collateral becomes enforceable.
 - (viii) If the Seller permits, fails to pay or purports to create any mortgage, charge, lien, security interest, deemed trust or other encumbrance in priority to the Security Interest herein granted, including but not limited to any deemed trust under the Income Tax Act, the Excise Tax Act, the Retail Sales Tax Act, the Canada Pensions Plan Act, the Employment Insurance Act, the Workers' Safety and Insurance Act, the Employment Standards Act, the Public Utilities Act or the Municipal Act, except for any such deemed trusts incurred in the ordinary course of business and which are not in arrears.
- (b) **Remedies After Default:** In the event of any default, in CNC's absolute discretion, any account purchased is immediately due and payable by the Seller and CNC may do any one or more of the following:
- (i) Notify any Customers and take possession of Collateral and collect any receivables without judicial process.
 - (ii) Require the Seller to assemble the Collateral and the records pertaining to receivables and the Accounts and make them available to CNC at a place designated by CNC.
 - (iii) Enter any premises of the Seller and take possession of the Collateral and of the records pertaining to the receivables, Accounts and any other Collateral.
 - (iv) Grant extensions, compromise claims and settle receivables or Accounts for less than face value, all without prior notice to the Seller.
 - (v) Appoint any person as receiver or as manager of all or any part of the Collateral or the Accounts, or as agent with respect to CNC's rights hereunder which receiver and manager shall be the agent of the Seller and not CNC (the "Receiver"). The Receiver shall have the right to do any act or thing which CNC deems necessary or advisable in order to realize on the Collateral and the Accounts in such a manner as to satisfy the Seller's obligations to CNC including, without limitation, the right to operate the Seller's business, pledge the Collateral and/or sell the Collateral in whole or in part by such method as the Receiver deems appropriate.
- (c) **Additional Remedies:**
- (i) The Seller shall not accept any cheque or money payable in respect of an Acceptable Account due to CNC under this Agreement, they shall remit such payment to CNC. If the Seller fails to remit such payment to CNC, CNC shall be entitled to compensation by the Seller for administrative charges equal to One Thousand Dollars (\$1,000.00), or fifteen percent (15%) of the non-remitted payment received by the Seller towards the applicable Acceptable Account, whichever amount is higher.

- (ii) In the event that Seller receives or accepts any money payable in respect of an Acceptable Account due to CNC under this Agreement and fails to remit such payment to CNC, CNC shall be entitled to request the Seller's financial institution(s), without any further consent from the Seller, deduct the applicable amount from the Seller's account. For greater certainty, this right shall be included in CNC's form of Pre-Authorized Debit Agreement provided to the Seller, as amended.

8. Term and Termination

The term of this Agreement shall be perpetual. Either party may terminate this Agreement for convenience on thirty (30) days prior written notice to the other party. Any party may terminate this Agreement by virtue of the default of the other party, provided it gives seven days prior written notice including notice of the default complained of. All obligations of the parties with respect to any Accounts previously assigned or transferred under this Agreement shall remain in full force and effect until same have been fully paid to CNC, with all Late Adjustments and costs payable under this Agreement, at which time the Security Interest will be discharged by CNC.

9. Advice of Counsel

- (a) The Debtor acknowledges that he has read and fully understands the terms and provisions hereof, has had an opportunity to review this Master Factoring Agreement with legal counsel and has executed this Master Factoring Agreement based upon the Debtor's own judgment and advice of independent legal counsel (if sought).

10. Other Provisions

- (a) This Agreement shall be interpreted in accordance with the laws of the province of Alberta. The courts of competent jurisdiction in the City of Calgary, Alberta, shall have exclusive authority in the event of any litigation between the parties, and the Seller and CNC agree to attorn to the jurisdiction of such courts.
- (b) This Agreement, and schedules thereto, shall be binding upon the Seller as soon as the Seller executes it, even if CNC does not sign it at that time or immediately thereafter.
- (c) No amendment or waiver of any provision of this Agreement will be effective unless it is in writing and signed by CNC.
- (d) This Agreement and the GSA constitute the entire agreement between the parties with respect to the subject matter of this Agreement. In the event of any conflict between this agreement and the GSA, the terms of this agreement shall govern.
- (e) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.
- (f) The Seller acknowledges receipt of a signed copy of this Agreement.
- (g) In addition to its duly authorized officers, the Seller hereby authorizes the following representative as signing authority, for the purpose of executing any schedules or notices of assignment on its behalf:

WHEREAS the parties hereto have executed this Agreement

this July 12, 2021

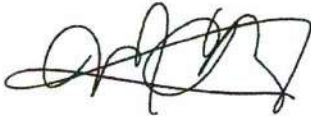
Seller: **Natural Medco Ltd.**

Capital Now Cannabis



David Burch
Director

Natalie Wawzonek
Chief Operating Officer



Melinda Rombouts
Director

Phone 403-617-2075 ext 102
Email luke@capitalnow.ca
Address PO Box 9613, Station M
Calgary, Alberta T2P 0E9
Web capitalnow.ca

Supply Chain Finance



General Security Agreement

1. Security Interest

- (a) For value received, **Natural Medco Ltd** (the "Debtor"), hereby grants to 2355097 Alberta Ltd o/a **Capital Now Cannabis** (the "Secured Party"), by way of mortgage, charge, assignment and transfer, a security interest in the undertaking of the Debtor and in all the Debtor's present and after acquired personal property, including but not limited to all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions hereof (hereinafter collectively called the "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory wherever situate ("Inventory");
 - (ii) all equipment (other than Inventory) including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every kind including letters of credit and advices of credit, which are now due, owing or accruing to or owned by or which may hereafter become due, owing or accruing to or owned by the Debtor ("Debts");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - (vi) all money other than trust money lawfully belonging to others; and
 - (vii) all property described in any schedule now or hereafter annexed hereto.
- (b) The security granted hereby shall not extend to or apply to and Collateral shall not include the last day of the term of any lease or agreement therefore, but upon the enforcement of the security hereby constituted, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "**Goods**", "**Chattel Paper**", "**Documents of Title**", "**Instruments**", "**Intangibles**", "**Securities**", "**Proceeds**", "**Inventory**", and "**Accessions**" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Provided that any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. Indebtedness Secured

The security granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wherever and however incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others, and whether as principal or surety including, but without limitation, all obligations of the Debtor to the Secured Party arising directly or indirectly out of a Factoring Agreement or a Loan Agreement bearing even date herewith made between the Debtor and the Secured Party (hereinafter collectively called the "Indebtedness").

3. Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- (d) except for the security created hereby and except for other encumbrances now or hereafter approved in writing by the Secured Party prior to their creation or assumption (such approval not to be unreasonably withheld), the Debtor is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance;
- (e) each Debt is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor will be the correct amount actually and unconditionally owing from such Account Debtor and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce Collateral or otherwise;
- (f) the Debtor is a corporation duly created and validly existing under the laws of the Province of Ontario;
- (g) this Security Agreement constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, except as enforceability is limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (h) the execution, delivery and performance of the obligations under this Security Agreement and the creation of the security interest hereunder will not result in a breach of any agreement to which the Debtor is a party;
- (i) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect or impair the Debtor's financial condition or operation or impair the Debtor's ability to perform its obligations hereunder;
- (j) the chief executive office of the Debtor and all business operations and records are currently located in the Province of Ontario, and all real property, buildings, fixtures, goods which form part of the Collateral will be situate in Ontario; and
- (k) the name of the Debtor is accurately and fully set out above, and the Debtor is not known by any other name.

4. Insurance

The Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof, and shall have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to and held by it. Should the Debtor neglect to maintain such insurance, the Secured Party may insure and any premiums paid by the Secured Party together with interest thereon shall be payable by the Debtor to the Secured Party upon demand.

5. Liens, etc.

The Debtor shall keep the Collateral free and clear of all taxes, assessments, claims, liens and encumbrances (subject to Section 3(d) hereof) and shall promptly notify the Secured Party of any loss or damage to the Collateral or any part thereof.

6. Use of Collateral

Until the Security shall have become enforceable, and subject to the provisions of Section 9 hereof, the Debtor may dispose of or deal with the Collateral in the ordinary course of its business in any lawful manner not inconsistent with the provisions hereof or any other agreements of the Debtor in favour of the Secured Party or with the terms of any policies of insurance relating thereto. All proceeds of sale shall be received by the Debtor as trustee for the Secured Party and shall be forthwith paid over to the Secured Party.

7. Information and Inspection

The Debtor shall from time to time forthwith on request furnish to the Secured Party in writing all information reasonably requested relating to the Collateral or any part thereof, and the Secured Party shall upon reasonable notice be entitled from time to time to inspect the tangible Collateral wherever located including without limitation, any books and records of the Debtor relating to the Collateral, and for such purpose the Secured Party shall have access during regular business hours upon reasonable prior notice to the Debtor to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtor. The Debtor shall also deliver to the Secured Party on reasonable prior notice to the Debtor, as and when requested, such financial statements and other financial information relating to the Debtor and its business as may reasonably be required by the Secured Party from time to time.

8. Default

- (l) The Debtor covenants and agrees with the Secured Party that upon the occurrence of any one of the following events:
- (i) if the Debtor shall default in the payment or discharge of any of the Indebtedness when due and such default shall continue for a period of ten (10) days after a notice in writing has been given by the Secured Party and received by the Debtor specifying such default;
 - (ii) if the Debtor shall default in the due observance or performance of any material covenant, undertaking or agreement heretofore or hereafter given to the Secured Party, whether contained herein or in any other security given to the Secured Party by the Debtor or in any agreement between the Debtor and the Secured Party, or if any of the warranties contained herein is or shall become untrue and such default shall continue for a period of ten (10) days after a notice in writing has been given by the Secured Party and received by the Debtor specifying such default;
 - (iii) if any representation or warranty made in this Security Agreement or any other document or report furnished to the Secured Party by the Debtor in respect of the Debtor or the Collateral proves to have been or to have become false or materially misleading;
 - (iv) if any financial statements, profit and loss statements or any other financial records furnished by the Seller to the Buyer prove false or incorrect in any material respect;
 - (v) if an encumbrancer shall take possession of any part of the Collateral or an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied against the Collateral or any part thereof, except if such proceeding is in good faith diligently contested by the Debtor within ten (10) days from the institution of the relevant proceeding;
 - (vi) if any order shall be made or a resolution passed for the winding-up of the Debtor, or a petition shall be filed under the Bankruptcy and Insolvency Act against the Debtor, or the Debtor shall become insolvent or shall commit or threaten to commit an act of bankruptcy, or make an assignment in bankruptcy, or a receiver or receiver and manager or agent or other official having similar functions shall be appointed either privately or by a court by or on behalf of a creditor of the Debtor, or if any proceedings are commenced under the Companies' Creditors Arrangement Act or if a proposal is made by the Debtor to its creditors under the Bankruptcy and Insolvency Act;
 - (vii) if the Debtor permits, fails to pay an amount due under, or purports to create any mortgage, charge, lien, security interest, deemed trust (including those created by federal, provincial or municipal legislation) or other encumbrance which forms or is capable of being made a charge upon any of the Collateral in priority to or pari passu with the security interest hereunder;
 - (viii) if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of the Collateral in priority to or pari passu with the security interest hereunder to remain unpaid for ten (10) days after the same has become due, except if such proceeding is in good faith diligently contested by the Debtor within ten (10) days from the institution of the relevant proceeding;
 - (ix) if any mortgage, charge, lien, security interest or other encumbrance affecting any Collateral becomes enforceable;

- (x) if the Debtor shall attempt to or shall sell or dispose of or in any way part with the possession of or change in the location of the Collateral or any part of it save as expressly permitted in this Security Agreement without the consent of the Secured Party first had and obtained in writing, such consent not to be unreasonably withheld;
 - (xi) if any material adverse change occurs in the financial position of the Debtor;
 - (xii) if the Debtor shall cease or threaten to cease to carry on business; or
 - (xiii) if the Secured Party reasonably considers that it is insecure with respect to the Collateral, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy, then the Debtor shall be in default under this Security Agreement, the security hereby constituted shall become enforceable, and the Secured Party may proceed to realize the security hereby constituted by sale or to enforce its rights by entry, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver manager or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy or other judicial proceedings relative to the Debtor. Any such sale may be made by public auction, by public tender or by private contract, with or without advertisement and without any other formalities, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to reserve bid or price as the Secured Party, in its sole discretion, may deem advantageous and such sale may take place whether or not the Secured Party has taken possession of such property and assets; provided, however, that unless the Collateral is perishable or unless the Secured Party believes on reasonable grounds that the Collateral will decline speedily in value the Debtor shall be entitled to not less than fifteen (15) days' notice of sale containing such information as is prescribed by the PPSA.
- (m) In addition to the rights of the Secured Party set forth in Section 8(l), whenever the security hereby constituted shall have become enforceable and so long as it shall remain enforceable, the Secured Party may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral including any rents and profits thereof and may remove any receiver and appoint another in his stead. Any such receiver or receivers so appointed shall be vested with all the powers to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of such business, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to exercise all rights attaching or incidental to any securities owned by the Debtor and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. Any such receiver shall be deemed to be the agent of the Debtor when exercising the powers and rights hereinbefore mentioned in this paragraph; but this shall not alter or diminish in any way the responsibilities of the receiver to the Secured Party arising directly or indirectly out of the appointment of the receiver by the Secured Party, nor create any responsibility to the Debtor on the part of the receiver paramount to or ranking equally with the receiver's responsibility to the Secured Party. The Secured Party may from time to time fix the remuneration of such receiver and direct the payment thereof out of the Collateral.
- (n) The receiver shall apply all money from time to time received by him in such of the following modes and in such order or priority as the Secured Party may from time to time at its option direct, namely: in discharge of all rents, taxes, rates and insurance premiums affecting the Collateral; in payment of the remuneration of the receiver; in keeping in good standing all liens and charges on the Collateral prior to the security hereby constituted; in payment of the costs of carrying out or executing any powers, duties or directions which are vested in the receiver; in payment of the interest accruing due on the Security Agreement and all other amounts owing hereunder; and in payment of the principal due and payable upon the Security Agreement, and the residue of any money so received shall be paid to the Debtor. The Secured Party, in appointing or refraining from appointing such receiver, shall not incur any liability to the receiver, the Debtor or otherwise.
- (o) In the event of default, pursuant to Section 8(l), the Secured Party, in its sole discretion, may without demand or notice of any kind:
- (i) declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable;

- (ii) require the Debtor to assemble the Collateral, including any records pertaining to the Debts, and make them available to the Secured Party at a place designated by the Secured Party; and
 - (iii) enter any premises of the Debtor and take possession of the Collateral, including any records pertaining to the Debts.
- (p) In addition to the rights and remedies specifically provided herein, the Secured Party shall, upon default, have the rights and remedies of a secured party under the PPSA.

9. Receivables

The Secured Party may collect, realize, sell or otherwise deal with the Debts or any part thereof in such manner, upon terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Debtor. The Secured Party shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Debts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the same. All money collected or received by the Debtor in respect of the Debts shall be received by the Debtor as trustee for the Secured Party. All money collected or received by the Secured Party in respect of the Debts or other Collateral may be applied on account of such parts of the Indebtedness of the Debtor as the Secured Party may, in its sole discretion, elect, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize this security.

10. Charges and Expenses

The Secured Party may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with the preparation and registration of this Security Agreement and in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof, and such sums shall be a first charge on the proceeds of realization, disposition or collection, and shall be added to the Indebtedness secured by this Security Agreement.

11. Dealings by Third Parties

No person dealing with the Secured Party or its agent or a receiver shall be concerned to enquire whether the security hereby constituted has become enforceable, or whether the powers which the Secured Party or its agent is purporting to exercise have become exercisable, or whether any money remains due upon this Security Agreement, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale, or of any other dealing by the Secured Party with the Collateral, or to see the application of any money paid to the Secured Party.

12. Additional Covenants

The Debtor hereby covenants and agrees with the Secured Party, so long as this Security Agreement remains outstanding, that:

- (q) it will do, observe and perform all matters and things necessary or expedient to be done, observed or performed by virtue of any law of Canada or any province or municipality thereof for the purpose of creating and maintaining the security hereby constituted;
- (r) it will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired;
- (s) it will not, without the prior written consent of the Secured Party, which may be granted or withheld by the Secured Party in its absolute discretion, remove any of the Collateral from Ontario;
- (t) it will, at all times, maintain all licences, permits and authorizations to enable it to conduct its business and will carry on and conduct its business in a proper, efficient and businesslike manner in accordance with good business practice;

- (u) it will, upon the reasonable request of the Secured Party, provide the Secured Party with such information concerning the Collateral and the business of the Debtor as required by the Secured Party;
- (v) it will pay or cause to be paid all taxes, rates, government fees and dues, levied, assessed or imposed upon it and its property or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is, in good faith, contested by it and will, if and when required in writing by the Secured Party, furnish the Secured Party for inspection with receipts for any of such payments;
- (w) it will pay or cause to be paid all debts and obligations to labourers, workmen, employees, contractors, subcontractors, suppliers of materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the security interest granted by this Security Agreement;
- (x) it will not, without the prior written consent of the Secured Party, which may be granted or withheld by the Secured Party in its absolute discretion, substantially alter the nature of the business conducted by it as of the date of this Security Agreement;
- (y) it will not, without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld, sell, transfer, assign or otherwise dispose of any of its assets or any part of the Collateral other than in the ordinary course of its business; and
- (z) it will do, observe and perform all of the terms, conditions, covenants, obligations and things which the Debtor is obligated to do, observe and perform under or pursuant to any agreements with or undertakings to the Secured Party.

13. Further Assurances

The Debtor shall from time to time forthwith on the Secured Party's request, do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Secured Party with respect to the Collateral, or any part thereof or as may be required to give effect to these presents, and, upon default by the Debtor under this Security Agreement, the Debtor hereby constitutes and appoints the President for the time being of the Secured Party or any officer of the Secured Party duly authorized by the President the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things.

14. Dealings by the Secured Party

The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize this security.

15. Set Off

Without limiting any other right of the Secured Party, whenever the debts and liabilities of the Debtor to the Secured Party are immediately due and payable, or the Secured Party has the right to declare the debts and liabilities to be immediately due and payable, whether or not it has been so declared, the Secured Party may, in its sole discretion, set-off against the debts and liabilities any and all monies then owed to the Debtor by the Secured Party in any capacity, whether due or not due, and the Secured Party shall be deemed to have exercised such right of set-off immediately at the time of making its decision to do so even though any charge therefore is made or entered on the Secured Party's records subsequent thereto.

16. No Remedy Exclusive

No remedy herein conferred upon or reserved to the Secured Party for the realization of the security hereby constituted, enforcement of rights of the Secured Party or otherwise is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under any other document or agreement in respect of the obligations of the Secured Party owed by the Debtor. Every power and remedy given by this Security Agreement to the Secured Party may be exercised from time to time as often as may be deemed expedient by the Secured Party. The taking of any action or proceeding or refraining from so doing, or any other dealings with any other security for the money secured hereby, shall not release or affect the security hereby constituted. Upon default, the Debtor shall remain liable to the Secured Party for any portion of the Indebtedness remaining unpaid after enforcement of the Secured Party's rights against all or any part of the Collateral.

17. Secured Party Performance

Upon the Debtor's failure to perform any of its duties or obligations under this Security Agreement, the Secured Party may, but shall not be obligated to, perform any such duties or obligations, and the Debtor will pay to the Secured Party, upon demand, an amount equal to the expense incurred by the Secured Party in so doing with interest thereon from the date such expense is incurred at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness.

18. Discharge and Satisfaction

Upon satisfaction by the Debtor of all obligations of the Debtor owed to the Secured Party, the Secured Party shall, upon the request and at the reasonable expense of the Debtor, execute and deliver to the Debtor such releases and discharges as the Debtor may reasonable require.

19. Waiver of Covenants

The Secured Party may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any failure by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or failure of the rights resulting therefrom.

20. Application of Insurance Proceeds

Any insurance money received by the Secured Party pursuant to this Security Agreement may at the option of the Secured Party be applied to restoring, replacing or repairing the Collateral or any part thereof, or be paid to the Debtor or any such money may be applied in the sole discretion of the Secured Party, in whole or in part, to the repayment of the obligations hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal amounts of Indebtedness payable by the Debtor in inverse order of maturity.

21. Attachment

Each of the Debtor and the Secured Party acknowledges that it is its intention that the security interest herein created attach on the execution hereof by the Debtor (save as to after-acquired property forming part of the Collateral in respect of which attachment will result forthwith upon the Debtor acquiring rights thereto) and that value has been given.

22. Notices

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Security Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or transmitted by facsimile, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of:

the Secured Party, addressed to it at:

Capital Now Cannabis
234-5149 Country Hills Blvd NW
Suite 121
Calgary, Alberta T3A 5K8
Attention: Gerry Wawzonek

the Debtor, addressed to it at:

Natural Medco Ltd
2941 Napperton Drive
Strathroy, Ontario N7G 3H8

Attention: Melinda Rombouts
& David Burch

Each party may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this Section. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, if transmitted by facsimile, the date of receipt shall be deemed to be the first Business Day after transmission, or if mailed as aforesaid, the date of receipt shall be deemed to be the fourth Business Day following the date of mailing. For the purposes hereof, "Business Day" means each day other than a Saturday, Sunday or any other day on which chartered banks are not open for business in the Province of Alberta. For the purposes hereof, personal service on the Debtor shall be effectually made by delivery to an officer, director or employee of the Debtor at its address set out above. If on the date of mailing or on or before the fourth Business Day thereafter, there is a general interruption in the operation of the postal service in Canada which does or is likely to delay delivery by mail, to the extent possible the communications aforesaid shall be served personally.

23. General

This Security Agreement:

- (aa) shall be a continuing agreement in every respect;
- (bb) shall be governed by the laws of the Province of Alberta; and
- (cc) may be terminated by the Debtor by written notice delivered to the Secured Party at the above-named office at any time when the Debtor is not indebted or liable to the Secured Party. For greater certainty it is declared that any and all future loans, advances or other value which the Secured Party may in its discretion make or extend to or for the account of the Debtor shall be secured by this Security Agreement. Nothing contained in this Security Agreement shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of, or accept anything which constitutes or would constitute Indebtedness.

24. Binding Effect

This Security Agreement is binding upon the Debtor and its successors and permitted assigns.

25. Cross Default

The Debtor hereby agrees that default by the Debtor hereunder shall constitute default under any other security given by the Debtor to the Secured Party.

26. Facsimile or electronic Signature

The Debtor acknowledges facsimile and electronic signatures will be deemed to have the same legal effect as original signatures.

27. Copy of Agreement

The Debtor acknowledges receipt of a duplicate original hereof and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

28. Advice of Counsel

The Debtor acknowledges that he has read and fully understands the terms and provisions hereof, has had an opportunity to review this Security Agreement with legal counsel. And has executed this Security Agreement based upon the Debtor's own judgement and advice of independent legal counsel (if sought).

WHEREAS the parties hereto have executed this Security Agreement this July 12, 2021

Seller: **Natural Medco Ltd.**

Capital Now Cannabis



David Burch
Director

Natalie Wawzonek
Chief Operating Officer



Melinda Rombouts
Director

Phone 403-617-2075 ext 102
Email luke@capitalnow.ca
Address PO Box 9613, Station M
Calgary, Alberta T2P 0E9
Web capitalnow.ca

Supply Chain Finance

This is **Exhibit “AA”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.



General Security Agreement

1. Security Interest

- (a) For value received, **Natural Medco Ltd** (the "Debtor"), hereby grants to 2355097 Alberta Ltd o/a **Capital Now Cannabis** (the "Secured Party"), by way of mortgage, charge, assignment and transfer, a security interest in the undertaking of the Debtor and in all the Debtor's present and after acquired personal property, including but not limited to all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions hereof (hereinafter collectively called the "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory wherever situate ("Inventory");
 - (ii) all equipment (other than Inventory) including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
 - (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every kind including letters of credit and advices of credit, which are now due, owing or accruing to or owned by or which may hereafter become due, owing or accruing to or owned by the Debtor ("Debts");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - (vi) all money other than trust money lawfully belonging to others; and
 - (vii) all property described in any schedule now or hereafter annexed hereto.
- (b) The security granted hereby shall not extend to or apply to and Collateral shall not include the last day of the term of any lease or agreement therefore, but upon the enforcement of the security hereby constituted, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "**Goods**", "**Chattel Paper**", "**Documents of Title**", "**Instruments**", "**Intangibles**", "**Securities**", "**Proceeds**", "**Inventory**", and "**Accessions**" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Provided that any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. Indebtedness Secured

The security granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wherever and however incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others, and whether as principal or surety including, but without limitation, all obligations of the Debtor to the Secured Party arising directly or indirectly out of a Factoring Agreement or a Loan Agreement bearing even date herewith made between the Debtor and the Secured Party (hereinafter collectively called the "Indebtedness").

3. Representations and Warranties

The Debtor represents and warrants to the Secured Party that:

- (d) except for the security created hereby and except for other encumbrances now or hereafter approved in writing by the Secured Party prior to their creation or assumption (such approval not to be unreasonably withheld), the Debtor is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance;
- (e) each Debt is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor will be the correct amount actually and unconditionally owing from such Account Debtor and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce Collateral or otherwise;
- (f) the Debtor is a corporation duly created and validly existing under the laws of the Province of Ontario;
- (g) this Security Agreement constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, except as enforceability is limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (h) the execution, delivery and performance of the obligations under this Security Agreement and the creation of the security interest hereunder will not result in a breach of any agreement to which the Debtor is a party;
- (i) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect or impair the Debtor's financial condition or operation or impair the Debtor's ability to perform its obligations hereunder;
- (j) the chief executive office of the Debtor and all business operations and records are currently located in the Province of Ontario, and all real property, buildings, fixtures, goods which form part of the Collateral will be situate in Ontario; and
- (k) the name of the Debtor is accurately and fully set out above, and the Debtor is not known by any other name.

4. Insurance

The Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof, and shall have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to and held by it. Should the Debtor neglect to maintain such insurance, the Secured Party may insure and any premiums paid by the Secured Party together with interest thereon shall be payable by the Debtor to the Secured Party upon demand.

5. Liens, etc.

The Debtor shall keep the Collateral free and clear of all taxes, assessments, claims, liens and encumbrances (subject to Section 3(d) hereof) and shall promptly notify the Secured Party of any loss or damage to the Collateral or any part thereof.

6. Use of Collateral

Until the Security shall have become enforceable, and subject to the provisions of Section 9 hereof, the Debtor may dispose of or deal with the Collateral in the ordinary course of its business in any lawful manner not inconsistent with the provisions hereof or any other agreements of the Debtor in favour of the Secured Party or with the terms of any policies of insurance relating thereto. All proceeds of sale shall be received by the Debtor as trustee for the Secured Party and shall be forthwith paid over to the Secured Party.

7. Information and Inspection

The Debtor shall from time to time forthwith on request furnish to the Secured Party in writing all information reasonably requested relating to the Collateral or any part thereof, and the Secured Party shall upon reasonable notice be entitled from time to time to inspect the tangible Collateral wherever located including without limitation, any books and records of the Debtor relating to the Collateral, and for such purpose the Secured Party shall have access during regular business hours upon reasonable prior notice to the Debtor to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtor. The Debtor shall also deliver to the Secured Party on reasonable prior notice to the Debtor, as and when requested, such financial statements and other financial information relating to the Debtor and its business as may reasonably be required by the Secured Party from time to time.

8. Default

- (l) The Debtor covenants and agrees with the Secured Party that upon the occurrence of any one of the following events:
- (i) if the Debtor shall default in the payment or discharge of any of the Indebtedness when due and such default shall continue for a period of ten (10) days after a notice in writing has been given by the Secured Party and received by the Debtor specifying such default;
 - (ii) if the Debtor shall default in the due observance or performance of any material covenant, undertaking or agreement heretofore or hereafter given to the Secured Party, whether contained herein or in any other security given to the Secured Party by the Debtor or in any agreement between the Debtor and the Secured Party, or if any of the warranties contained herein is or shall become untrue and such default shall continue for a period of ten (10) days after a notice in writing has been given by the Secured Party and received by the Debtor specifying such default;
 - (iii) if any representation or warranty made in this Security Agreement or any other document or report furnished to the Secured Party by the Debtor in respect of the Debtor or the Collateral proves to have been or to have become false or materially misleading;
 - (iv) if any financial statements, profit and loss statements or any other financial records furnished by the Seller to the Buyer prove false or incorrect in any material respect;
 - (v) if an encumbrancer shall take possession of any part of the Collateral or an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied against the Collateral or any part thereof, except if such proceeding is in good faith diligently contested by the Debtor within ten (10) days from the institution of the relevant proceeding;
 - (vi) if any order shall be made or a resolution passed for the winding-up of the Debtor, or a petition shall be filed under the Bankruptcy and Insolvency Act against the Debtor, or the Debtor shall become insolvent or shall commit or threaten to commit an act of bankruptcy, or make an assignment in bankruptcy, or a receiver or receiver and manager or agent or other official having similar functions shall be appointed either privately or by a court by or on behalf of a creditor of the Debtor, or if any proceedings are commenced under the Companies' Creditors Arrangement Act or if a proposal is made by the Debtor to its creditors under the Bankruptcy and Insolvency Act;
 - (vii) if the Debtor permits, fails to pay an amount due under, or purports to create any mortgage, charge, lien, security interest, deemed trust (including those created by federal, provincial or municipal legislation) or other encumbrance which forms or is capable of being made a charge upon any of the Collateral in priority to or pari passu with the security interest hereunder;
 - (viii) if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of the Collateral in priority to or pari passu with the security interest hereunder to remain unpaid for ten (10) days after the same has become due, except if such proceeding is in good faith diligently contested by the Debtor within ten (10) days from the institution of the relevant proceeding;
 - (ix) if any mortgage, charge, lien, security interest or other encumbrance affecting any Collateral becomes enforceable;

- (x) if the Debtor shall attempt to or shall sell or dispose of or in any way part with the possession of or change in the location of the Collateral or any part of it save as expressly permitted in this Security Agreement without the consent of the Secured Party first had and obtained in writing, such consent not to be unreasonably withheld;
 - (xi) if any material adverse change occurs in the financial position of the Debtor;
 - (xii) if the Debtor shall cease or threaten to cease to carry on business; or
 - (xiii) if the Secured Party reasonably considers that it is insecure with respect to the Collateral, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy, then the Debtor shall be in default under this Security Agreement, the security hereby constituted shall become enforceable, and the Secured Party may proceed to realize the security hereby constituted by sale or to enforce its rights by entry, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver manager or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy or other judicial proceedings relative to the Debtor. Any such sale may be made by public auction, by public tender or by private contract, with or without advertisement and without any other formalities, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to reserve bid or price as the Secured Party, in its sole discretion, may deem advantageous and such sale may take place whether or not the Secured Party has taken possession of such property and assets; provided, however, that unless the Collateral is perishable or unless the Secured Party believes on reasonable grounds that the Collateral will decline speedily in value the Debtor shall be entitled to not less than fifteen (15) days' notice of sale containing such information as is prescribed by the PPSA.
- (m) In addition to the rights of the Secured Party set forth in Section 8(l), whenever the security hereby constituted shall have become enforceable and so long as it shall remain enforceable, the Secured Party may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral including any rents and profits thereof and may remove any receiver and appoint another in his stead. Any such receiver or receivers so appointed shall be vested with all the powers to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of such business, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to exercise all rights attaching or incidental to any securities owned by the Debtor and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. Any such receiver shall be deemed to be the agent of the Debtor when exercising the powers and rights hereinbefore mentioned in this paragraph; but this shall not alter or diminish in any way the responsibilities of the receiver to the Secured Party arising directly or indirectly out of the appointment of the receiver by the Secured Party, nor create any responsibility to the Debtor on the part of the receiver paramount to or ranking equally with the receiver's responsibility to the Secured Party. The Secured Party may from time to time fix the remuneration of such receiver and direct the payment thereof out of the Collateral.
- (n) The receiver shall apply all money from time to time received by him in such of the following modes and in such order or priority as the Secured Party may from time to time at its option direct, namely: in discharge of all rents, taxes, rates and insurance premiums affecting the Collateral; in payment of the remuneration of the receiver; in keeping in good standing all liens and charges on the Collateral prior to the security hereby constituted; in payment of the costs of carrying out or executing any powers, duties or directions which are vested in the receiver; in payment of the interest accruing due on the Security Agreement and all other amounts owing hereunder; and in payment of the principal due and payable upon the Security Agreement, and the residue of any money so received shall be paid to the Debtor. The Secured Party, in appointing or refraining from appointing such receiver, shall not incur any liability to the receiver, the Debtor or otherwise.
- (o) In the event of default, pursuant to Section 8(l), the Secured Party, in its sole discretion, may without demand or notice of any kind:
- (i) declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable;

- (ii) require the Debtor to assemble the Collateral, including any records pertaining to the Debts, and make them available to the Secured Party at a place designated by the Secured Party; and
 - (iii) enter any premises of the Debtor and take possession of the Collateral, including any records pertaining to the Debts.
- (p) In addition to the rights and remedies specifically provided herein, the Secured Party shall, upon default, have the rights and remedies of a secured party under the PPSA.

9. Receivables

The Secured Party may collect, realize, sell or otherwise deal with the Debts or any part thereof in such manner, upon terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Debtor. The Secured Party shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Debts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the same. All money collected or received by the Debtor in respect of the Debts shall be received by the Debtor as trustee for the Secured Party. All money collected or received by the Secured Party in respect of the Debts or other Collateral may be applied on account of such parts of the Indebtedness of the Debtor as the Secured Party may, in its sole discretion, elect, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize this security.

10. Charges and Expenses

The Secured Party may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with the preparation and registration of this Security Agreement and in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof, and such sums shall be a first charge on the proceeds of realization, disposition or collection, and shall be added to the Indebtedness secured by this Security Agreement.

11. Dealings by Third Parties

No person dealing with the Secured Party or its agent or a receiver shall be concerned to enquire whether the security hereby constituted has become enforceable, or whether the powers which the Secured Party or its agent is purporting to exercise have become exercisable, or whether any money remains due upon this Security Agreement, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale, or of any other dealing by the Secured Party with the Collateral, or to see the application of any money paid to the Secured Party.

12. Additional Covenants

The Debtor hereby covenants and agrees with the Secured Party, so long as this Security Agreement remains outstanding, that:

- (q) it will do, observe and perform all matters and things necessary or expedient to be done, observed or performed by virtue of any law of Canada or any province or municipality thereof for the purpose of creating and maintaining the security hereby constituted;
- (r) it will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired;
- (s) it will not, without the prior written consent of the Secured Party, which may be granted or withheld by the Secured Party in its absolute discretion, remove any of the Collateral from Ontario;
- (t) it will, at all times, maintain all licences, permits and authorizations to enable it to conduct its business and will carry on and conduct its business in a proper, efficient and businesslike manner in accordance with good business practice;

- (u) it will, upon the reasonable request of the Secured Party, provide the Secured Party with such information concerning the Collateral and the business of the Debtor as required by the Secured Party;
- (v) it will pay or cause to be paid all taxes, rates, government fees and dues, levied, assessed or imposed upon it and its property or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is, in good faith, contested by it and will, if and when required in writing by the Secured Party, furnish the Secured Party for inspection with receipts for any of such payments;
- (w) it will pay or cause to be paid all debts and obligations to labourers, workmen, employees, contractors, subcontractors, suppliers of materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the security interest granted by this Security Agreement;
- (x) it will not, without the prior written consent of the Secured Party, which may be granted or withheld by the Secured Party in its absolute discretion, substantially alter the nature of the business conducted by it as of the date of this Security Agreement;
- (y) it will not, without the prior written consent of the Secured Party, which consent shall not be unreasonably withheld, sell, transfer, assign or otherwise dispose of any of its assets or any part of the Collateral other than in the ordinary course of its business; and
- (z) it will do, observe and perform all of the terms, conditions, covenants, obligations and things which the Debtor is obligated to do, observe and perform under or pursuant to any agreements with or undertakings to the Secured Party.

13. Further Assurances

The Debtor shall from time to time forthwith on the Secured Party's request, do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Secured Party with respect to the Collateral, or any part thereof or as may be required to give effect to these presents, and, upon default by the Debtor under this Security Agreement, the Debtor hereby constitutes and appoints the President for the time being of the Secured Party or any officer of the Secured Party duly authorized by the President the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things.

14. Dealings by the Secured Party

The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize this security.

15. Set Off

Without limiting any other right of the Secured Party, whenever the debts and liabilities of the Debtor to the Secured Party are immediately due and payable, or the Secured Party has the right to declare the debts and liabilities to be immediately due and payable, whether or not it has been so declared, the Secured Party may, in its sole discretion, set-off against the debts and liabilities any and all monies then owed to the Debtor by the Secured Party in any capacity, whether due or not due, and the Secured Party shall be deemed to have exercised such right of set-off immediately at the time of making its decision to do so even though any charge therefore is made or entered on the Secured Party's records subsequent thereto.

16. No Remedy Exclusive

No remedy herein conferred upon or reserved to the Secured Party for the realization of the security hereby constituted, enforcement of rights of the Secured Party or otherwise is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under any other document or agreement in respect of the obligations of the Secured Party owed by the Debtor. Every power and remedy given by this Security Agreement to the Secured Party may be exercised from time to time as often as may be deemed expedient by the Secured Party. The taking of any action or proceeding or refraining from so doing, or any other dealings with any other security for the money secured hereby, shall not release or affect the security hereby constituted. Upon default, the Debtor shall remain liable to the Secured Party for any portion of the Indebtedness remaining unpaid after enforcement of the Secured Party's rights against all or any part of the Collateral.

17. Secured Party Performance

Upon the Debtor's failure to perform any of its duties or obligations under this Security Agreement, the Secured Party may, but shall not be obligated to, perform any such duties or obligations, and the Debtor will pay to the Secured Party, upon demand, an amount equal to the expense incurred by the Secured Party in so doing with interest thereon from the date such expense is incurred at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness.

18. Discharge and Satisfaction

Upon satisfaction by the Debtor of all obligations of the Debtor owed to the Secured Party, the Secured Party shall, upon the request and at the reasonable expense of the Debtor, execute and deliver to the Debtor such releases and discharges as the Debtor may reasonable require.

19. Waiver of Covenants

The Secured Party may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any failure by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or failure of the rights resulting therefrom.

20. Application of Insurance Proceeds

Any insurance money received by the Secured Party pursuant to this Security Agreement may at the option of the Secured Party be applied to restoring, replacing or repairing the Collateral or any part thereof, or be paid to the Debtor or any such money may be applied in the sole discretion of the Secured Party, in whole or in part, to the repayment of the obligations hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal amounts of Indebtedness payable by the Debtor in inverse order of maturity.

21. Attachment

Each of the Debtor and the Secured Party acknowledges that it is its intention that the security interest herein created attach on the execution hereof by the Debtor (save as to after-acquired property forming part of the Collateral in respect of which attachment will result forthwith upon the Debtor acquiring rights thereto) and that value has been given.

22. Notices

Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Security Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or transmitted by facsimile, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of:

the Secured Party, addressed to it at:

Capital Now Cannabis
234-5149 Country Hills Blvd NW
Suite 121
Calgary, Alberta T3A 5K8
Attention: Gerry Wawzonek

the Debtor, addressed to it at:

Natural Medco Ltd
2941 Napperton Drive
Strathroy, Ontario N7G 3H8

Attention: Melinda Rombouts
& David Burch

Each party may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this Section. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, if transmitted by facsimile, the date of receipt shall be deemed to be the first Business Day after transmission, or if mailed as aforesaid, the date of receipt shall be deemed to be the fourth Business Day following the date of mailing. For the purposes hereof, "Business Day" means each day other than a Saturday, Sunday or any other day on which chartered banks are not open for business in the Province of Alberta. For the purposes hereof, personal service on the Debtor shall be effectually made by delivery to an officer, director or employee of the Debtor at its address set out above. If on the date of mailing or on or before the fourth Business Day thereafter, there is a general interruption in the operation of the postal service in Canada which does or is likely to delay delivery by mail, to the extent possible the communications aforesaid shall be served personally.

23. General

This Security Agreement:

- (aa) shall be a continuing agreement in every respect;
- (bb) shall be governed by the laws of the Province of Alberta; and
- (cc) may be terminated by the Debtor by written notice delivered to the Secured Party at the above-named office at any time when the Debtor is not indebted or liable to the Secured Party. For greater certainty it is declared that any and all future loans, advances or other value which the Secured Party may in its discretion make or extend to or for the account of the Debtor shall be secured by this Security Agreement. Nothing contained in this Security Agreement shall in any way obligate the Secured Party to grant, continue, renew, extend time for payment of, or accept anything which constitutes or would constitute Indebtedness.

24. Binding Effect

This Security Agreement is binding upon the Debtor and its successors and permitted assigns.

25. Cross Default

The Debtor hereby agrees that default by the Debtor hereunder shall constitute default under any other security given by the Debtor to the Secured Party.

26. Facsimile or electronic Signature

The Debtor acknowledges facsimile and electronic signatures will be deemed to have the same legal effect as original signatures.

27. Copy of Agreement

The Debtor acknowledges receipt of a duplicate original hereof and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

28. Advice of Counsel

The Debtor acknowledges that he has read and fully understands the terms and provisions hereof, has had an opportunity to review this Security Agreement with legal counsel. And has executed this Security Agreement based upon the Debtor's own judgement and advice of independent legal counsel (if sought).

WHEREAS the parties hereto have executed this Security Agreement this July 12, 2021

Seller: **Natural Medco Ltd.**

Capital Now Cannabis



David Burch
Director



Natalie Wawzonek
Chief Operating Officer



Melinda Rombouts
Director

Phone 403-617-2075 ext 102
Email luke@capitalnow.ca
Address PO Box 9613, Station M
Calgary, Alberta T2P 0E9
Web capitalnow.ca

Supply Chain Finance

This is **Exhibit “BB”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

Search ID #: Z14798643

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 03839515-EDD3 5
2137

Search ID #: Z14798643

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Business Debtor Search For:

Eve & Co Incorporated

Inexact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z14798643

Business Debtor Search For:

Eve & Co Incorporated

Search ID #: Z14798643

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 10061711592

Registration Date: 2010-Jun-17

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Jun-17 23:59:59

Inexact Match on: Debtor No: 1

Amendments to Registration

15051535778

Renewal

2015-May-15

20051605849

Renewal

2020-May-16

Debtor(s)**Block****Status**

1 EVI HOLDINGS INC.
1852 TOWNE CENTRE BLVD.
EDMONTON, AB T6R 3A2

Current

Secured Party / Parties**Block****Status**

1 ROYAL BANK OF CANADA
180 WELLINGTON ST W 3RD FLR
TORONTO, ON M5J 1J1

Current

Collateral: General**Block****Description****Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z14798643

Business Debtor Search For:

Eve & Co Incorporated

Search ID #: Z14798643

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 19080622225

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Aug-06

Registration Status: Current

Expiry Date: 2026-Aug-06 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 EVI HOLDINGS INC.
1852 TOWN CENTRE BLVD
EDMONTON, AB T6R 3A2

Current

Secured Party / Parties**Block****Status**

1 JOHN DEERE FINANCIAL INC.
3430 SUPERIOR COURT
OAKVILLE, ON L6L 0C4

Current

Collateral: General**Block****Description****Status**

1 ONE DAKOTA 440 TURF TENDER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL

Current

Result Complete

Search ID #: Z14798642

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 03839517-EDD3 5
2137

Search ID #: Z14798642

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Business Debtor Search For:

Eve & Co International Holdings Ltd.

Inexact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z14798642

Business Debtor Search For:

Eve & Co International Holdings Ltd.

Search ID #: Z14798642

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 10030121975

Registration Type: SECURITY AGREEMENT

Registration Date: 2010-Mar-01

Registration Status: Current

Expiry Date: 2025-Mar-01 23:59:59

Inexact Match on: Debtor No: 1

Amendments to Registration

15010200074	Renewal	2015-Jan-02
20010204092	Renewal	2020-Jan-02

Debtor(s)**Block****Status**

1	THE EVENT GROUP INC. 210-1235 17 AVE SW CALGARY, AB T2T 0C2	Current
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Secured Party / Parties**Block****Status**

1	CANADIAN IMPERIAL BANK OF COMMERCE 309 8 AVENUE SW CALGARY, AB T2P 2P2	Current
---	--	---------

Collateral: General**Block****Description****Status**

1	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED	Current
2	PERSONAL PROPERTY	Current

Search ID #: Z14798642

Business Debtor Search For:

Eve & Co International Holdings Ltd.

Search ID #: Z14798642

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 14111813929

Registration Date: 2014-Nov-18

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Nov-18 23:59:59

Inexact Match on: Debtor No: 1

Amendments to Registration

16102617232	Renewal	2016-Oct-26
19101642457	Renewal	2019-Oct-16

Debtor(s)**Block****Status**

1 E-VANS CORPORATION
1802, 10025 - 102A AVENUE
EDMONTON, AB T5J 2Z2

Current

Secured Party / Parties**Block****Status**

1 E-VANS MANAGEMENT HOLDINGS LTD.
C/O 219, 6203 - 28 AVENUE
EDMONTON, AB T6L 6K3

Current

Collateral: General**Block****Description****Status**

1 All of the Debtor's present and after-acquired personal property including, without in any way restricting the generality of the foregoing: all accounts, instruments and debts which are now due, owing or accruing due to the Debtor, together with all records (whether in writing or not), and other documents of any kind which in any way evidence or relate to any or all of the accounts, instruments and debts. All equipment of whatever kind and wherever situated including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicle of whatever nature.

Current

Search ID #: Z14798642

Business Debtor Search For:

Eve & Co International Holdings Ltd.

Search ID #: Z14798642

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 19053152928

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-May-31

Registration Status: Current

Expiry Date: 2029-May-31 23:59:59

Inexact Match on: Debtor No: 1

Amendments to Registration

19062421618

Amendment

2019-Jun-24

Debtor(s)**Block****Status**

1 E-VANS CORPORATION
1802-10025 102A AVE NW
EDMONTON, AB T5J 2Z2

Current

Block**Status**

2 EVANS, GARY, DAVID
11634 78 AVE NW
EDMONTON, AB T6G 0N7

Current

Birth Date:
1960-Aug-19

Block**Status**

3 SASAKI, JANIS, TOBY
11634 78 AVE NW
EDMONTON, AB T6G 0N7

Current

Birth Date:
1959-May-18

Secured Party / Parties**Block****Status**

1 ALBERTA TREASURY BRANCHES-07959
8008-104 STREET
EDMONTON, AB T6E 4E2
Phone #: 780 427 2383 Fax #: 780 433 4165

Current

Search ID #: Z14798642

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY	Current
2	PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL COLLATERAL OR PROCEEDS THEREOF	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	Registration number 14111813929 between ATB FINANCIAL and E-VANS MANAGEMENT HOLDINGS LTD and E-VANS CORPORATION is subordinated to this registration as per priority agreement dated JUNE 21, 2019	Current By 19062421618

Search ID #: Z14798642

Business Debtor Search For:

Eve & Co International Holdings Ltd.

Search ID #: Z14798642

Date of Search: 2022-Mar-18

Time of Search: 07:44:16

Registration Number: 21121709397

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Dec-17

Registration Status: Current

Expiry Date: 2026-Dec-17 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 EVENT INDUSTRIES INC
180 COUNTRY HILLS WAY NW
CALGARY, AB T3K4W4

Current

Block**Status**

2 SPARKS, STEWART, GLENN
180 COUNTRY HILLS WAY NW
CALGARY, AB T3K4W4

Current

Birth Date:
1953-Jul-04

Secured Party / Parties**Block****Status**

1 FORD CREDIT CANADA COMPANY
BOX 1800 RPO LAKESHORE WEST
OAKVILLE, ON L6K 0J8
Email: albertaprod@teranet.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTER4FH9MLE05617	2021	FORD RANGR	MV - Motor Vehicle	Current

Result Complete

Search ID #: Z14798644

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 03839516-EDD3 5
2137

Search ID #: Z14798644

Date of Search: 2022-Mar-18

Time of Search: 07:44:21

Business Debtor Search For:

Natural Medco Ltd

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Eve & Co Incorporated"

Search Date and Time: March 18, 2022 at 6:44:21 am Pacific time

Account Name: Not available.

TABLE OF CONTENTS

1 Match in 1 Registration

Exact Matches: 0 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	600821G	February 22, 2012	EVINCO HOLDINGS LTD	2



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 600821G

Registration Type:	CROWN CHARGE FILED PURSUANT TO SOCIAL SERVICE TAX ACT
Base Registration Date and Time:	February 22, 2012 at 3:20:24 pm Pacific time
Current Expiry Date and Time:	Never

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:21 am Pacific time)

Secured Party Information

**HER MAJESTY THE QUEEN IN
THE RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA**

Address

1802 DOUGLAS STREET
VICTORIA BC
V8T4K6 Canada

Debtor Information

EVINCO HOLDINGS LTD

Address

3934 COKATO RD RR4
FERNIE BC
V0B1M4 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**RECEIVABLES MANAGEMENT
OFFICE - JUDY MOUSSEAU**

Address

6TH FLOOR, 1802 DOUGLAS
STREET
VICTORIA BC
V8T4K6 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Eve & Co International Holdings Ltd."

Search Date and Time: March 18, 2022 at 6:44:51 am Pacific time
Account Name: Not available.

TABLE OF CONTENTS

6 Matches in 6 Registrations

Exact Matches: 0 (*)

Total Search Report Pages: 15

	Base Registration	Base Registration Date	Debtor Name	Page
1	881006E	March 20, 2009	EVOKE INTERNATIONAL DESIGN INC	2
2	169075L	November 23, 2018	ELITE INTERNATIONAL FOREST LTD	6
3	349573L	March 4, 2019	ELITE INTERNATIONAL FOREST LTD.	8
4	151942M	April 2, 2020	ELITE INTERNATIONAL ENTERPRISES LTD.	10
5	288254M	June 19, 2020	EVOKE INTERNATIONAL DESIGN INC.	12
6	760756M	February 9, 2021	ELITE INTERNATIONAL FOREST LTD.	14



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 881006E

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	March 20, 2009 at 11:45:13 am Pacific time
Current Expiry Date and Time:	March 20, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH
FLOOR
TORONTO ON
M2P0A4 Canada

Debtor Information

**EVOKE INTERNATIONAL
DESIGN INC**

Address

295 WEST 8TH
VANCOUVER BC
V5Y1N3 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) ,CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

Original Registering Party

ROYAL BANK OF CANADA

Address

180 WELLINGTON ST, W. 3RD
FLR.
TORONTO ON
M5J1J1 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: December 4, 2019 at 12:21:10 pm Pacific time
Registration Number: 932860L
Description: CHANGE DEBTOR'S ADDRESS. CHANGE SECURED PARTY ADDRESS.

Debtor Information

**EVOKE INTERNATIONAL
DESIGN INC**

ADDRESS CHANGED

Address

295 WEST 8TH
VANCOUVER BC
V5Y1N3 Canada

Secured Party Information

ROYAL BANK OF CANADA

ADDRESS CHANGED

Address

36 YORK MILLS ROAD, 4TH
FLOOR
TORONTO ON
M2P0A4 Canada

Registering Party Information

D & H LIMITED PARTNERSHIP

Address

4126 NORLAND AVENUE, SUITE
201
BURNABY BC
V5G3S8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

RENEWAL

Registration Date and Time: February 15, 2019 at 8:22:16 am Pacific time
Registration Number: 320614L
Registration Life: 5 Years
New Expiration Date and Time: March 20, 2024 at 11:59:59 pm Pacific time

Registering Party Information

D & H LIMITED PARTNERSHIP **Address**
4126 NORLAND AVENUE, SUITE
201
BURNABY BC
V5G3S8 Canada

RENEWAL

Registration Date and Time: February 17, 2014 at 6:15:14 am Pacific time
Registration Number: 802793H
Registration Life: 5 Years
New Expiration Date and Time: March 20, 2019 at 11:59:59 pm Pacific time

Registering Party Information

D & H LIMITED PARTNERSHIP **Address**
4126 NORLAND AVENUE, SUITE
201
BURNABY BC
V5G3S8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 169075L

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	November 23, 2018 at 6:19:59 am Pacific time
Current Expiry Date and Time:	November 23, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

BMW CANADA INC

Address

50 ULTIMATE DRIVE
RICHMOND HILL ON
L4S0C8 Canada

Debtor Information

ELITE INTERNATIONAL FOREST LTD

Address

1775 SISMET RD
MISSISSAUGA ON
L4W1P9 Canada

LIU, DAN

Address

1505-3355 BINNING RD
VANCOUVER BC
V6S0J1 Canada

Birthdate

April 24, 1974



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2018	BWM / X5 XDRIVE35I	5UXKR0C51JL072961

General Collateral

None.

Original Registering Party

BMW CANADA INC

Address

50 ULTIMATE DRIVE
RICHMOND HILL ON
L4S0C8 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 349573L

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	March 4, 2019 at 1:21:11 pm Pacific time
Current Expiry Date and Time:	March 4, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

TRAVELERS LEASING LTD.

Address

800-9900 KING GEORGE BLVD
SURREY BC
V3T0K7 Canada

Debtor Information

ELITE INTERNATIONAL FOREST LTD.

Address

1505-3355 BINNING ROAD
VANCOUVER BC
V6S0J1 Canada

LIU, DAN

Address

1505-3355 BINNING ROAD
VANCOUVER BC
V6S0J1 Canada

Birthdate

April 24, 1974



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	PORSHCE / CAYENNE	WP1AA2AY3KDA10730

General Collateral

None.

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T8H2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 151942M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	April 2, 2020 at 6:10:42 am Pacific time
Current Expiry Date and Time:	April 2, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

CANADIAN DEALER LEASE SERVICES INC.

Address

372 BAY STREET, SUITE 1800
TORONTO ON
M5H2W9 Canada

BANK OF NOVA SCOTIA - DLAC

Address

44 KING STREET W, SCOTIA
PLAZA
TORONTO ON
M5H1H1 Canada

Debtor Information

ELITE INTERNATIONAL ENTERPRISES LTD.

Address

268 EAST 10TH AVE
VANCOUVER BC
V5T1Z5 Canada

TSENG, CHIH-HSIU

Address

342 62ND AVE WEST
VANCOUVER BC
V5X2E3 Canada

Birthdate

August 5, 1974



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	LAND ROVER / DISCOVERY	SALRU2RV0L2434149

General Collateral

Base Registration General Collateral:

OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES

Original Registering Party

**TERANET COLLATERAL
MANAGEMENT SOLUTIONS
CORPORATION (BNS)**

Address

2 ROBERT SPECK PARKWAY, 15TH
F
MISSISSAUGA ON
L4Z1H8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 288254M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	June 19, 2020 at 1:55:06 pm Pacific time
Current Expiry Date and Time:	June 19, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

XEROX CANADA LTD

Address

20 YK MILS RD, SUITE 500 BX 700
TORONTO ON
M2P2C2 Canada

Debtor Information

**EVOKE INTERNATIONAL
DESIGN INC.**

Address

295 8TH AVE W
VANCOUVER BC
V5Y1N3 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND FUTURE OFFICE EQUIPMENT AND SOFTWARE SUPPLIED OR FINANCED FROM TIME TO TIME BY THE SECURED PARTY (WHETHER BY LEASE, CONDITIONAL SALE OR OTHERWISE), WHETHER OR NOT MANUFACTURED BY THE SECURED PARTY OR ANY AFFILIATE THEREOF, AND ALL PROCEEDS THEREOF.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

XEROX CANADA LTD

Address

20 YK MILS RD, SUITE 500 BX 700
TORONTO ON
M2P2C2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 760756M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	February 9, 2021 at 3:01:33 pm Pacific time
Current Expiry Date and Time:	February 9, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of March 18, 2022 at 6:44:51 am Pacific time)

Secured Party Information

DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

Address

3450 SUPERIOR COURT, UNIT 1
OAKVILLE ON
L6L0C4 Canada

Debtor Information

ELITE INTERNATIONAL FOREST LTD.

Address

160-6391 WESTMINSTER
HIGHWAY
RICHMOND BC
V7C4V4 Canada

VIDAR FLOORING

Address

160-6391 WESTMINSTER
HIGHWAY
RICHMOND BC
V7C4V4 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	UNICARRIERS // MCP1F2A25LV	CP1F2-9W33236

General Collateral

Base Registration General Collateral:

ALL GOODS OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED, DIRECTLY OR INDIRECTLY, FROM ANY DEALING WITH OR DISPOSITION OF THE ,ABOVE-DESCRIBED COLLATERAL, INCLUDING WITHOUT LIMITATION, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE THERETO, ACCOUNTS, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE ABOVE-DESCRIBED COLLATERAL, GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, CHEQUES, DEPOSITS, SECURITIES AND INTANGIBLES.

Original Registering Party

DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

Address

3450 SUPERIOR COURT, UNIT 1
OAKVILLE ON
L6L0C4 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Natural Medco Ltd."

Search Date and Time: March 18, 2022 at 6:44:36 am Pacific time
Account Name: Not available.

NIL RESULT

0 Matches in 0 Registrations

Exact Matches: (*)

Total Search Report Pages: 0

The search returned a NIL result. 0 registrations were found.



This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	New Brunswick
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co Incorporated
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:45 (Atlantic)
Transaction Number:	22892418
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
	*	9770786	BOUTIQUE JOLIE EVE LTEE	CARAQUET
	*	31483456	Ev's Diesel Inc.	TANUSINTAC
	*	31916661	Ev's Diesel Inc.	Tabusintac
	*	23703200	EVVO, LLC	Franklin
	*	31236623	FERME CANNEBERGES OLI-EVE CRANBERRY FARM	MIRAMICHI
	*	31208739	FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.	MIRAMICHI
	*	31403769	FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.	MIRAMICHI
	*	31783319	FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.	MIRAMICHI
	*	31947377	Ferme Canneberges Oli-Eve Cranberry Farm Inc.	Miramichi
	*	35300938	FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.	Miiramichi
	*	35754043	STEELE EV LIMITED	DARTMOUTH

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 11 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 9770786

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	9770786	2003-06-06 16:08	2008-06-06	11501

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Renewal	16194763	2008-05-15 13:18	2018-06-06	
Renewal	30412779	2018-04-11 16:22	2028-06-06	

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
BOUTIQUE JOLIE EVE LTEE
445 ST-PIERRE BLVD W
CARAQUET NB E1W 1B2
Canada

Secured Parties

Type: Enterprise
BANQUE NATIONALE DU CANADA 1150-1
UNIT/UNITÉ 1
25 BOUL ST-PIERRE
CARAQUET NB E1W 1B8
Canada
Phone #: 506-727-3495
Fax #: 506-727-7456

General Collateral

CONTRAT DE SURETE DATE DU 3 JUIN 2003
DESCRIPTION DES BIENS GREVES:
A) COMPTES A RECEVOIR OU COMPTES
B) OBJETS
C) BIENS INTANGIBLES
D) PRODUIT
TEL QUE DECRIT SUR LE CONTRAT DE SURETE

Registration Details for Registration Number: 31483456

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31483456	2018-11-26 13:50	2022-11-26	

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Ev's Diesel Inc.
1449 ROUTE 460
TANUSINTAC NB E9H 1B9
Canada

Secured Parties

Type: Enterprise
Caisse populaire acadienne ltée
Savoie, Roger
295, boulevard St-Pierre Ouest
Caraquet NB E1W 1B7
Canada
Phone #: 506-726-9345
Fax #: 506-726-8223

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
1GT120E80FF517611	Motor Vehicle	2015 GMC SIERRA 2500	31483456	

Registration Details for Registration Number: 31916661

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31916661	2019-03-28 09:21	2029-03-28	ah

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Ev's Diesel Inc.
Palmer, Evan
President
1449 Route 460 Highway
Tabusintac NB E9H 1B9

Canada

Secured Parties

Type: Enterprise
Caisee Populaire Acadienne Ltee
Godin, Gerard
commercial account manager
3353 boul. Dr.-Victor LeBlanc
CP 3880, succ. Bureau-chef
Tracadie-Sheila NB E1X 1G5
Canada
Phone #: 506-393-5600
Fax #: 506-393-5620

General Collateral

All of the Debtor's right, title and interest in and to the personal property and undertaking of the borrower now owned or hereafter acquired (collectively, the Collateral" and all references thereto herein including any part thereof), including, without limitation, any and all of the debtor's:

- (a) inventory including goods held for sale or lease, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing, materials used or consumed in the business of the Debtor;
- (b) equipment, fixtures and other goods of every kind and description, all licences and other rights and all records, files, charges, plans, drawings, specifications, manuals, and documents relation thereto;
- (c) accounts and book debts and generally all debts, dues, demands and choses in action of every nature and kind howsoever arising or secured, and any and all claims which the Debtor now has or may hereafter have under any policy of insurance of whatsoever nature 9in this clause collectively called the "Debts", and all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts or by which the Debts are or may hereafter be secured, evidenced, acknowledged or made payable;
- (d) money, documents of title, chattel paper, instruments and securities;
- (e) intangibles including all security interests, goodwill, choses in action and other contractual benefits and all trade marks, trade mark registrations and pending trade mark applications, patents and pending patent applications and copyrights and other intellectual property (collectively, the "Intellectual property");
- (f) substitutions and replacements of and increases, additions and, where applicable, accessions to the personal property described in sections 1.2(1)(a)-(f) above and
- (g) proceeds in any form derived directly or indirectly from any dealing with all or any of the personal property described in sections 1.2(1)(a)-(f) above or the proceeds therefrom.

Without limiting the generality of the foregoing, the collateral shall include all present and future personal property of the Debtor wherever located.

Registration Details for Registration Number: 23703200

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	23703200	2013-10-31 17:52	2018-10-31	
Renewal	25968546	2015-06-12 12:48	2020-10-31	
Amendment	28282663	2016-11-30 18:11	2020-10-31	
Renewal	30198444	2018-02-20 12:12	2025-10-31	
Amendment	30330542	2018-03-23 13:25	2025-10-31	
Amendment	30358196	2018-03-29 18:05	2025-10-31	

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

The Debtor below was deleted by registration number 28282663
Type: Enterprise
ECO-ENERGY, LLC
725 Cool Springs Blvd., Suite 500
Franklin TN 37067
USA

The Debtor below was deleted by registration number 28282663
Type: Enterprise
ECO-ENERGY DISTRIBUTION SERVICES, LLC
725 Cool Springs Blvd., Suite 500
Franklin TN 37067
USA

The Debtor below was deleted by registration number 28282663
Type: Enterprise
ECO-ENERGY INTERNATIONAL, LLC
725 Cool Springs Blvd., Suite 500
Franklin TN 37067
USA

The Debtor below was deleted by registration number 28282663
Type: Enterprise
EVVO, LLC
725 Cool Springs Blvd., Suite 500
Franklin TN 37067
USA

The Debtor below was deleted by registration number 28282663
Type: Enterprise
ECO-ENERGY DISTRIBUTION ATLANTA, LLC
725 Cool Springs Blvd., Suite 500
Franklin TN 37067

USA

The Debtor below was deleted by registration number 28282663

Type: Enterprise

~~ECO-ENERGY TRANSPORTATION, LLC~~~~725 Cool Springs Blvd., Suite 500~~~~Franklin TN 37067~~

USA

The Debtor below was deleted by registration number 28282663

Type: Enterprise

~~ECO-ENERGY DISTRIBUTION MID-ATLANTIC, LLC~~~~725 Cool Springs Blvd., Suite 500~~~~Franklin TN 37067~~

USA

The Debtor below was deleted by registration number 28282663

Type: Enterprise

~~ECO-ENERGY GLOBAL BIOFUELS, LLC~~~~725 Cool Springs Blvd., Suite 500~~~~Franklin TN 37067~~

USA

The Debtor below was deleted by registration number 28282663

Type: Enterprise

~~ECO-ENERGY DISTRIBUTION PHILADELPHIA, LLC~~~~725 Cool Springs Blvd., Suite 500~~~~Franklin TN 37067~~

USA

The Debtor below was added by registration number 28282663

Type: Enterprise

Eco-Energy Distribution-Selma, LLC

6100 Tower Circle, Suite 500

Franklin TN 37067

USA

The Debtor below was added by registration number 28282663

Type: Enterprise

ECO-ENERGY, LLC

6100 Tower Circle, Suite 500

Franklin TN 37067

USA

The Debtor below was added by registration number 28282663

Type: Enterprise

ECO-ENERGY DISTRIBUTION SERVICES, LLC

6100 Tower Circle, Suite 500

Franklin TN 37067

USA

The Debtor below was added by registration number 28282663

The Debtor below was deleted by registration number 30358196

Type: Enterprise

~~ECO-ENERGY INTERNATIONAL, LLC~~~~6100 Tower Circle, Suite 500~~~~Franklin TN 37067~~

USA

The Debtor below was added by registration number 28282663

Type: Enterprise
EVVO, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

The Debtor below was added by registration number 28282663

Type: Enterprise
ECO-ENERGY DISTRIBUTION-ATLANTA, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

The Debtor below was added by registration number 28282663

Type: Enterprise
ECO-ENERGY TRANSPORTATION, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

The Debtor below was added by registration number 28282663

Type: Enterprise
ECO-ENERGY GLOBAL BIOFUELS, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

The Debtor below was added by registration number 28282663

Type: Enterprise
ECO-ENERGY DISTRIBUTION-PHILADELPHIA, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

The Debtor below was added by registration number 30330542

Type: Enterprise
ECO-ENERGY NATURAL GAS, LLC
6100 Tower Circle, Suite 500
Franklin TN 37067
USA

Secured Parties

Type: Enterprise
BNP Paribas
787 Seventh Avenue
New York NY 10019
USA

General Collateral

All of the present and future "Inventory" (as defined in the Personal Property Security Act (New Brunswick)) of the Debtors, together with all personal property in any form derived directly or indirectly from any dealing with the

"Inventory" or the proceeds therefrom, wherever located.

Proceeds: goods, investment property, documents of title, chattel paper, instruments, money and intangibles.

Added by registration number 28282663

All of the present and future "Inventory" and "Accounts" (each as defined in the Personal Property Security Act (New Brunswick)) of the Debtors, together with all personal property in any form derived directly or indirectly from any dealing with the "Inventory" or the "Accounts" or the proceeds from either of the foregoing, wherever located.

Proceeds- goods, investment property, documents of title, chattel paper, instruments, money and intangibles.

Additional Information

Added by registration number 28282663

THIS AMENDMENT TO THE GENERAL COLLATERAL IS REPLACING THE ORIGINAL COLLATERAL.

Registration Details for Registration Number: 31236623

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31236623	2018-09-26 15:07	2024-09-26	10345932

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
FERME CANNEBERGES OLI-EVE CRANBERRY FARM
PO BOX 213 1780 WATER STREET
MIRAMICHI NB E1N3A6
Canada

Secured Parties

Type: Enterprise
Ford Credit Canada Company
PO Box 2400
Edmonton AB T5J 5C7
Canada

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
1FTEW1E57JFC34617	Motor Vehicle	2018 FORD F150	31236623	

Registration Details for Registration Number: 31208739

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31208739	2018-09-20 17:46	2024-09-20	AVS8186582

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.
1780 WATER STREET
MIRAMICHI NB E1N3A6
Canada

Secured Parties

Type: Enterprise
Caterpillar Financial Services Limited
3457 Superior Court Unit 2
Oakville ON L6L0C4
Canada

General Collateral

ONE (1) CATERPILLAR 323 HYDRAULIC EXCAVATOR C/W COMPLETE WITH CAT PIN GRABBER COUPLER S/N XL21886A, CAT 48 IN HD BUCKET, S/N MHJ75648 AND TRK COUPLER, S/N 1968 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
CAT00323CRAZ00741	Motor Vehicle	2018 CATERPILLAR 323-07	31208739	

Registration Details for Registration Number: 31403769

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31403769	2018-11-05 13:42	2023-11-05	AVS9148896

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.
1780 WATER STREET PO BOX 213
MIRAMICHI NB E1N3A6
Canada

Secured Parties

Type: Enterprise
Caterpillar Financial Services Limited
3457 Superior Court Unit 2
Oakville ON L6L0C4
Canada

General Collateral

ONE(1) CATERPILLAR D6NLGP TRACK TYPE TRACTOR TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
CAT00D6NTPBA01643	Motor Vehicle	2014 CATERPILLAR D6NLGP	31403769	

Registration Details for Registration Number: 31783319

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31783319	2019-02-22 18:06	2021-02-22	AVS10478160
Renewal	31787427	2019-02-25 17:05	2024-02-22	
Renewal	34842443	2021-02-25 13:40	2029-02-22	
Amendment	35269042	2021-05-21 17:49	2029-02-22	
Amendment	35302058	2021-05-28 19:44	2029-02-22	

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

The Debtor below was deleted by registration number 35269042

Type: Enterprise

~~FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.~~

~~PO BOX 213~~

~~MIRAMICHI NB E1N3A6~~

~~Canada~~

Type: Enterprise

FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.

1780 WATER STREET

MIRAMICHI NB E1N1B6

Canada

The Debtor below was added by registration number 35269042

Type: Enterprise

723683 NB INC

PO BOX 213

MIRAMICHI NB E1N3A6

Canada

Secured Parties

Type: Enterprise

Caterpillar Financial Services Limited

3457 Superior Court Unit 2

Oakville ON L6L0C4

Canada

General Collateral

ONE (1) CATERPILLAR 730C ARTICULATED TRUCK C/W BODY LINER ONE (1) CATERPILLAR 730C ARTICULATED TRUCK C/W BODY LINER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES,

DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Added by registration number 35302058

General collateral has been replaced with new description.

TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL.

PROCEEDS MEANS ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS) MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES AND SECURITIES.

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
CAT0730CTTFF00149	Motor Vehicle	2014 CATERPILLAR 730C	31783319	
CAT0730CATFF00144	Motor Vehicle	2014 CATERPILLAR 730C	31783319	

Registration Details for Registration Number: 31947377

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	31947377	2019-04-03 15:12	2030-04-03	40,955A

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Ferme Canneberges Oli-Eve Cranberry Farm Inc.
Underhill, Paul Gerald
President
1780
Water
Street
Miramichi NB E1N 3A6
Canada

Secured Parties

Type: Enterprise
Her Majesty The Queen In Right Of The Province Of New Brunswick, as represented by the
Minister of Aquaculture and Fisheries
Cormier, Chantal
Solicitor
Hugh John Flemming Forestry Centre
1350
Regent Street
Fredericton NB E3C 2G6
Canada
Phone #: 506-453-2222
Fax #: 506-453-3275

General Collateral

The collateral subject to the security interest created herein is that personal property of the debtor, both present and future acquired, which includes:

Inventory: all inventory of the member, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or that have been leased or furnished or consigned to the member under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing.

Accounts: all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the member and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof;

Other Personal Property: all of the member's undertaking and all of the member's other personal property and assets including, without limitations, all warehouse receipts, bills of lading and other documents of title whether negotiable or not, all chattel papers, instruments, securities, shares, warrants, bonds, debentures, debenture stock, letters of credit, cheques and money;

Intangibles; all contractual right, licenses, permits, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the member, insurance claims, computer software, warranties, judgments, rights, franchises and all other choses in action of the Member of every kind which now are, or which may at any time hereafter be due or owing to or owned by the Member, and other intangible property of the Member; and

All proceeds of every nature and kind arising from the Collateral referred to in the security agreement.

All equipment other than inventory of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, furniture, fixtures and vehicles of whatsoever nature or kind and wheresoever situate; and

All proceeds of every nature and kind arising from the Collateral referred to in the security agreement.

Registration Details for Registration Number: 35300938

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35300938	2021-05-28 16:44	2026-05-28	AVS16274468

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
FERME CANNEBERGES OLI-EVE CRANBERRY FARM INC.
PO BOX 213
Miiramichi NB E1N3A6
Canada

Secured Parties

Type: Enterprise
CATERPILLAR FINANCIAL SERVICES LIMITED
3457 SUPERIOR CT UNIT 2
OAKVILLE ON L6L0C4
Canada

General Collateral

VINCAT0730CATFF00144,MAKECATERPILLAR,MODEL:730C,YEAR:2014

ONE (1) CATERPILLAR 730C ARTICULATED TRUCK
ONE (1) CATERPILLAR 730C ARTICULATED TRUCK

TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL.

PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
CAT0730CTTFF00149	Motor Vehicle	2014 CATERPILLAR 730C	35300938	

Registration Details for Registration Number: 35754043

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	35754043	2021-08-30 09:38	2027-08-30	SM003850.187

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 STEELE EV LIMITED
 8 BASINVIEW DRIVE
 DARTMOUTH NS B3B 1G4
 Canada

Secured Parties

Type: Enterprise
 THE BANK OF NOVA SCOTIA, AS AGENT
 40 KING STREET WEST
 FIRST MEZZANINE SOUTH
 TORONTO ON M5W 2X6
 Canada

General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	New Brunswick
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co International Holdings Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:46 (Atlantic)
Transaction Number:	22892430
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	New Brunswick
Type of Search:	Debtors (Enterprise)
Search Criteria:	Natural Medco Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:45 (Atlantic)
Transaction Number:	22892425
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Newfoundland and Labrador
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co Incorporated
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:44 (Atlantic)
Transaction Number:	22892401
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
	*	743906	EV-COR ENTERPRISES LIMITED	Botwood
	*	9812786	EV-COR ENTERPRISES LIMITED	BOTWOOD
	*	17076480	EVAS Air	Gander
	*	19206788	STEELE EV LIMITED	DARTMOUTH

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 4 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 743906

Province or Territory: Newfoundland and Labrador

Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	743906	2001-01-10 19:01	2006-01-10	44259-BM1
Amendment	744763	2001-01-11 13:45	2006-01-10	44259-BM1
Renewal	4675435	2006-01-04 19:19	2011-01-10	
Renewal	8710200	2010-12-03 15:10	2016-01-10	
Renewal	13510680	2015-11-25 15:22	2021-01-10	
Renewal	13525118	2015-12-01 15:23	2026-01-10	

As listed in the Registration History section above, this registration has been the subject of an Amendment or

Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
EV-COR ENTERPRISES LIMITED
PO BOX 138
Botwood NL A0H 1E0
Canada

Secured Parties

Type: Enterprise
Bank of Montreal
P.O. BOX 188
G.F. - WINDSOR NL A2A 2J4
Canada

General Collateral

All Chattel paper, documents of title, instruments, securities, security interests, money and intangibles (including but not limited to debts and accounts) that are due or become due to the debtor or in which the debtor presently or at any time hereafter may have a right or interest and any other right, interest or benefit in respect thereof; And all books, accounts, letters, invoices, receipts, papers and documents which in any way evidence or relate to all or any of the said collateral; And all proceeds and other personal property of the debtor that arise through dealings with, replacements of, additions to, or substitutions for, the above mentioned collateral, whether in the form of collateral of the same kind as the above collateral, goods, chattel paper, instruments, documents of title, securities, intangibles or money.

Pre PPSA Information

PrePPSA Act	PrePPSA Number	County/Venue	PrePPSA Date	Added By	Deleted By
Assignment of Book Debts Act	18488	St. John's	1999-09-26 00:00	743906	744763
Assignment of Book Debts Act	18488	St. John's	1986-09-26 00:00	744763	

Registration Details for Registration Number: 9812786

Province or Territory: Newfoundland and Labrador
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	9812786	2012-03-15 18:22	2017-03-15	703957-BM44
Amendment	9818423	2012-03-19 15:06	2017-03-15	704240
Renewal	14721542	2017-02-28 18:04	2022-03-15	
Renewal	19559988	2022-01-17 18:27	2027-03-15	

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

Debtors

The Debtor below was deleted by registration number 9818423

Type: Enterprise
 EV-COR ENTERPRISES LTD
 PO BOX 1138
 BOTWOOD NL A0H 1E0
 Canada

The Debtor below was added by registration number 9818423

Type: Enterprise
 EV-COR ENTERPRISES LIMITED
 PO BOX 1138
 BOTWOOD NL A0H 1E0
 Canada

Secured Parties

Type: Enterprise
 Bank of Montreal/Banque de Montreal
 5600-800 De La Gauchetiere
 Montreal PQ H5A 1K8
 Canada

General Collateral

GSA- ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Registration Details for Registration Number: 17076480

Province or Territory: Newfoundland and Labrador
 Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	17076480	2019-07-04 09:52	2026-07-04	662-9
Discharge	19626902	2022-02-16 09:28	2026-07-04	

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
 EVAS Air
 P.O. Box 355
 70 C. L. Dobbin Drive
 Gander NL A1V 1W7
 Canada

Type: Enterprise
 Exploits Valley Air Services Ltd.
 P.O. Box 355
 70 C. L. Dobbin Drive
 Gander NL A1V 1W7
 Canada

Secured Parties

Type: Enterprise
 Air Canada Capital Ltd.
 8050 - 22nd Street, N.E., Hangar 101
 Calgary AB T2E 7H6
 Canada

General Collateral

ONE (1) BEECH 1900D (GENERIC MODEL 1900D) AIRFRAME BEARING MANUFACTURER'S SERIAL NUMBER UE-217 AND CANADIAN REGISTRATION MARKS C-GAAT, TOGETHER WITH TWO (2) PRATT & WHITNEY CANADA PT6A-67D (GENERIC MODEL PT6A) ENGINES BEARING MANUFACTURER'S SERIAL NUMBERS PCE-PS0287 AND GGM114476 (DESCRIBED ON THE PRE-POPULATED DROP-DOWN MENU OF THE INTERNATIONAL REGISTRY AS PRATT & WHITNEY CANADA MODEL PT6A SERIES ENGINES WITH MANUFACTURER'S SERIAL NUMBERS PS0287 AND 114476, RESPECTIVELY) AND ALL COMPONENTS, FURNISHINGS, EQUIPMENT OR OTHER PARTS OF ANY KIND WHICH MAY FROM TIME TO TIME BE INCORPORATED OR INSTALLED IN OR ATTACHED TO THE AIRFRAME OR ANY ENGINE FOR SO LONG AS THE SAME IS SO ATTACHED AND THERAFTER UNTIL SAME IS NO LONGER SUBJECT TO THE LEASE IN RESPECT THEREOF (THE "AIRCRAFT");

ALL MANUALS, DOCUMENTS, DATA, LOG BOOKS AND OTHER RECORDS IN RESPECT OF THE AIRCRAFT OR ANY PART THEREOF;

ALL RIGHTS TO MONEY OR OTHER VALUE PAYABLE UNDER INSURANCE POLICIES IN RESPECT OF THE AIRCRAFT;

ALL WARRANTIES, REPRESENTATIONS, SERVICE CONTRACTS, PRODUCT SUPPORT OR OTHER AGREEMENTS OF ANY NATURE IN RESPECT OF OR THAT SHALL APPLY TO THE AIRCRAFT OR ANY PART THEREOF FROM ANY MANUFACTURER, VENDOR, CONTRACTOR OR SUPPLIER THEREOF;

ALL IDENTIFIABLE OR TRACEABLE PERSONAL PROPERTY IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE FOREGOING COLLATERAL OR THE PROCEEDS THEREFROM AND INCLUDING ANY PAYMENT REPRESENTING INDENMITY OR COMPENSATION FOR LOSS OF, OR DAMAGE TO, THE FOREGOING COLLATERAL OR PROCEEDS THEREFROM.

Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
CGAAT	Aircraft reg. Canada	Beech 1900D Airframe	17076480	

Registration Details for Registration Number: 19206788

Province or Territory: Newfoundland and Labrador
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	19206788	2021-08-30 09:38	2027-08-30	SM003850.187

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
STEELE EV LIMITED
8 BASINVIEW DRIVE
DARTMOUTH NS B3B 1G4
Canada

Secured Parties

Type: Enterprise
THE BANK OF NOVA SCOTIA, AS AGENT
40 KING STREET WEST
FIRST MEZZANINE SOUTH
TORONTO ON M5W 2X6
Canada

General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Newfoundland and Labrador
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co International Holdings Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:44 (Atlantic)
Transaction Number:	22892413
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Newfoundland and Labrador
Type of Search:	Debtors (Enterprise)
Search Criteria:	Natural Medco Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:44 (Atlantic)
Transaction Number:	22892406
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
-------	----------	------------------------------------	-----------------	-------

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

Enquiry Result

File Currency: 02MAR 2022

[Show All Pages](#)**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	EVE & CO INCORPORATED								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	760801113	1	3	1	4	10MAR 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
760801113		01	001		20200310 1705 1462 8820	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EVE & CO INCORPORATED								
	Address			City	Province	Postal Code			
	268 ROYAL YORK ROAD			ETOBICOKE	ON	M8V2V9			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TRISURA GUARANTEE INSURANCE COMPANY								
	Address			City	Province	Postal Code			
	333 BAY STREET SUITE 1610, BOX 22			TORONTO	ON	M5H2R2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								

Registering Agent

Registering Agent

DocuSign Envelope ID: 66CE8D5C-7E74-46B3-9090-83E797FFAD31 .MPANY

	Address	City	Province	Postal Code
	333 BAY STREET SUITE 1610, BOX 22	TORONTO	ON	M5H2R2

END OF FAMILY

Type of Search	Business Debtor							513	
Search Conducted On	EVE & CO INCORPORATED								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768760011	2	3	2	4	22DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768760011		001	1		20201222 1359 1793 3965	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EVE & CO INCORPORATED								
	Address				City	Province	Postal Code		
	2941 NAPPERTON DRIVE				STRATHROY	ON	N7G3H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	226 MAIN STREET SOUTH				EXETER	ON	N0M1S1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	AIRD & BERLIS LLP (149793)								
	Address				City	Province	Postal Code		
	181 BAY STREET, SUITE 1800				TORONTO	ON	M5J2T9		

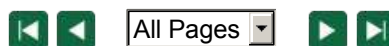
END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	EVE & CO INCORPORATED								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768868056	3	3	3	4	29DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768868056		001	002		20201229 1248 1862 8252	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EVE & CO INCORPORATED					2421924			
	Address				City	Province	Postal Code		
	268 ROYAL YORK ROAD				ETOBICOKE	ON	M8B2V9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.					1998407			
	Address				City	Province	Postal Code		
	2941 NAPPERTON DRIVE				STRATHROY	ON	N7G 3H8		
Secured Party	Secured Party / Lien Claimant								
	BRYAN VAN ENGELEN								
	Address				City	Province	Postal Code		
	2601 ERBS ROAD				BADEN	ON	N3A 3M4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X	X	1000000		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	D'ARCY D. W. BELL PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	222 FRONT STREET NORTH, PO BOX 2196				SARNIA	ON	N7T 7L8		

CONTINUED

Type of Search	Business Debtor							515	
Search Conducted On	EVE & CO INCORPORATED								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768868056	3	3	4	4	29DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768868056		002	002		20201229 1248 1862 8252				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	JOANN VAN ENGELEN								
	Address				City	Province	Postal Code		
	10013 RAEURN ROAD				PORT FRANKS	ON	N0M 2L0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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Business Debtor Enquiry

File Currency: **02MAR 2022**

**Search Criteria: EVE & CO INTERNATIONAL HOLDINGS LTD.
No Match.**

No registered financing statement or registered claim for lien was found for this enquiry.

[New Enquiry](#)

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Enquiry Result

File Currency: 02MAR 2022

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Type of Search	Business Debtor								
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	760801122	1	5	1	9	10MAR 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
760801122		01	001		20200310 1705 1462 8821	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.								
	Address			City	Province	Postal Code			
	2941 NAPPERTON DRIVE			STRATHROY	ON	N7G3H8			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TRISURA GUARANTEE INSURANCE COMPANY								
	Address			City	Province	Postal Code			
	333 BAY STREET SUITE 1610, BOX 22			TORONTO	ON	M5H2R2			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								

Registering Agent

Registering Agent

DocuSign Envelope ID: 66CE8D5C-7E74-46B3-9090-83E797FFAD31 .MPANY

	Address	City	Province	Postal Code
	333 BAY STREET SUITE 1610, BOX 22	TORONTO	ON	M5H2R2

519

END OF FAMILY

Type of Search	Business Debtor							520	
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768868056	2	5	2	9	29DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768868056		001	002		20201229 1248 1862 8252	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	EVE & CO INCORPORATED					2421924			
	Address				City	Province	Postal Code		
	268 ROYAL YORK ROAD				ETOBICOKE	ON	M8B2V9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.					1998407			
	Address				City	Province	Postal Code		
	2941 NAPPERTON DRIVE				STRATHROY	ON	N7G 3H8		
Secured Party	Secured Party / Lien Claimant								
	BRYAN VAN ENGELEN								
	Address				City	Province	Postal Code		
	2601 ERBS ROAD				BADEN	ON	N3A 3M4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X	X	1000000		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	D'ARCY D. W. BELL PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	222 FRONT STREET NORTH, PO BOX 2196				SARNIA	ON	N7T 7L8		

CONTINUED

Type of Search	Business Debtor							521	
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768868056	2	5	3	9	29DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768868056		002	002		20201229 1248 1862 8252				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	JOANN VAN ENGELEN								
	Address				City	Province	Postal Code		
	10013 RAEURN ROAD				PORT FRANKS	ON	NOM 2L0		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor							522	
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769372668	3	5	4	9	21JAN 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769372668		001	3		20210121 1610 1901 7430	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.								
	Address				City	Province	Postal Code		
	2941 NAPPERTON DRIVE				STRATHROY	ON	N7G 3H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	MERIDIAN ONECAP CREDIT CORP.								
	Address				City	Province	Postal Code		
	SUITE 1500, 4710 KINGSWAY				BURNABY	BC	V5H 4M2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	COLOR PRINTER (S) NICELABEL DESIGNER PRO (S) TOGETHER WITH ALL								
	ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS								
	ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address				City	Province	Postal Code		
	201-1325 POLSON DRIVE				VERNON	BC	V1T 8H2		

CONTINUED

Type of Search	Business Debtor						523		
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769372668	3	5	5	9	21JAN 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769372668		002	3		20210121 1610 1901 7430				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor						524		
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769372668	3	5	6	9	21JAN 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769372668		003	3		20210121 1610 1901 7430				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PROCEEDS OF THE COLLATERAL								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor							525	
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	773332488	4	5	7	9	09JUN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
773332488		001	1		20210609 1853 9237 5092	P PPSA	03		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.								
	Address				City	Province	Postal Code		
	2941 NAPPERTON DRIVE				STRATHROY	ON	N7G 3H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	SALT CAPITAL INC. O/A CAPITAL NOW CANNABIS								
	Address				City	Province	Postal Code		
	#121, 234 - 5149 COUNTRY HILLS BLVD NW				CALGARY	AB	T3A 5K8		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AS DEFINED BY THE								
	PPSA INCLUDING ACCOUNTS RECEIVABLE								
Registering Agent	Registering Agent								
	TERIO SOLUTIONS INC								
	Address				City	Province	Postal Code		
	38 WALLACE PLACE				DELTA	BC	V4M3V2		

END OF FAMILY

Type of Search	Business Debtor							526	
Search Conducted On	NATURAL MEDCO LTD.								
File Currency	02MAR 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	777361743	5	5	8	9	24FEB 2022	D DISCHARGED		
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
777361743		001	001		20211015 1946 1031 7801	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MEDCO LTD.								
	Address				City	Province	Postal Code		
	2941 NAPPERTON DR				STRATHROY	ON	N7G 3H8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	NATURAL MED COMPANY								
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE								
	Address				City	Province	Postal Code		
	33 KING ST W, 6TH FLR				OSHAWA	ON	L1H 8H5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		7015	15OCT2026	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH (EHT 854032836) T361/763								
	Address				City	Province	Postal Code		
	33 KING ST W, 6TH FLR				OSHAWA	ON	L1H 8H5		

CONTINUED

Type of Search	Business Debtor					527
Search Conducted On	NATURAL MEDCO LTD.					
File Currency	02MAR 2022					
	File Number	Family	of Families	Page	of Pages	
	777361743	5	5	9	9	
FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Registration Number					
	20220224 1609 1031 0437					
Record Referenced	File Number	Change Required		Renewal Years		
	777361743	C DISCHRG				
Individual Debtor	First Given Name	Initial	Surname			
Business Debtor	Business Debtor Name			Ontario Corporation Number		
	NATURAL MEDCO LTD.					
Registering Agent	Registering Agent/ Secured Party/ Lien Claimant					
	MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH (EHT) BN#854032836					
	Address	City	Province	Postal Code		
	300-1400 BLAIR TOWERS PLACE (165/187)	OTTAWA	ON	K1J 9B8		

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Saskatchewan Personal Property Registry Search Result

Searching Party: OnCorp Direct Inc.
Search Date: 18-Mar-2022 07:45:16
Search Type: Standard

Search #: 203798393
Client Reference:
Control #:

Search Criteria

Search By: Business Debtor Name

Business Name

Eve & Co Incorporated

There are no registration(s) found in the Saskatchewan Personal Property Registry to match the search criteria entered.

End of Search Result



Saskatchewan Personal Property Registry Search Result

Searching Party: OnCorp Direct Inc.
Search Date: 18-Mar-2022 07:48:48
Search Type: Standard

Search #: 203798395
Client Reference:
Control #:

Search Criteria

Search By: Business Debtor Name

Business Name

Eve & Co International Holdings Ltd.

There are no registration(s) found in the Saskatchewan Personal Property Registry to match the search criteria entered.

End of Search Result



Saskatchewan Personal Property Registry Search Result

Searching Party: OnCorp Direct Inc.
Search Date: 18-Mar-2022 07:46:47
Search Type: Standard

Search #: 203798394
Client Reference:
Control #:

Search Criteria

Search By: Business Debtor Name

Business Name

Natural Medco Ltd.

There are no registration(s) found in the Saskatchewan Personal Property Registry to match the search criteria entered.

End of Search Result

Yukon

PPRS Search Result Report

531
22892358

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Yukon
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co Incorporated
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:41 (Atlantic)
Transaction Number:	22892358
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

Yukon

PPRS Search Result Report

532
22892388

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Yukon
Type of Search:	Debtors (Enterprise)
Search Criteria:	Natural Medco Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:43 (Atlantic)
Transaction Number:	22892388
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
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An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

Yukon

PPRS Search Result Report

533
22892394

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched:	Yukon
Type of Search:	Debtors (Enterprise)
Search Criteria:	Eve & Co International Holdings Ltd.
Date and Time of Search (YYYY-MM-DD hh:mm):	2022-03-18 10:43 (Atlantic)
Transaction Number:	22892394
Searched By:	S185207

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
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An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 0 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

END OF REPORT

This is **Exhibit “CC”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.

File: 0267986.0001
 Last Update: March 3, 2022
 File Currency: March 2, 2022

SUMMARY OF SEARCHES:

Entities Searched:

Eve & Co Incorporated
 Eve & Co International Holdings Ltd.
 Natural Medco Ltd

Ontario PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	Ontario	Eve & Co Incorporated	3 registration(s).
PPSA Search Date: March 3, 2022	Ontario	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	Ontario	Natural Medco Ltd	6 registration(s).

British Columbia PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

Alberta PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

Saskatchewan PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

Manitoba PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

Newfound Land PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

New Brunswick PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

Yukon PPSA Searches:

Report Type	Jur.	Name	Status
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co Incorporated	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Eve & Co International Holdings Ltd.	0 registration(s).
PPSA Search Date: March 3, 2022	British Columbia	Natural Medco Ltd	0 registration(s).

This is **Exhibit “DD”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.

CERTIFICATE OF TREASURER

Municipal Act, R.S.O. 2001, c. 25, s. 352 (1).

Treasurer's Office:
 Township of Adelaide Metcalfe
 2340 Egremont Drive
 Strathroy, ON
 N7G 3H6

Cert. #: 2022-0016

File #:

Office Phone: (519) 247-3687

Toll Free:

Assessment Roll Number

39-46-000-040-20301-0000

HARRISON PENSA
 450 TALBOT STREET
 PO BOX 3237
 LONDON ON N6A 4K3

Mortgage Company None
 Mortgage Number
Assessed Owners
 NATURAL MEDCO LTD
 2941 NAPPERTON DR
 STRATHROY ON N7G 3H8


Statement showing arrears of taxes upon the following lands:

<u>Assessed Description</u>	<u>Tax Arrears</u>	<u>Pen/Int Arrears</u>	<u>Total Arrears</u>	<u>Year</u>
2941 NAPPERTON DR	47,521.00	594.01	48,115.01	2022
CON 5 SER WPT LOT 17 NORTH	359,415.69	13,478.10	372,893.79	2021
OF CNR	0.00	0.00	0.00	2020
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	2019 and Prior
Frontage: 0.00 Acreage: 32.96 Depth: 0.00	406,936.69	14,072.11	421,008.80	
KT NS 2,887,000	The total taxes levied on the above lands for the year 2021 were: \$190,084.90			
RT EP 8,778,000	Total amount paid to date (inclusive of amounts added to taxes for collection): \$0.00			

* Other outstanding amounts not included above:

000000134 [DRAIN CONSTRUCTION]	0.00
0000001161 [DRAIN MAINTENANCE]	0.00

I hereby certify that the above statement shows all arrears of taxes against the above lands, and proceedings have (not) been commenced under the Municipal Act S.O. 2001 Chapter 25 Section 373 (1).

Date: MAR 17,2022 Fee: 40.00 Authorized By: 

NOTE: Penalty and/or interest levied on the outstanding principal is 1.25% levied on the first day of default of payment and on the first day of each month thereafter until paid.

<u>CURRENT LEVY</u>			<u>RECEIVABLES</u>	
<u>TYPE</u>	<u>AMOUNT</u>		<u>TYPE</u>	<u>AMOUNT</u>
INTERIM TAX BILL	95,042.00		TOTAL CURRENT OWING	47,521.00
FINAL TAX BILL	0.00		TOTAL ARREARS OWING	359,415.69
*SUPP/OMIT	0.00		ARREARS INTEREST OWING	13,478.10
*WRITE OFF	0.00		CURRENT PENALTY OWING	594.01
*ARB	0.00		TOTAL OWING ON ACCOUNT	421,008.80
TOTAL LEVY	95,042.00		TOTAL NOT YET DUE	47,521.00
TOTAL MISCELLANEOUS CHARGES	0.00			
			<u>INSTALMENTS DUE</u>	
			05/31/2022	47,521.00
			<u>LOCAL IMPROVEMENTS AND SPECIAL CHARGES</u>	
<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPIRY</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
				<u>EXPIRY</u>

Regular tax billing quarterly instalments are February, May, August, November

Errors & Omissions Excepted. ** Indicate supplemental assessments billed in the current year.

This is **Exhibit “EE”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

BETWEEN:

**HYDRO ONE NETWORKS INC.
("Hydro One")**

Plaintiff

and

**NATURAL MEDCO LTD.
("NM")**

Defendant

(collectively, "the Parties")

SETTLEMENT AGREEMENT

The Parties hereto agree to settle this matter on the following terms and conditions:

- 1. NM acknowledges that, as of the date shown below, it owes Hydro One \$945,588.15 for electricity services supplied by Hydro One and for interest thereon.**
- 2. NM acknowledges that, as Hydro One continues to supply electricity services to NM, the amount specified in paragraph 1 will continue to increase, subject to payments that may be received by Hydro One on NM's account.**
- 3. NM shall pay each monthly bill, by the due date specified on each monthly bill, to Hydro One for electricity charges related to that month, on all monthly bills that Hydro One has not yet rendered to NM but will be rendering because of Hydro One's continuing supply of electricity services.**
- 4. In addition to the monthly payments referred to in paragraph 3:**
 - (a) NM shall deliver, to Hydro One, payment of \$250,000.00 no later than 4:30 PM on July 19, 2021; and**
 - (b) NM shall deliver, to Hydro One, payment of \$30,000.00 during each Monday to Friday calendar week commencing with the week of July 26, 2021, until the entire amount of \$945,588.15 has been paid to Hydro One.**


5. If any of the payments referred to in paragraphs 3, 4(a) and 4(b) is not received by Hydro One in full and on time, Hydro One shall give seven days' notice of default to NM; and unless the default is cured by NM within the seven-day period, NM hereby consents to the following:

(a) the issuance of a Judgment against NM, in favour of Hydro One, in Ontario Superior Court at London, court file no. CV-21-00000871-0000, in the amount of \$945,588.15 plus any unpaid monthly bill amounts referred to in paragraph 3, less all payments already received by Hydro One pursuant to paragraphs 4(a) and (b); and

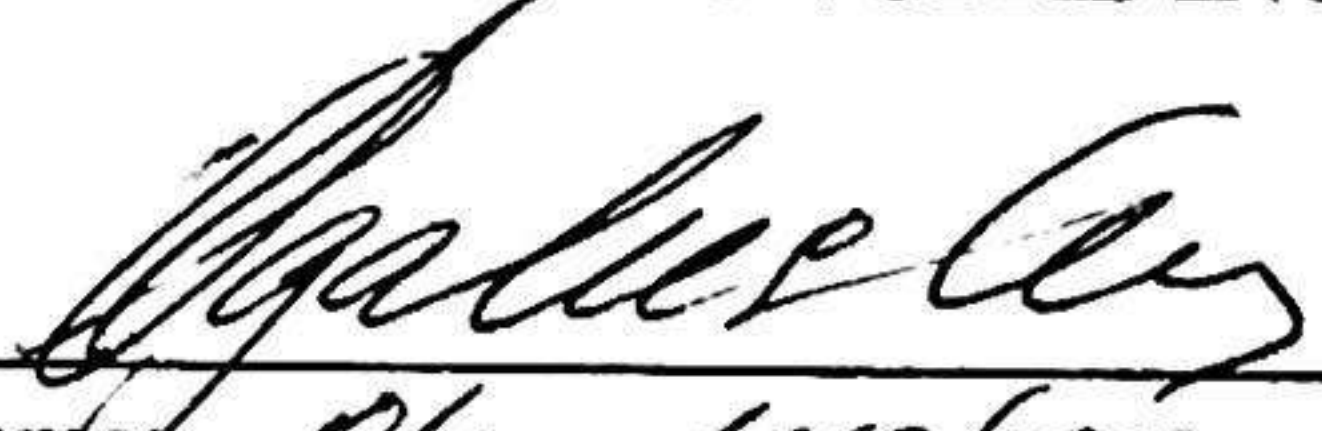
(b) the disconnection of Hydro One's electricity supply to NM's premises at 2941 Napperton Drive in the Municipality of Strathroy-Caradoc, Ontario.

July 16, 2021

NATURAL MEDCO LTD.


 Name:
 Title: **Melinda Rombouts, CEO**
 I have the authority to bind the corporation.

HYDRO ONE NETWORKS INC.


 Name: *Olga Wisher*
 Title: *Manager, Credit and Collections*
 I have the authority to bind the corporation.

ACKNOWLEDGMENT OF RECEIPT OF LEGAL ADVICE

I am the person who executed, above, this Settlement Agreement, on behalf of Natural Medco Ltd.; and I acknowledge having received legal advice to myself and to Natural Medco Ltd. from Natural Medco's lawyer, Jonathon Barnett, of the law firm Bezaire Hemeryck Barnett PC, to explain the meaning and legal significance of this Settlement Agreement. I fully understand the said explanation.


 Name:
 Title: **Melinda Rombouts, CEO**

This is **Exhibit “FF”** to the
Affidavit of **MELINDA ROMBOUTS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

CANNABIS SUPPLY AGREEMENT

THIS AGREEMENT is made effective as of 1st Apr.2019.

BETWEEN:

NATURAL MEDCO LTD.,
a corporation incorporated under the laws of the Province of Ontario
("NMC"),

- and -

BAVARIA WEED GMBH,
a limited liability company incorporated under the laws of Germany
("BW")

WHEREAS:

- A. NMC is a licensed cultivator and processor of certain cannabis products pursuant to the *Cannabis Act* (Canada) under Licence No. LIC-JKPTN71PKT from its site located in 2941 Napperton Dr., Strathroy, ON, N7G 3H8;
- B. BW carries on the lawful business of import/export and distribution of para-pharmaceutical, medicinal and narcotics products with headquarters in Herrsching 82211, Germany; and
- C. NMC desires to sell and BW desires to purchase the Product from NMC, as further described herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions

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

- (a) "Agreement" means this agreement, including its recitals and schedules, as amended from time to time;
- (b) "Applicable Law" means:
 - (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and
 - (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority

and shall include without limitation the Cannabis Act and the GNA;

- 2 -

- (c) **"Batch"** means the batch of Product from which any Product sold to and purchased by BW pursuant to this Agreement was taken, derived, or obtained;
- (d) **"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (e) **"Cannabis Act"** means the *Cannabis Act* (Canada), as may be amended from time to time and includes any successor legislation;
- (f) **"Confidential Information"** means any proprietary information delivered by one Party to the other pursuant to this Agreement, including, but not limited to:
 - (i) the commercial terms of this Agreement, such as pricing of the Product and quantity of Product;
 - (ii) any and all information of a technical, financial, accounting, tax, legal, commercial, operational or logistics nature related to the respective businesses of the Parties, including each Parties respective Intellectual Property; and
 - (iii) the SOPs, trimming, curing, processing, testing, quality assurance, and record-keeping practices of NMC.

Confidential Information shall not include any information:

- (i) which at the time of disclosure is readily available to the public;
 - (ii) which after disclosure becomes readily available to the public, other than through a breach of this Agreement;
 - (iii) which is subsequently lawfully and in good faith obtained by the Party that does not own the information in question from an independent third party without breach of this Agreement;
 - (iv) which the Party that does not own the information can establish was in such Party's possession without obligation of confidentiality prior to the date of disclosure of such information by the disclosing Party to such recipient Party; or
 - (v) which is required to be disclosed by the Party that does not own the information in question by operation of law or regulation, provided such Party (if permitted by law) gives the disclosing Party prompt notice to allow the disclosing Party a reasonable opportunity to obtain a protective order therefor, with the exception of any request from Health Canada regarding the Product;
- (g) **"Delivery Date"** means the date of each shipment of Product from NMC to BW in accordance with the delivery terms set out in Section 7;



- 3 -

- (h) **"Force Majeure"** means in relation to either Party, any cause affecting the performance of this Agreement arising from or attributable to any acts, events, non-happenings, omissions or accidents by reason of any cause whatsoever which cannot be foreseen, avoided or overcome by the Party to perform and in particular but without limiting the generality thereof shall include strikes, lock-outs, industrial action, action or inaction of any Governmental Authority, civil commotion, riot, invasion, war, threat of or preparation for war, terrorist activity, fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster, impossibility of the use of railways, shipping, aircraft, motor transport, or other means of public or private, transport, failure or suspension of utilities, and political interference with the normal operation of either Party.
- (i) **"GMP Facility"** means a GMP-compliant packaging facility;
- (j) **"GNA"** means the *German Narcotics Act (Betäubungsmittelgesetz)* and any regulations made pursuant thereto, as may be amended from time to time and includes any successor legislation;
- (k) **"Governmental Authority"** means any domestic or foreign legislative, executive, judicial or administrative body, including Health Canada and the respective German governing bodies, or person having or purporting to have jurisdiction in the relevant circumstances;
- (l) **"Intellectual Property"** means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, software, industrial designs, plant breeders' rights, and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques and know-how;
- (m) **"Maximum Supply Commitment"** has the meaning set out in Section 5(b);
- (n) **"Minimum Purchase Price"** means CDN\$6.00 per gram;
- (o) **"Minimum Supply Commitment"** has the meaning set out in Section 5(b);
- (p) **"Party"** means BW or NMC and **"Parties"** means both of them;
- (q) **"Product"** has the meaning set out in Section 3;
- (r) **"Purchase Order"** has the meaning set out in Section 5(c);
- (s) **"Purchase Price"** has the meaning set out in Section 6(a);
- (t) **"Term"** has the meaning set out in Section 15(a).



- 4 -

2. Currency

All references to currency herein are to lawful money of Canada.

3. Product to be Sold and Purchased

- (a) During the Term, NMC will sell to BW and BW will purchase from NMC all of the right, title, benefit and interest of NMC in and to the cannabis products (collectively, the "**Product**") of the type and specification, including composition and quality, described in Schedule "A" attached hereto (the "**Product Specifications**"), as same may be amended from time to time by the Parties, and on the terms and conditions hereof. NMC shall be responsible for manufacturing the Product in accordance with the terms of this Agreement and Canadian Applicable Law. **[NTD: BW must include all relevant production requirements required per German law in Schedule A as Product Specifications.]**
- (b) BW hereby acknowledges and agrees that it is solely BW's responsibility to provide the requisite Product Specifications required to ensure that all German import approvals are obtained and that the Product will comply with German Applicable Law.
- (c) NMC hereby acknowledges and agrees that it is solely NMC's responsibility to provide the requisite Product Specifications required to ensure that all Canadian export approvals are obtained and that the Product will comply with German Applicable Law.
- (d) Notwithstanding anything to the contrary contained in this Agreement, NMC shall not be required to comply with any element of the Product Specifications that do not comply with Applicable Law.
- (e) Notwithstanding any other term contained herein, it is understood and agreed by the Parties that until NMC obtains appropriate certification and/or access to an appropriately certified GMP Facility, the Product will be limited to bulk, dried cannabis flower and will be packaged in accordance with the design specifications set forth under the heading "Bulk Product" in Schedule "A" attached hereto. After NMC completes construction of, or obtains access to, a GMP Facility, the Product will be packaged in accordance with the design specifications set forth under the heading "Final Packaged Product" in Schedule "A" attached hereto. BW shall be responsible for providing NMC with the Product Specifications of the Product (both bulk and finished packaged), which shall comply with Applicable Law for an import to Germany and NMC will label the Product in accordance with such Product Specifications. Notwithstanding the preceding, the Parties agree that NMC shall not be responsible for packaging or labelling of the Product other than as necessary to maintain the quality of the Product through shipping or as required to obtain applicable import and export permits under Applicable Law.



- 5 -

4. Quantities

- (a) BW commits to purchase and NMC commits to supply, subject to the conditions set forth herein, the Minimum Supply Commitment (as defined below). The Parties will collaborate in good faith on a detailed supply schedule going forward, taking into account actual market demand for the Products as reflected in BW's rolling forecasts and the binding Purchase Orders as described in Section 5. The Parties will meet at least quarterly to discuss forecasts of future Products demand and collaborate on evolving NMC's capacity to meet the anticipated demand.
- (b) Each Party shall use their commercially reasonable efforts to obtain on a timely basis the respectively required permissions to export and import the Product under Applicable Law. However, if NMC or BW are not in the possession of such permits, BW is not obligated to purchase and NMC is not obligated to supply the agreed Minimum Supply Commitment or any other quantity.
- (c) In the event NMC is or reasonably anticipates that it will be unable to produce and deliver the Product in sufficient quantities allocated to the Minimum Supply Commitment, due to any cause, NMC shall promptly inform BW of the expected duration of its inability to produce or deliver sufficient quantities of the Product and shall keep BW informed on a timely basis of developments during any such period of time so the Parties can work together in good faith to agree upon a supply solution.

5. Rolling Forecasts and Product Orders

The Parties will define, for each Product, minimum and maximum quantities NMC is willing and able to supply and BW is willing and able to purchase, and the Parties will execute binding Product Orders in accordance with the following (or such other process elements as are mutually agreed upon in writing):

- (a) On or prior to the 20th calendar day of each month during the Term, NMC will provide a non-binding, rolling six-month supply forecast based on supply and market conditions and BW will provide a non-binding, rolling six-month demand forecast based on demand and market conditions.
- (b) On or prior to the 20th calendar day of every third month during the Term, NMC and BW will mutually agree on minimum and maximum monthly order quantities for the next 3 month period (the minimum quantity being "Minimum Supply Commitment" and the maximum quantity being the "Maximum Supply Commitment"). Notwithstanding the preceding, the Minimum Supply Commitment and the Maximum Supply Commitment for the first two (2) years after entering into this contract are set out in Schedule "A".
- (c) BW will place a binding, written purchase order in the standard form that NMC may adopt from time to time (the "Purchase Order") on a monthly basis. The order quantity will be no less than the monthly proportion of the Minimum Supply Commitment applicable to such month.



- 6 -

- (d) Subject to Section 4, any Purchase Order that is not less than the Minimum Supply Commitment applicable to such month and does not exceed the Maximum Supply Commitment applicable to such month is binding on NMC without any further confirmation or acceptance.
- (e) If the Purchase Order quantity exceeds the applicable monthly Maximum Supply Commitment, then the portion of the Purchase Order that does not exceed the Maximum Supply Commitment will be binding on NMC. Any quantity exceeding the Maximum Supply Commitment will not be binding on NMC, but will be fulfilled at NMC's discretion. If NMC is willing to fulfill the quantity exceeding the Maximum Supply Commitment, NMC will provide written confirmation of Purchase Order acceptance within five (5) Business Days of receipt of such Purchase Order. Otherwise, the exceeding quantity is deemed to be denied.
- (f) Neither Party shall cancel a Purchase Order once accepted, except in cases of Force Majeure.

6. Purchase Price

- (a) The purchase price (the "Purchase Price") payable by BW to NMC for each gram of each specific Product shall be the greater of (i) 50% of the amount of the sales made by BW of each Product; and (ii) the Minimum Purchase Price.
- (b) The Purchase Price shall be paid as follows:
 - (i) Subject to the successful completion of the testing as noted in Section 8, BW will pay to NMC an amount equal to the Minimum Purchase Price per gram per Product received within 30 calendar days after the Delivery Date.
 - (ii) By the 10th calendar day after the end of month, BW shall prepare and deliver to NMC a detailed accounting of the total sales of Product made by BW in such month, broken down by each Product.
 - (iii) Within 10 calendar days after the delivery of the accounting contemplated in clause (ii) above, BW shall pay to NMC the difference, if any, between the aggregate Purchase Price owing on the sale of all Product during the prior month less the Minimum Purchase Price already paid by BW to NMC for the Product pursuant to clause (i) above.
 - (iv) For the purposes of the calculations contemplated in (ii) and (iii) above, the amount of sales of Product shall be determined in Canadian dollars using the currency of the applicable Product sales converted into Canadian dollars based on the average of the Bank of Canada daily closing rates for the applicable month.
- (c) Notwithstanding the foregoing, where BW has failed to deliver a binding Purchase Order under Section 5(c), BW shall still be obligated to pay the Minimum Purchase



- 7 -

Price per gram of Product for the Minimum Supply Commitment within 30 days of the end of the applicable month.

7. Delivery Terms

Subject always to Section 8:

- (a) Subject to Sections 3(e) and 9, NMC will be responsible for packaging and labeling the Product according to Product Specifications prior to shipping.
- (b) Prior to shipping, at NMC's sole expense, NMC will have the applicable Product inspected for compliance with its associated Product Specifications and Canadian Applicable Law. Any Product shipped to BW must comply with the Product Specifications and each Product is to be accompanied by a corresponding Certificate of Analysis in the form required by NMC's SOPs confirming its compliance with the Product Specifications.
- (c) Delivery shall occur within the first three (3) Business Days of each month in respect of which an accepted Purchase Order is outstanding (each a "Delivery Date") at 2941 Napperton Drive, Strathroy, Ontario, N7G3H8 with NMC responsible for loading the Product onto freight service providers arranged by BW.
- (d) BW will nominate, engage and coordinate freight services that are appropriate for the value of the Product, comply with Applicable Law and satisfactory to NMC, acting reasonably. BW will be responsible for all transportation and insurance costs.
- (e) Title to the Product, as well as risk of loss, shall pass to BW once the Product is loaded onto the freight service provider arranged by BW.

8. Testing of Product Once Delivered

- (a) Upon receipt of Product, BW shall send a sample and retain a second for archive purposes of each Batch of Product directly to an arm's length laboratory of its choice, so that such Product can be tested for compliance with Product Specifications using analytical testing methodologies consistent with Applicable Law. Such testing shall be completed at the sole expense of BW and BW shall share results of the testing with NMC by providing written copies of the test results.
- (b) Subject to Section 8(c), if the Product does not pass the testing set out in Section 8(a) successfully, then, with respect to such Batch of Product:
 - (i) At the discretion of NMC and subject to Applicable Law, the Product, or any portion thereof, from that Batch shall either be, at NMC's sole discretion, returned to NMC or destroyed in accordance with Applicable Law.
 - (ii) At the sole discretion of BW, NMC shall, upon completion of returned shipping or Product destruction contemplated in Section 8(b)(i), either: (A)



- 8 -

fully compensate BW by reimbursing the portion of the Purchase Price that was paid by BW to NMC for the Product from that Batch and any remaining amount of the Purchase Price that is unpaid by BW for such Batch of Product shall immediately be forfeited by NMC and shall no longer be payable, or (B) promptly replace the defective Product.

- (c) For clarity, BW may reject Product if the test results in accordance with this section show that the Product is not within acceptable ranges determined by the Product Specifications for cannabinoid content and contaminants.

9. Packaging and Labelling

- (a) Unless otherwise stated in Section 3(b), NMC is responsible for packaging and labeling the Product for shipment pursuant to the Canadian Applicable Law and Product Specifications.
- (b) BW shall ensure that the packaging and labeling designs and materials for the Product specified in the Product Specifications comply with the requirements of German Applicable Laws, and BW shall ensure that such use does not infringe on the copyright or trademark rights of third parties.
- (c) BW, at BW's sole cost and expense, shall have delivered to NMC all physical materials and camera-ready artwork for the packaging and labeling of the Product. BW shall be solely responsible for assuring that the artwork as selected by BW complies with the requirements of Applicable Laws and for any claims that such use infringes the rights of third parties.

10. Intellectual Property

- (a) For purposes of this Section 10, "BW Marks" means the trademarks set out in Schedule "B" owned by BW and other trademarks the Parties may, during the Term, agree in writing are included under this Agreement.
- (b) BW grants NMC a limited, non-exclusive, non-transferable license to reproduce and use the BW Marks during the Term solely to produce the Product to be sold to BW pursuant to the Product Specifications.
- (c) Except for the license grants in Section 10(b), NMC shall not use, display or copy any of the BW Marks in any other way without the prior written consent of BW. Except as expressly set out in this Agreement, NMC has no right to sublicense, transfer or assign the use of the BW Marks without the prior written consent of BW.
- (d) NMC acknowledges BW's ownership of the BW Marks and all goodwill associated with the BW Marks.
- (e) All Confidential Information provided by to either Party by the other Party is the sole and undivided property of the providing Party and will not be used by the other



- 9 -

Party to propose, sell or provide products to any party other than the providing Party without the prior written consent of the other Party.

- (f) BW may provide proprietary product specifications and formulations for new products to be developed by NMC for BW to distribute into designated markets. Such proprietary specifications and formulations remain the sole and undivided property of BW and will not be used by NMC to propose, sell or provide products to any party other than BW without the prior written consent of BW.
- (g) NMC may provide proprietary product specifications and formulations for new products to be developed by NMC for BW to be distributed into designated markets. Such proprietary specifications and formulations remain the sole and undivided property of NMC and will not be used by BW to source the products from any party other than NMC without the prior written consent of NMC.

11. Non-Competition

- (a) During the Term, NMC agrees that it and its affiliates will not compete with BW in Germany by establishing a German subsidiary or branch or acquiring a controlling ownership stake in a company where such subsidiary, branch or company distributes cannabis products which are competitive to the Products under this Agreement in the German market, and BW agrees that it and its affiliates will not compete with NMC in Canada by establishing a Canadian subsidiary or branch or acquiring a controlling ownership stake in a company that produces cannabis-based products in the Canadian market. Notwithstanding the foregoing, the acquisition of an interest in a publicly listed entity not exceeding 5% of the voting rights and the proposed joint venture and commercial activities of NMC and its affiliates with Bavaria Weed GmbH, including the Bavaria Weed & Eve Cannabis Production GmbH joint venture, shall be exempt from the covenant not to compete. The penalty for failure under this Section will be limited to the other Party's ability to terminate this Agreement.
- (b) The Parties hereby agree that this Agreement is **non-exclusive**. Nothing in this Agreement shall restrict NMC from selling the Products or any cannabis products similar to the Product to, or BW from purchasing same from, any other person inside or outside of Canada or Germany, subject to the following:
 - (i) labeling information and packaging designs included in Product Specifications are the sole and undivided property of BW and will not be used by NMC to propose, sell or provide products to any person other than BW without the prior written consent of BW;
 - (ii) proprietary product specifications and formulations provided by BW for new products to be developed by NMC for BW to distribute into designated markets remain the sole and undivided property of BW and will not be used by NMC to propose, sell or provide products to any party other than BW without the prior written consent of BW; and

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- 10 -

- (iii) proprietary product specifications and formulations provided by NMC for new products to be developed by NMC for BW to be distributed into designated markets remain the sole and undivided property of NMC and will not be used by BW to source the products from any party other than NMC without the prior written consent of NMC.

12. BW's Representations and Warranties

BW represents and warrants to NMC (and confirms that such representations and warranties will be true as of each date that NMC ships Product to BW) that:

- (a) it is a limited liability company duly incorporated and validly existing under the laws of Germany;
- (b) the entering into of this Agreement has been duly authorized by all necessary corporate action;
- (c) it has all necessary corporate power and capacity to enter into this Agreement and perform its obligations under this Agreement;
- (d) it is not insolvent and is paying all of its debts as they become due;
- (e) this Agreement is a legal and valid obligation on BW, enforceable in accordance with its terms;
- (f) entry into, and exercise of BW's rights and obligations under, this Agreement do not, and will not to the best of BW's knowledge, violate any provision of any agreement or other instrument or document to which it is party, or be in conflict with or result in breach of or constitute default under any such, agreement instrument or document;
- (g) it is duly licensed or registered to carry on business in every jurisdiction in which such license or registration is required, including without limitation all required licenses under all Applicable Law necessary to engage in the activities contemplated in this Agreement, including without limitation the ability to engage in the purchase, transportation and importation of the Product;
- (h) **BW is a licensed distributor of medical cannabis under the Competent Authority of Upper Bavaria, GERMANY and such license is in good standing, and to its knowledge BW has complied with all terms and is not in default of any conditions or requirements thereof;**
- (i) BW will use its best efforts to comply with all Applicable Law in its use, possession, packaging/labelling, testing, importing, exporting, storage, sale, delivery, transportation, distribution and destruction of the Product, and BW covenants to NMC that BW will not directly or indirectly possess, package/label, test, import, export, store, sell, delivery, transport, distribute or destroy, or permit any freight service provider to transport, any of the Product into or within the



- 11 -

United States, or into or within any other country where such activities may not be in compliance with Applicable Law, federal or otherwise;

- (j) BW acknowledges and agrees that the Product is only intended to be sold for medical use in accordance with Applicable Law in Germany, and BW covenants to NMC that BW will only sell and distribute the Product to patients for medical use, as required by Applicable Laws of Germany;
- (k) To its knowledge BW has: (i) the requisite experience, knowledge and expertise; (ii) qualified personnel; and (iii) the legal right, to perform its obligations under this Agreement and BW covenants to NMC that BW will use its best efforts to perform such obligations in a sound, safe, lawful and workmanlike manner;
- (l) BW acknowledges and agrees that the Product is destined for and will only be sold in Germany, and BW covenants to NMC that it will only directly or indirectly sell and distribute the Product in such jurisdiction;
- (m) To its knowledge BW is the sole and undivided owner of the BW Marks and all goodwill associated with the BW Marks, and the completion of the transactions contemplated hereby will not result on the infringement of any third party's Intellectual Property; and

13. NMC's Representations and Warranties

NMC represents and warrants to BW (and confirms that such representations and warranties will be true as of each date that NMC ships Product to BW) that:

- (a) it is a corporation duly incorporated and validly existing under the laws of the Province of Ontario;
- (b) it is not insolvent and is paying all of its debts as they become due;
- (c) this Agreement is a legal and valid obligation on NMC, enforceable in accordance with its terms;
- (d) entry into, and exercise of NMC's rights and obligations under, this Agreement do not, and will not to the best of NMC's knowledge, violate any provision of any agreement or other instrument or document to which it is party, or be in conflict with or result in breach of or constitute default under any such, agreement instrument or document;
- (e) except for export approvals to be obtained from time to time, it is duly licensed or registered to carry on business in every jurisdiction in which such license or registration is required, including without limitation all required licenses under all Applicable Law necessary to engage in the activities contemplated in this Agreement;



- 12 -

- (f) it has all necessary corporate power and capacity to enter into this Agreement and perform its obligations under this Agreement;
- (g) immediately prior to the time NMC transfers title of the Product, NMC shall be the owner of the Product with good title to the Product; and
- (h) the Product will conform to the Product Specifications and will be free from defects in formulation, materials and workmanship at the Delivery Date.

14. Conditions of Closing for each Shipment of Product

The sale by NMC and the purchase by BW of the Product shall be subject to the following conditions, which are to be performed or complied with at or prior to each respective shipment of Product:

- (a) the representations and warranties of each of NMC and BW set forth in Sections 12 and 13 will be true and correct at each date that NMC ships Product to BW with the same force and effect as if made at such time; and
- (b) both NMC and BW will have received all necessary approvals pursuant to Applicable Law authorizing the shipments of Products.

The condition set out in Section 14(b) may not be waived by either Party.

15. Term and Termination

- (a) This Agreement shall remain in force and effect for a period of three (3) years (the "Initial Term") and will automatically renew for additional successive two (2) year terms (each a "Renewal Term" and together with the Initial Term, the "Term") unless the Initial Term or any Renewal Term is earlier terminated pursuant to the terms of this Agreement or applicable Law.
- (b) The Agreement may be terminated by either Party by giving written notice within six (6) months prior to the end of the Initial Term or the Renewal Terms. Any such termination shall not affect Purchase Orders placed by BW and accepted by NMC at the time notice of termination is given and until the time any such termination becomes effective.
- (c) NMC may terminate this Agreement immediately in the event it has been or has received written notice that it is about to be deprived of or withdrawn from a license, government approval or permit required to satisfy its obligations under this Agreement, where such deprivation or withdrawal is not a direct or indirect cause of NMC's willful misconduct or negligence.
- (d) BW may terminate this Agreement immediately in the event it has been or has received written notice that it is about to be deprived of or withdrawn from a license, government approval or permit required for wholesaling or distributing the

- 13 -

Products in Germany, where such deprivation or withdrawal is not a direct or indirect cause of BW's willful misconduct or negligence.

- (e) Either Party may terminate this Agreement immediately by written notice to the other Party upon the occurrence of any of the following:
- (i) upon or after the filing by the other Party of a petition in bankruptcy or insolvency, or upon any other proceeding or action by or against the other Party under the relevant law on insolvency or bankruptcy, or after the making by the other Party of any assignment or attempted assignment for the benefit of creditors, or upon or after the institution of any proceedings for the liquidation or winding up of the other Party's business;
 - (ii) in the event the other Party fails to materially perform any of its obligations under this Agreement and such default is not remedied within fifteen (15) Business Days of notice of such default;
 - (iii) in the event that (i) the other Party has been or has received written notice that it is about to get deprived of or withdrawn from a license, government approval or permit required to satisfy its obligations under this Agreement, or (ii) a Product which is considered material by BW does not meet or is about to forfeit the prerequisites and conditions set forth by a then-current and applicable Product Specifications; or
 - (iv) if, due to a change in requirements under Applicable Law certain terms and conditions of this Agreement will cause a Party serious economic hardship or would prohibit that Party from fulfilling its obligations under this Agreement.

16. Limitation of Liability

- (a) IN NO EVENT SHALL NMC OR BW OR ANY OF THEIR REPRESENTATIVES BE LIABLE UNDER THIS AGREEMENT OR A PURCHASE ORDER TO BW OR NMC, RESPECTIVELY, OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES WHATSOEVER, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, COST OF CAPITAL, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), ANY OTHER THEORY OF LIABILITY OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT NMC OR BW WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- (b) Notwithstanding the foregoing, but subject to (c) below, nothing in this paragraph is intended to limit or restrict the indemnification rights or obligations of any Party under Sections 18 and 19.



- 14 -

- (c) Notwithstanding anything to the contrary herein, the liability of each Party under this Agreement shall be limited to the Purchase Price paid by BW for the respective order under this Agreement.

17. Confidentiality

- (a) During the Term and for an indefinite period thereafter, each of NMC and BW agree to hold and maintain the Confidential Information of the other in the strictest confidence. Each of NMC and BW shall divulge such Confidential Information only to its employees, agents, professional advisors or subcontractors who reasonably require access to such information for the purpose of performing this Agreement and who have been notified of the covenants of confidentiality set out in this Agreement. Each Party shall be liable to the other for any and all damages, including reasonable legal fees, in the event that this confidentiality provision is violated and shall be liable for any such violation by its employees, agents, professional advisors or subcontractors. Upon termination of this Agreement, any tangible Confidential Information, along with any copies thereof, shall be returned to the disclosing Party, or destroyed, at the sole option of the disclosing Party.
- (b) The Parties hereby agree that, notwithstanding Section 17, a Party, or an affiliate thereof, may disclose:
- (i) Confidential Information relating to the commercial terms of this Agreement that such Party or its professional advisors deem required to be disclosed pursuant to applicable securities laws or stock exchange rules or, desirable, when disclosed on a confidential basis, to potential investors and their advisors; and
- (ii) the existence of this Agreement, the identity of the Parties, type of Product sold hereunder and the jurisdiction that such product has been sold into hereunder, but such disclosure may not extend to other terms and conditions of this Agreement;

provided that in such events, the disclosing Party shall provide the other Party with at least three (3) Business Days to review and comment on the disclosure prior to release, provided that if no comments are received within three (3) Business Days the disclosing Party will be deemed to have received the other Party's authorization to make the contemplated disclosure.

18. Indemnity by NMC

Subject to Section 20, NMC shall at all times and without limitation, indemnify and save harmless BW, its directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of BW, its directors, officers, employees, contractors, agents and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any

- 15 -

action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:

- (a) the misconduct, negligent action or negligent failure to act, as the case may be, of NMC and/or any of those persons for whom the NMC is responsible at law (including, without limitation, any of its employees or contractors); or
- (b) any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of NMC to be fulfilled, kept, observed or performed, as the case may be; or
- (c) any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or negligent failure to act of the NMC and/or any of those persons for whom the NMC is responsible at law (including, without limitation, any of its employees or contractors).

Notwithstanding the foregoing, in no event shall NMC be liable for consequential or punitive damages (including without limitation, loss of profits, loss of opportunity, loss of business or loss of reputation) relating to this Agreement, whether in relation to the indemnity provisions under this section or otherwise.

The provisions of this Section are in addition to and shall not prejudice any other rights of the BW at law or in equity. This Section shall survive the termination or expiry of this Agreement for any reason whatsoever.

19. Indemnity by BW

BW shall at all times and without limitation, indemnify and save harmless NMC, its, directors, officers, employees, contractors, agents and representatives from and against all liabilities, losses, costs, damages, legal fees (on a solicitor and his own client full indemnity basis), disbursements, fines, penalties, expenses, all manner of actions, causes of action, claims, demands and proceedings, all of whatever nature and kind which any of NMC, its directors, officers, employees, contractors, agents and representatives may sustain, pay or incur or which may be brought or made against all or any of them, and whether or not incurred in connection with any action or other proceedings or claims or demands made by third parties, with respect to any occurrence, event, incident or matter caused by, and/or arising as a direct or indirect result of:

- (a) the misconduct, negligent action or negligent failure to act, as the case may be, of BW and/or any of those persons for whom the BW is responsible at law (including, without limitation, any of its employees or contractors); or
- (b) any breach, violation or non-performance of any representation, warranty, obligation, covenant, condition or agreement in this Agreement set forth and contained on the part of BW to be fulfilled, kept, observed or performed, as the case may be; or

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- 16 -

- (c) any damages to third parties caused by, resulting at any time from, arising out of or in consequence of the misconduct, negligent action or negligent failure to act of the BW and/or any of those persons for whom BW is responsible at law (including, without limitation, any of its employees or contractors).

Notwithstanding the foregoing, in no event shall BW be liable for consequential or punitive damages (including without limitation, loss of profits, loss of opportunity, loss of business or loss of reputation) relating to this Agreement, whether in relation to the indemnity provisions under this section or otherwise.

The provisions of this Section are in addition to and shall not prejudice any other rights of the NMC at law or in equity. This Section shall survive the termination or expiry of this Agreement for any reason whatsoever.

20. Arbitration Procedure

All disputes, controversies or claims arising out of, relating to, or in respect of this Agreement, including any issue regarding its existence, validity, enforceability, interpretation, breach or termination (each a "Dispute") shall be resolved in accordance with the terms of this Agreement.

- (a) Any Dispute that Parties are unable to amicably resolve or settle between themselves through negotiations between senior executives of Parties within fifteen (15) Business Days (or such longer period as the Parties may mutually agree to in writing) of a Party being provided notice of such Dispute or difference in accordance with the notice provisions of this Agreement (the "Consultation Period") may, at the request of one of the Parties be referred to and finally determined by final and binding arbitration. For clarity, if one Party requests to proceed with arbitration, the other Party shall be required to participate and the term of this Section 20 shall apply. The arbitration shall be confidential and shall be conducted by one independent and impartial arbitrator selected in accordance with the terms of this Agreement (the "Arbitrator").
- (b) The arbitration shall be governed by the *Arbitration Act (Ontario)* to the extent that such rules do not conflict with the terms of this Section 20.
- (c) The arbitration shall be seated in the *City of Toronto* and the arbitration agreement set forth in this Agreement shall be governed by and construed in accordance with the *laws of the Province of Ontario*.
- (d) Within thirty (30) calendar days of the expiry of the Consultation Period, the Parties agree to jointly select the Arbitrator. The Arbitrator shall be impartial and independent of the Parties and shall be experienced and knowledgeable about the subject matter of the Dispute (generally and not as to the express facts concerning the Dispute). If the Parties are unable to agree upon the Arbitrator, either Party may apply to the court to select the Arbitrator.
- (e) The Arbitrator shall have jurisdiction: (i) to apply all Applicable Laws, common law and equity (including without limitation the scope of the agreement to arbitrate,

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- 17 -

any statute of limitations, conflict of laws rules, tort claims and interest claims); and (ii) to make an award or awards in respect of interest and the payment of the costs of the arbitration (including the Arbitrators' fees and the legal costs of the Parties). The Arbitrator also may, where requested by a Party, determine the nature and extent of production of documents and oral depositions.

- (f) The award of the Arbitrator shall be reduced to writing and be final and binding on the Parties and not subject to any appeal. Any monetary award shall be made and payable, free of any taxes or other deduction, and shall bear interest from the date of any breach or other violation of this Agreement to the date on which the award is paid, at a rate determined by the Arbitrator.
- (g) Judgment upon the award(s) rendered by the Arbitrator may be entered and execution had in any court of competent jurisdiction, or application may be made to such court for a judicial acceptance of the award and order of enforcement.
- (h) Each Party shall bear its own expenses of preparing for and participating in connection with the arbitration, including legal fees but the Party against whom judgment is rendered shall bear all legal fees of the Arbitrator.
- (i) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a legal court, the Arbitrator shall have full authority to grant provisional remedies, statutory remedies and to award damages for the failure of the Parties to respect the Arbitrator's orders to that effect.
- (j) Nothing in this Agreement shall restrict or prohibit a Party from commencing arbitration at any time, including prior the expiry of a Consultation Period, in order to protect its rights under this Agreement or in relation to a Dispute.

Except as expressly provided for in this Agreement or where otherwise reasonably prevented by the nature of the Dispute, the Parties shall continue to perform their respective duties, obligations and responsibilities under this Agreement while the Dispute is being resolved in accordance with this Section 20, unless and until such obligations are lawfully terminated or expire in accordance with the provisions thereof.

All dispute resolution and arbitration proceedings (including all related information, communications, documents, materials, and evidence) shall be strictly confidential, and each Party shall have a fiduciary obligation to the other Party to protect, preserve and maintain the integrity of such confidentiality.

21. **Force Majeure**

Neither Party shall be entitled to terminate this Agreement or shall be liable to the other under this Agreement for loss or damages attributable to any Force Majeure, provided the Party affected shall give prompt notice thereof to the other Party. If such Force Majeure continues unabated for a



- 18 -

period of at least thirty (30) days, the Parties will meet to discuss in good faith what actions to take or what modifications should be made to this Agreement as a consequence of such Force Majeure in order to alleviate its consequences on the affected Party.

22. General

- (a) Each of BW and NMC will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may, during the Term, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- (b) This Agreement (complemented by the respective Purchase Order) constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Agreement.
- (c) No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
- (d) This Agreement may not be assigned by BW or NMC without the written consent of the other Party.
- (e) Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To BW:

Bavaria Weed GmbH
Gewerbestr. 11, 82211 Herrsching, GERMANY

Attention: Stefan Langer
Email: sl@bavariaweed.com

To NMC:

2941 Napperton Dr., Strathroy, ON, N7G 3H8

Attention: Melinda Rombouts
Email: melinda@naturalmedco.ca

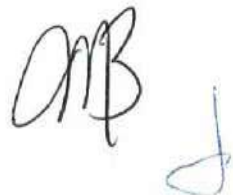



- 19 -

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

- (f) The right and remedies of the Parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.
- (g) This Agreement shall be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- (h) This Agreement may be executed electronically by facsimile or PDF, in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- (i) Time shall be of the essence of this Agreement.
- (j) The Parties acknowledge and agree that the provisions of this Agreement which, by their context, are meant to survive the termination of this Agreement shall survive the termination of this Agreement and shall not be merged therein or therewith.
- (k) This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of each of the Parties.
- (l) This Agreement shall be interpreted according to its fair construction and shall not be construed as against any Party hereto.


[signature page follows]



IN WITNESS WHEREOF the Parties have executed this Agreement.

NATURAL MEDCO LTD.

Per:




Melinda Rombouts
President and Chief Executive Officer

BAVARIA WEED GMBH



Bavaria Weed GmbH
Gewerbestr. 11, 82211 Herrsching
www.bavariaweed.com

Per:



Thomas Hoffmann
Chief Executive Officer

- 2 -

Schedule "A"**Product Specifications**

The "Product" shall be dried cannabis flowers of either Type A, Type B or Type C set out below.

Test	Analytical methods	Specification		
		Type A	Type B	Type C
Appearance				
Smell/odour	organoleptic	characteristic	characteristic	characteristic
Identity				
Identification A (macroscopic)	Acc. to German Pharmacopeia (DAB) monograph for Cannabis flowers dated May 30,2017	Conforms to description in the monograph	Conforms to description in the monograph	Conforms to description in the monograph
Identification B (microscopic)	Acc. to German Pharmacopeia (DAB) monograph for Cannabis flowers dated May 30,2017	Conforms to description in the monograph	Conforms to description in the monograph	Conforms to description in the monograph
Identity C (TLC)	TLC acc.to Ph.Eur. 2.2.27 and Acc. to German Pharmacopeia (DAB) monograph for Cannabis flowers dated May 30,2017	The sequence of zones of the chromatogram of the reference solution and test solution correspond to those shown in the monograph. The test solution may display further, weaker coloured zones	The sequence of zones of the chromatogram of the reference solution and test solution correspond to those shown in the monograph. The test solution may display further, weaker coloured zones	The sequence of zones of the chromatogram of the reference solution and test solution correspond to those shown in the monograph. The test solution may display further, weaker coloured zones
Purity				
Foreign matters	Ph.Eur. 2.8.2	max 2 % (m/m)	max 2 % (m/m)	max 2 % (m/m)
Loss on drying	Ph.Eur. 2.2.32	max 10 %	max 10 %	max 10 %
Cannabinol	HPLC (Ph.Eur. 2.2.29)	max 1,0 %	max 1,0 %	max 1,0 %
Pesticide residuals	Ph.Eur. 2.8.13	Acc. to Ph.Eur. 2.8.13	Acc. to Ph.Eur. 2.8.13	Acc. to Ph.Eur. 2.8.13
Heavy metals	Ph.Eur. 2.4.27			
Cadmium		max 1,0 ppm	max 1,0 ppm	max 1,0 ppm
Lead		max 5,0 ppm	max 5,0 ppm	max 5,0 ppm
Mercury		max 0,1 ppm	max 0,1 ppm	max 0,1 ppm
Arsenic		max 2 ppm	max 2 ppm	max 2 ppm
		Type A	Type A	Type A
Aflatoxin B1 Aflatoxins B1+G1+B2+G2	Ph.Eur. 2.8.18	max 2 µg/kg max 4 µg/kg	max 2 µg/kg max 4 µg/kg	max 2 µg/kg max 4 µg/kg

Test	Analytical methods	Specification		
Microbiological Quality				
TAMC	Ph.Eur. 2.6.12	max 10 ⁴ CFU/g	max 10 ⁴ CFU/g	max 10 ⁴ CFU/g
TYMC		max 10 ² CFU/g	max 10 ² CFU/g	max 10 ² CFU/g
Bile tolerant gram negative bacteria	Ph.Eur. 2.6.31	max 10 ² CFU/g	max 10 ² CFU/g	max 10 ² CFU/g
Escherichia coli		absent (1g)	absent (1g)	absent (1g)
Salmonella sp.		abwesend (25 g)	abwesend (25 g)	abwesend (25 g)
Assay				
Content Δ^9 -Tetrahydrocannabinol (THC)*	HPLC (Ph.Eur. 2.2.29) acc. to German Pharmacopeia (DAB) monograph for Cannabis flowers dated May 30,2017	18% - 22%	12 % - 16 %	5% - 9%
Content Cannabidiol (CBD)**		< 1%	< 1 %	5% - 9%
*Assay THC: sum of Δ^9 -Tetrahydrocannabinol and Δ^9 -Tetrahydrocannabinolacid; <i>min. 90,0 % and max 110,0% of labelled amount</i>				
** Assay CBD: sum of Cannabidiol and Cannabidiolacid, <i>min. 90,0 % and max 110,0% of labelled amount</i>				

Bulk Product: The Product will be packed as whole cannabis buds, in 500 gram bulk packages, vacuum-packed in two layers of 3 millimetre poly nylon (BPA-free and FDA/USDA compliant for food products). Each shipment of Product will consist of minimum 10 kilograms of Product.

The “Purchase Price” payable by BW to NMC for the Product for the first two year period subsequent to the Commencement Date is CAD\$6.00/gram.

The “Minimum Supply Commitment” is 500 kilograms of Product for the first two (2) month periods after the Commencement Date, and 1.000 kilograms of Product for the remaining twenty-two (22) month periods in the first initial two year period.

The “Maximum Supply Commitment” is 500 kilograms of Product for the first two (2) month periods after the Commencement Date, and 5.000 kilograms of Product for the remaining twenty-two (22) month periods in the first initial two year period.

Initial BW Forecast: It is anticipated BW’s initial Product requirements will be for dried flower with the following cannabinoid profiles:

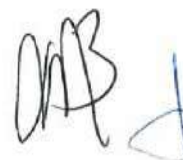
- 50% - 60% of demand will be for blended tetrahydrocannabinol (“THC”) / cannabidiol (“CBD”) varieties – 5-9% THC / 5-9% CBD
- 20% - 30% of demand will be for high THC varieties – 18-22% THC, <1% CBD
- 20% - 30% of demand will be for low THC varieties (Indica, sleeping) – 16-23% THC, <1% CBD

This forecast is an estimate only. The Parties will collaborate in good faith on a detailed supply schedule going forward, taking into account actual market demand for the Products as reflected in BW’s rolling forecasts and the binding Purchase Orders as described in Section 5.

Evolution of Product Mix: It is anticipated that BW will desire products with different cannabinoid profiles and different forms of cannabis products (i.e. extracts and other methods of administering cannabinoids) as the German market evolves and which at all times needs to

AMB

comply with the respective applicable Canadian and German regulatory regimes. The Parties will meet at least quarterly to discuss forecasts of future product needs and collaborate on evolving NMC's Product offering and the development of additional products to meet anticipated demand.

A handwritten signature in blue ink, appearing to be 'MAB' followed by a stylized flourish.

Schedule "B"

BW Marks



APB -
J

This is **Exhibit “GG”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

EVE & CO INCORPORATED

Romanian Cannabis Project

Letter of Intent

WHEREAS Eve & Co Incorporated (“**Eve**”), through its wholly owned subsidiary Natural MedCo Ltd. (“**NMC**”), is a licensed producer and seller of dried cannabis and cannabis plants, and licensed producer of cannabis oil under the laws of Canada. Eve is led by a team of agricultural experts and has a 220,000 sq. ft. scalable greenhouse production facility located in Middlesex County, Ontario, Canada with 32 acres of land and has broken ground on an additional 780,000 sq. ft. expansion, bringing Eve’s total anticipated greenhouse capacity to 1,000,000 sq. ft.

WHEREAS Grey Matter Capital SRL (“**Romco**”) is a Romanian company, registered with the Trade Registry under no. J40/11602/2015, sole registration code 35037169.

WHEREAS Eve and Romco (each, a “**Party**” and collectively, the “**Parties**”) propose to enter into a business arrangement in connection with an application by Newco (as defined below) to the Romanian government for one of the country’s first legal medicinal cannabis cultivation license (the “**Romanian License**”).

AND WHEREAS subject to and in accordance with the terms and conditions hereinafter contained, this Letter of Intent is intended to set forth the terms and conditions on which the Parties agree to enter into the transactions contemplated herein;

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

Newco: Eve shall cause the formation of a new special purpose corporation (“**Newco**”), to be formed as a joint stock company under the laws of Romania with an acceptable name to which the Parties agree but which must include the word “Eve” in it. Eve shall initially hold its shares in Newco directly and/or through wholly-owned subsidiaries of Eve (the “**Eve Shareholders**”).

Project Description: The project to be subject to the Romanian License and other relevant permits and authorizations (the “**Project**”) shall consist of (i) an approved site plan and building permit for a greenhouse facility (the “**Facility**”) to be located on 27 hectares of land located near Dobrosloveni Olt County, Romania (the “**Land**”), (ii) cultivation of medicinal cannabis at the Facility; (iii) the production, drying, packaging, labelling and storage of medicinal cannabis at the Facility, and (iv) the distribution and sale of cannabis solely for medicinal, pharmaceutical, industrial and scientific purposes for exportation of cannabis to countries outside of Romania within the initial target market being the EU.

Shareholdings; Contributions: Upon incorporation, Eve and/or wholly-owned subsidiaries of Eve as determined in Eve’s sole discretion, shall be the two sole shareholders of Newco.

In consideration of its initial shareholdings, Eve shall make the following contributions to Newco:

- a. Eve shall supply the cultivation and production expertise accumulated over years of experience in the cannabis and other related industries;
- b. Eve shall contribute access to design and engineering drawings, various proprietary standard operating procedures relating to cultivation, production, quality assurance, equipment testing, sanitation and security relating to its cannabis operations in Canada;
- c. after the granting of the Romanian License to Newco, Eve will assist in supplying genetics to the Project;
- d. Eve shall enter into the Offtake Agreement (as defined below); and
- e. Eve shall support the license and approval process in Romania in assisting and supporting Romco in discussions with the Romanian authorities in order to facilitate the granting of the license.

The Parties shall enter into an option agreement (the “**Option Agreement**”) whereby the Eve Shareholders shall grant an option (the “**Option**”) in favour of Romco to acquire 82.5% of the issued and outstanding shares of Newco upon the Romanian License being granted to Newco (the “**License Milestone**”). The Option Agreement shall provide that Romco shall have the ability to assign in whole or in part the Option Agreement to a third party (i) prior to the Building Permit Milestone, without the prior written consent of Eve or the Eve Shareholders provided that Eve shall have the prior written consent to such assignment if the assignee is a competitor of Eve; and (ii) after the Building Permit Milestone, without the prior written consent of Eve or the Eve Shareholders provided that Eve shall a right of first refusal with respect to such assignment.

Upon and subject to the exercise of the Option, the shareholders’ agreement governing Newco’s shareholders’ respective ownership in Newco and the governance and affairs of Newco (the “**Shareholders’ Agreement**”) shall automatically enter into force. The form of Shareholders’ Agreement shall be agreed upon between the Parties and attached as a Schedule to the Option Agreement and shall include, amongst other items standard for a shareholders agreement:

- a. a pre-emptive right in favour of each Newco shareholder to participate on a *pari passu* basis in any offering of debt or equity securities of Newco;
- b. a right of first refusal of each of the Newco shareholders with respect to the sale by a shareholder of its shares in Newco to any third-party purchaser and a tag along right in favour of the Eve Shareholders and a drag along right with respect to the sale by Romco of its shares in Newco to any third party purchaser; and
- c. except for transfers of shares contemplated in b) above, no shareholder shall be entitled in any way to enter into any agreement or understanding which results or is likely to result in a transfer or encumbrance of any of its shares in Newco or any right attached to or connected with such shares.

Land Agreement: Romco and Newco shall enter into a binding agreement (the “**Land Agreement**”) with the owner of the Land whereby the owner shall provide (i) an exclusive lease of the Land to Newco to allow Romco, on behalf of Newco, to perform all actions required by the applicable authorities for the grant of the Romanian License to Newco; and (ii) upon the grant of the Romanian License, an option by Newco to purchase the Land. All costs and expenses associated with the Land Agreement including, without limitation, the purchase price, shall be borne by Romco or come out of Romco’s equity component of Newco. The Land Agreement shall provide that, if the Romanian License is not granted to Newco during 2019, Newco shall have the option to extend the Land Agreement for 12-month increments. It shall be Romco’s responsibility to have the owner of the Land to enter into the Land Agreement.

Management Agreement: Romco and Newco shall enter into a management and development agreement (the “**Management Agreement**”) whereby Romco shall be contracted by Newco to develop and manage the Project throughout the licensing stage until the Project has achieved the Building Permit Milestone (as defined below). The Management Agreement shall provide that Romco is responsible for, at its sole expense, for all necessary steps and approvals for Newco to achieve the License Milestone.

Upon meeting the License Milestone, Romco shall be responsible for, at its sole expense, to secure all necessary approvals and permits including the applicable building permit, to enable Newco to construct the Facility on the Land (the “**Building Permit Milestone**”). For greater certainty, any financing raised by Romco as part of meeting such responsibilities from the License Milestone until the achievement of the Building Permit Milestone shall come out of Romco’s ownership in Newco and shall not dilute the Eve Shareholder’s holdings in Newco to less than 17.5%.

Once the Building Permit Milestone has been met, all costs and expenses in connection with the construction and commissioning of the Facility shall be borne by Newco from third party funding or by the existing shareholders as per the Shareholders’ Agreement.

Offtake Agreement: Prior to making the initial application for the Romanian License, the Parties shall negotiate a form of offtake agreement (the “**Offtake Agreement**”) whereby NMC shall agree to purchase from Newco (either directly or through a substitute purchaser) all of the cannabis produced by Newco pursuant to the Project on such terms, including duration and price, to be agreed upon by the Parties provided that NMC agrees that all supply purchased by it from Newco shall only be sold for lawful medicinal and not recreational purposes. Following the purchase thereof, NMC shall be entitled to direct the cannabis purchased through the Offtake Agreement through its European distribution channels.

Definitive Agreements: The Parties shall negotiate and enter into the Management Agreement, the Option Agreement, the Shareholders’ Agreement, the Land Agreement and the Offtake Agreement (collectively, the “**Definitive Agreements**”) as soon as possible following the execution of this Letter of Intent. Counsel to Romco shall have initial drafting responsibility for all of the Definitive Agreements except for the Offtake Agreement which shall be the responsibility of Eve’s counsel.

- Board of Directors:** Melinda Rombouts shall be the sole administrator of Newco upon incorporation. Upon the exercise of the Option, Romco shall be entitled to appoint a majority of the nominees to the board of directors of Newco and have the right to change the Administrator provided however that Eve shall be entitled to nominate at least one (1) administrator until such time it holds less than 5% of the outstanding shares of Newco.
- Officers:** The initial officers of Newco upon incorporation shall be as follows:

Melinda Rombouts (CEO)
- Exclusivity:** For the period commencing on the date hereof and ending on the earlier of the Signing Date and the date which is one (1) year from the date of this Letter of Intent, each Party will communicate exclusively with the other Party and its representatives in an effort to negotiate the Definitive Agreements or to obtain the Romanian License and neither of the Parties nor any of their respective affiliates, representatives, agents, directors, officers or employees will, directly or indirectly, (i) initiate or solicit any expressions of interest or proposals from any person, or enter into any agreement relating to the Romanian License or participate in any discussion or any negotiations regarding, or furnish to any other person, firm or entity any information with respect to, or otherwise cooperate in any way or assist, facilitate, or encourage the activities proscribed above by any person, firm or entity, except as contemplated herein; or (ii) act so as to reduce the likelihood of completing the transactions contemplated herein. This clause does not apply in relation to any potential assignees of Romco of the Option Agreement (as permitted by this Letter of Intent) and/or financing institutions.
- Transaction Timing:** The Parties agree to take all reasonable steps to negotiate and execute the Definitive Agreements and such other documentation necessary to complete the transactions contemplated in this Letter of Intent on or prior to July 31, 2019 (the “**Signing Date**”).
- Third Party Approvals:** Romco acknowledges that consummation of the transactions contemplated in this Letter of Intent may require the approval of the TSX Venture Exchange given that the intended business of Newco shall occur outside Canada.
- Expenses:** Each of the Parties will pay for their respective costs incurred pursuant to the preparation of this Letter of Intent and the Definitive Agreements.
- Status of Letter of Intent:** This Letter of Intent constitutes a letter of intent only and shall not be construed or constituted as an enforceable legal agreement, except for the sections entitled “Ownership of Proprietary Information”, “Exclusivity”, “Expenses”, “Confidentiality” and “Publicity” (the “**Binding Provisions**”), which the Parties hereto agree shall create legal obligations and liabilities, the consideration for which shall be the mutual covenants of the Parties contained herein. In case any Party breaches the terms of any of such listed paragraphs, the other Party shall be entitled to enforce its rights either by suit in equity and/or by action at law, including, but not limited to, an action for damages (including, without limitation, the fees and expenses incurred in connection with the transaction contemplated herein) as a result of any such breach and/or an action for specific performance of

those provisions. The Binding Provisions shall survive the termination of this Letter of Intent.

Entire Agreement: This Letter of Intent constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, understandings, representations and warranties and course of conduct and dealing between the Parties relating to the subject matter hereof.

Confidentiality: This Letter of Intent, including its existence and its content are intended for the exclusive use of the Parties hereto except if otherwise provided by this Letter of Intent and shall not be disclosed to any person other than the Parties' legal and financial advisors for the purposes of the proposed transactions contemplated herein unless the prior written consent of both Parties is obtained.

Neither Party shall make or authorize any announcement, advertisement nor publicity relating to the subject matter hereof without the prior written consent of the other except as required by law, regulation or stock exchange requirements.

Ownership of Proprietary Information: Neither Party acquires any rights in or to any trademarks, copyrights, patents, trade secrets, or any other intellectual property rights belonging to the other Party, except as expressly provided herein, by virtue of entering into this Letter of Intent including, without limitation, the standard operating procedures of Eve contemplated above. Until such time as the Building Permit Milestone is achieved, Eve shall retain the sole ownership of all intellectual property rights contributed by Eve to Newco in connection with the Project. Upon the achievement of the Building Permit Milestone, Newco shall be granted a perpetual non-transferable license to use such intellectual property solely for the business of Newco.

Publicity: The Parties shall not make any public announcement regarding the existence of this Letter of Intent or the transactions contemplated herein without the consent of the other Party provided that Eve may make such disclosure as is required under applicable securities legislation or stock exchange rules.

Governing Law: This Letter of Intent shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Definitive Agreements shall be governed by the laws of Romania.

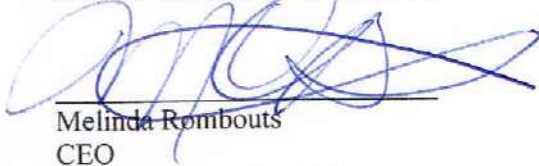
Independent Legal Advice: Each of the Parties has been advised to obtain independent legal advice with respect to entering into this Letter of Intent and has obtained such independent legal advice or has expressly deemed not to seek such advice, and each of the Parties acknowledges that it is entering into this Letter of Intent with full knowledge of the contents hereof, of its own free will and with full capacity and authority to do so.

IN WITNESS WHEREOF the Parties hereto have executed this Letter of Intent as of the dates written below.

[signature page to follow]

Location: Toronto, Dated June 6, 2019

EVE & CO INCORPORATED



Melinda Rombouts
CEO
Authorized Signing Officer

Location: _____, Dated May _____, 2019

GREY MATTER CAPITAL SRL

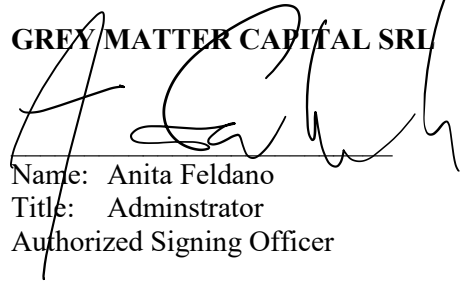
Name:
Title:
Authorized Signing Officer

35614187.9

Melinda Rombouts
CEO
Authorized Signing Officer

Location: Bucharest, Dated June 6th, 2019

GREY MATTER CAPITAL SRL



A handwritten signature in black ink, appearing to read 'Anita Feldano', is written over a horizontal line. The signature is stylized and cursive.

Name: Anita Feldano
Title: Administrator
Authorized Signing Officer

35614187.9

This is **Exhibit “HH”** to the
Affidavit of **MELINDA ROMBOUS**
Sworn on March 23, 2022

DocuSigned by:

Matthew Cressatti

DA79353421D842D...

A Commissioner, etc.

Execution Version**EVE & CO INCORPORATED****Portuguese Cannabis Project****Amended and Restated Letter of Intent**

WHEREAS Eve & Co Incorporated ("**Eve**"), through its wholly owned subsidiary Natural MedCo Ltd. ("**NMC**"), is a licensed producer and seller of dried cannabis and cannabis plants, and licensed producer of cannabis oil under the laws of Canada. Eve is led by a team of agricultural experts and has a 220,000 sq. ft. scalable greenhouse production facility located in Middlesex County, Ontario, Canada with 32 acres of land and has completed construction on an additional 780,000 sq. ft. expansion, bringing Eve's total anticipated greenhouse capacity to 1,000,000 sq. ft.

WHEREAS Bernardo de Deus Vieira Paisana Salvador Pinheiro ("**Bernardo Pinheiro**") is a Portuguese citizen resident at Rua do Prior, no. 36, Bloco B, RC Esquerdo, 1200-778 Lisboa, holder of Citizen Card number 11258077, issued by the competent Portuguese authorities and valid until 29 June 2022, with Portuguese taxpayer number 220778639.

WHEREAS ONON B.V.S. Advisors, Lda ("**ONON**"), is a company duly incorporated and governed under the laws of Portugal, with registered address at Avenida 25 de Abril, no. 672, 1A, 2750-512 Cascais, Portugal, registered before the Commercial registrar under the sole company and taxpayer number 514107669, with a share capital of EUR 5,000.00.

WHEREAS GreenEve-Plus Unipessoal Lda. ("**NewCo**", and together with Eve, Bernardo Pinheiro, and ONON, each, a "**Party**" and collectively, the "**Parties**"), is a company by quotas duly incorporated and governed under the laws of Portugal, with registered address at Marina de Cascais - loja 65, parish of Cascais e Estoril, Municipality of Cascais, Portugal, registered before the Commercial registrar under the sole company and taxpayer number 515541699, with a share capital of EUR 500.00.

WHEREAS Eve and ONON are parties to a letter of intent dated 12 July 2019 (the "**Original Letter of Intent**") and this amended and restated letter of intent (the "**Amended Letter of Intent**") is intended to amend and restate the Original Letter of Intent.

WHEREAS Eve and Bernardo Pinheiro (each, a "**JV Party**" and collectively, the "**JV Parties**") propose to enter into a joint venture to develop the Project (as defined below) and within the scope of the application to be submitted by NewCo as the joint-venture company before Infarmed - Autoridade Nacional do Medicamento e Produtos de Saúde, I.P. ("**Infarmed**") for a license for cultivation, processing, import and export of cannabis or its derivatives, all for medicinal purposes (the "**Portuguese License**").

AND WHEREAS subject to and in accordance with the terms and conditions hereinafter contained, this Amended Letter of Intent is intended to set forth the terms and conditions on which the JV Parties agree to enter into the transactions contemplated herein;

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

Newco:

On June 17, 2019, Bernardo Pinheiro caused the formation of a new special purpose corporation, NewCo, incorporated as a quota company ("*sociedade unipessoal por quotas*") under the laws of Portugal, with the name GreenEve-Plus, Unipessoal Lda.. Eve shall become a shareholder of NewCo through Eve & Co International Holdings Ltd., a wholly-owned subsidiary of Eve (the "**Eve Shareholder**").

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**Project
Description:**

The project to be subject to the Portuguese License and other relevant permits and authorizations (the "**Project**") shall consist of:

- (i) the issuance to Newco of the Portuguese License (the "**License Milestone**");
- (ii) an approved site plan and building permit, if and to the extent required under the Applicable Laws (the "**Building Permit**") for a greenhouse facility (the "**Facility**" and the "**Building Permit Milestone**", respectively) to be located at the rural property named "Monte das Ânforas", registered in the Land Registry Office of Arraiolos under number 1596/20000321, parish and municipality of Arraiolos, inscribed in the tax registrar under article 1, section J, parish and Municipality of Arraiolos, with a global area of 10.6 Ha (the "**Premises**" or the "**Land**"). This area has been secured by NewCo;
- (iii) the import of any variety of cannabis seeds and its cultivation and growing at the Facility;
- (iv) the exportation of cannabis plants for medicinal, pharmaceutical, industrial and scientific purposes to countries outside of Portugal, the initial target market being the European Union; and
- (v) the production, processing, drying, packaging, labelling and storage of medicinal cannabis at the Premises.

**Shareholdings,
Contributions
and
undertakings:**

The Eve Shareholder will acquire from Bernardo Pinheiro, who will transfer to Eve Shareholder, a quota representing 17.5% of Newco's share capital for nominal consideration.

Following the acquisition by the Eve Shareholder set out above, Bernardo Pinheiro shall hold a shareholding representative of 82.5% of Newco's share capital (jointly with the Eve Shareholder, the "**Shareholders**" and individually, any of them, the "**Shareholder**").

As from the acquisition of its initial shareholding, Eve undertakes to:

- a. supply the cultivation and production expertise accumulated over years of experience in the cannabis and other related industries;
- b. contribute access to design and engineering drawings, various proprietary standard operating procedures relating to cultivation, production, quality assurance, equipment testing, sanitation and security relating to its cannabis operations in Canada;
- c. enter into the Shareholders Agreement and the Offtake Agreement (as defined below);
- d. support Bernardo Pinheiro and NewCo in the licensing process before Infarmed and any other relevant public authorities in order to facilitate and expedite the granting of the Portuguese License; and
- e. after the granting of the Portuguese License to Newco, Eve will assist in supplying genetics varieties of seeds or clones to the Project.

As from the acquisition of his initial shareholding, Bernardo Pinheiro undertakes to:

- a. secure the Premises for the Project and obtain all the necessary

A handwritten signature in black ink, followed by the number '7' written vertically to the right of the signature.

approvals and permits for the Facility to be used for the purposes of the Project;

- b. manage and finalize all the licensing process with Infarmed and any other relevant public authorities, with Eve's assistance and support;
- c. bear all costs and expenses pertaining to the acquisition of the Land and the licensing process, until the License Milestone is achieved or in the event this agreement expires before it is achieved; and
- d. enter into the Shareholders' Agreement and the Offtake Agreement (as defined below).

Shareholders' Agreement

The Shareholders shall negotiate a shareholders' agreement, governed and constructed in accordance with the Portuguese laws, which will set forth the shareholding structure of Newco, its governance and funding policies (the "**Shareholders' Agreement**"). The form of Shareholders' Agreement shall be agreed upon between the JV Parties and shall include, amongst other items standard in similar shareholders' agreements:

- a. a pre-emptive right in favour of each Newco Shareholder to participate on a *pari passu* basis in any offering of debt or equity securities of Newco;
- b. a right of first refusal ("*direito de preferência*") to be granted to the non-transferor Shareholder in the transfer ("*cessão*") of shares ("*quotas*") in Newco to any third-party, a tag along right in favour of the Eve Shareholder and a drag along right with respect to the transfer by Bernardo Pinheiro of his shareholding in Newco to any third party;
- c. the funding obligations to be undertaken by each Shareholder; and
- d. the composition of the corporate bodies of the NewCo, the economic and voting rights granted to each Shareholder, the functioning of NewCo's corporate bodies, the set of deadlock events and their remedies.

Land Agreement:

NewCo has entered into a binding promissory agreement (the "**Promissory Agreement**") with the owner of the Premises whereby NewCo has agreed to purchase the Premises and the owner has agreed to sell the Premises to NewCo, subject to receipt of the Building Permit by Infarmed, or up to 16 March 2020, whatever comes first, a copy of which is attached as **Schedule I** hereto.

Management Agreement:

ONON and Newco shall enter into a management and development agreement (the "**Management Agreement**") whereby ONON shall be contracted by Newco to develop and manage the Project throughout the licensing stage until the Project has achieved the Building Permit Milestone and License Milestone. The Management Agreement shall provide that ONON shall be responsible, at its sole expense, for all necessary steps and approvals for Newco to achieve the License Milestone.

Upon meeting the License Milestone, ONON shall be responsible for, at its sole expense, to secure all necessary approvals and permits including the Building Permit Milestone, to enable Newco to construct the Facility on the Land. For greater certainty, any financing raised by Newco as part of meeting such responsibilities relating to the License Milestone or the Building Permit Milestone shall not be borne by Eve Shareholder, partially or fully, and shall not dilute the Eve Shareholder's holdings in Newco to less than 17.5%.

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Once the Building Permit Milestone has been met, all costs and expenses in connection with the construction and commissioning of the Facility shall be borne by Newco from third party funding or by the shareholders as set out in the Shareholders' Agreement.

Offtake Agreement:

Prior to submission of the initial application for the Portuguese License before Infarmed, the JV Parties shall negotiate and reach an agreed form of an offtake agreement (the "**Offtake Agreement**"), whereby NMC (or any other company designated by Eve) shall agree to purchase from Newco (either directly or through a substitute purchaser) all of the cannabis plants to be produced by Newco pursuant to the Project, on such terms, including duration and price, to be agreed upon by the JV Parties and provided that NMC agrees that all supply purchased by it from Newco shall only be sold for lawful medicinal and not recreational purposes. Following the purchase thereof, NMC shall be entitled to direct the cannabis purchased through the Offtake Agreement through its European distribution channels.

Definitive Agreements:

The (i) JV Parties shall negotiate and enter into the Shareholders' Agreement and the Offtake Agreement (collectively, the "**Definitive Agreements**") and (ii) ONON and Newco, subject to Eve's review and approval, shall negotiate and enter into the Management Agreement, as soon as possible following the execution of this Amended Letter of Intent. Counsels to Newco and Eve shall have initial drafting responsibility for all of the Definitive Agreements.

Exclusivity:

For the period commencing on the date hereof and ending on the earlier of the Signing Date (as defined below) and the first anniversary of the Original Letter of Intent, each JV Party undertakes to communicate exclusively with the other JV Party and its representatives in an effort to negotiate the Definitive Agreements and/or to obtain the Portuguese License, and neither of the JV Parties nor any of their respective affiliates, representatives, agents, directors, officers or employees will, directly or indirectly, (i) initiate or solicit any expressions of interest or proposals from any person, or enter into any agreement relating to the Portuguese License, or participate in any discussion or any negotiations regarding, or furnish to any other person, firm or entity any information with respect to, or otherwise cooperate in any way or assist, facilitate, or encourage the activities proscribed above by any person, firm or entity, except as contemplated herein; or (ii) act so as to reduce the likelihood of completing the transactions contemplated herein.

Transaction Timing:

The JV Parties agree to take all reasonable steps to negotiate and execute the Definitive Agreements and such other documentation necessary to complete the transactions contemplated in this Amended Letter of Intent on or prior to October 31, 2019 (the "**Signing Date**").

Third Party Approvals:

Bernardo Pinheiro, ONON and the Newco acknowledge that consummation of the transactions contemplated in this Amended Letter of Intent may require the approval of the TSX Venture Exchange given that the intended business of Newco shall occur outside Canada.

Expenses:

Each of the Parties will pay for their respective costs incurred pursuant to the preparation of this Amended Letter of Intent and the Definitive Agreements.

Status of Letter of Intent:

This Amended Letter of Intent constitutes a letter of intent only and shall not be construed or constituted as an enforceable legal agreement, except for the sections entitled "Ownership of Proprietary Information", "Exclusivity", "Expenses", "Confidentiality" and "Publicity" (the "**Binding Provisions**"), which the Parties hereto agree shall create legal obligations and liabilities, the

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consideration for which shall be the mutual covenants of the Parties contained herein. In case any Party breaches the terms of any of such listed clauses, the compliant Party shall be entitled to enforce its rights either by suit in equity and/or by action at law, including, but not limited to, an action for damages (including, without limitation, the fees and expenses incurred in connection with the transaction contemplated herein) as a result of any such breach and/or an action for specific performance of those provisions. The Binding Provisions shall survive the termination of this Amended Letter of Intent.

- Waiver:** No failure or delay by a Party to exercise any right or remedy provided under this Amended Letter of Intent or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- Entire Agreement:** This Amended Letter of Intent constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter including without limitation the Original Letter of Intent. Notwithstanding the foregoing, the confidential provisions in the Original Letter of Intent shall remain in force and effect. Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Amended Letter of Intent.
- ONON hereby releases all of its rights, and the Parties hereby release ONON from any of its obligations, under the Original Letter of Intent other than the confidentiality obligations set out therein.
- Variation and Severance:** No variation of this Amended Letter of Intent shall be effective unless it is in writing and signed by the Parties (or their authorized representatives).
- If any provision or part-provision of this Amended Letter of Intent is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Amended Letter of Intent.
- Confidentiality:** This Amended Letter of Intent, including its existence and its content, are intended for the exclusive use of the Parties hereto except if otherwise provided by this Amended Letter of Intent and shall not be disclosed to any person other than the Parties' legal and financial advisors for the purposes of the proposed transactions contemplated herein, unless the prior written consent of both JV Parties is obtained.

Neither Party shall make or authorize any announcement, advertisement nor publicity relating to the subject matter hereof without the prior written consent of the JV Parties except as required by law, regulation or stock exchange requirements.

For the purposes of this Amended Letter of Intent, "**Confidential Information**" means any confidential information pertaining to the current or proposed business and affairs of the disclosing Party (the "**Provider**") and the Provider's assets prepared by the Provider and/or third parties, whether oral, written, graphic, photographic, recorded or machine readable form or any other form, furnished or provided directly or indirectly by or on behalf of the Provider to the

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Recipient including, without limitation, standard operating procedures, information concerning the Provider's and/or third party's business transactions, contracts, financial projections and arrangements, business arrangements or business plans, projections, reports, feasibility studies or the like, all related intellectual property of every type and nature, all other related proprietary rights or interests in whatever form, and media, trade secrets, know-how and data of every type and nature.

Each of the Parties shall maintain all Confidential Information provided by the Provider in strict confidence and shall not use the Confidential Information for any purpose other than for the purpose of assisting it in connection with the Project. Each Party acknowledges that the Confidential Information of the Provider is confidential and material to the interests, business and affairs of the Provider and that disclosure thereof would be detrimental to the interests, business and affairs of the Provider. Accordingly, the receiving Party agrees that it will maintain the confidentiality of the Provider's Confidential Information and that the receiving Party will not disclose the Confidential Information to any person for any reason whatsoever, other than its designated employees, officers, directors and advisors who actually need to have knowledge of the Confidential Information for the purpose of assisting the receiving Party in connection with the Project.

Ownership of Proprietary Information:

Neither Party acquires any rights in or to any trademarks, copyrights, patents, trade secrets, or any other intellectual property rights belonging to the other Party, except as expressly provided herein, by virtue of entering into this Amended Letter of Intent including, without limitation, the standard operating procedures of Eve contemplated above. Until such time as the Building Permit Milestone is achieved, Eve shall retain the sole ownership of all intellectual property rights contributed by Eve to Newco in connection with the Project. Upon the achievement of the Building Permit Milestone, Newco shall be granted a perpetual non-transferable license to use such intellectual property solely for the business of Newco.

Publicity:

The Parties shall not make any public announcement regarding the existence of this Amended Letter of Intent or the transactions contemplated herein without the consent of the JV Parties provided that Eve may make such disclosure as is required under applicable securities legislation or stock exchange rules.

Governing Law:

This Amended Letter of Intent shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Definitive Agreements shall be governed and constructed in accordance with the laws of Portugal.

Independent Legal Advice:

Each of the Parties has been advised to obtain independent legal advice with respect to entering into this Amended Letter of Intent and has obtained such independent legal advice or has expressly deemed not to seek such advice, and each of the Parties acknowledges that it is entering into this Amended Letter of Intent with full knowledge of the contents hereof, of its own free will and with full capacity and authority to do so.

IN WITNESS WHEREOF the Parties hereto have executed this Amended Letter of Intent as of the dates written below.

[signature page to follow]

7.



Location: LISBON, Dated October 3, 2019

EVE & CO INCORPORATED



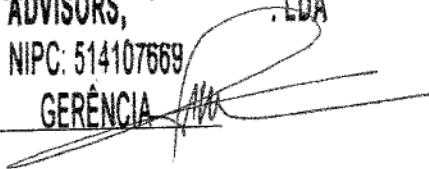
Melinda Rombouts
President & Chief Executive Officer
Authorized Signing Officer

ONON B.V.S. ADVISORS, LDA

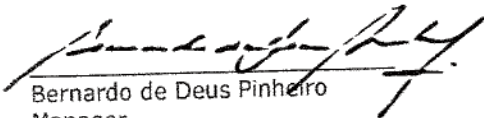
NIPC: 514107669

GERÊNCIA

Ioana Finna
Director

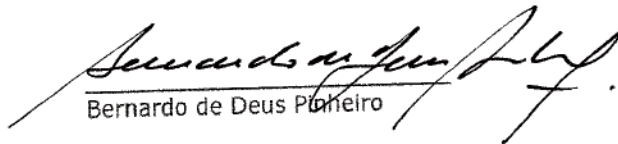


GREENEVE-PLUS UNIPessoal LDA.



Bernardo de Deus Pinheiro
Manager
Authorized Signing Officer

As an individual:



Bernardo de Deus Pinheiro

Schedule I
Promissory Agreement

[Faint, illegible text]

This is **Exhibit "II"** to the Affidavit
of **MELINDA ROMBOUS** Sworn
on March 23, 2022

DocuSigned by:
Matthew Cressatti
DA79353421D842D...

A Commissioner, etc.

March 22, 2022

Eve & Co Incorporated
2941 Napperton Drive
Strathroy, ON N0J 1P0

Attention: Melinda Rombouts, President and Chief Executive Officer

Re: Debtor-in-Possession Financing of Eve & Co Incorporated

WHEREAS Eve & Co Incorporated (“**Eve & Co.**”), Natural MedCo Ltd. (“**NMC**”) and Eve & Co International Holdings Ltd. (collectively, the “**Borrowers**”) intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an initial order (the “**Initial Order**”), among other things, commencing proceedings (the “**CCAA Proceeding**”) under the *Companies Creditors’ Arrangement Act* (the “**CCAA**”), the imposition of a stay of proceedings (the “**Initial Stay**”), appointing BDO Canada Limited as Monitor of the Borrowers (the “**Monitor**”), and granting the Interim Financing Charge (as defined below) in the sum of \$1,200,000;

AND WHEREAS in the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Borrowers will seek an Amended and Restated Initial Order within the CCAA Proceeding (the “**CCAA Order**”) seeking, in addition to the relief set out in the Initial CCAA Order: (i) an extension of the Initial Stay; (ii) approval of the SISP (as defined herein); and (iii) an increase in the Interim Financing Charge to \$2,200,000.00;

AND WHEREAS the Borrowers intend to conduct a Court-supervised sales and investment solicitation process (“**SISP**”) within the CCAA Proceeding;

AND WHEREAS the Borrowers require immediate funding to satisfy the cashflow requirements of the CCAA Proceeding and the SISP, and other short-term liquidity requirements;

AND WHEREAS Royal Bank of Canada (“**RBC**”) is the senior lender to NMC, with such facilities guaranteed by Eve & Co., and has issued demands for payment to each of NMC and Eve & Co., and a Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (the “**BIA**”) to NMC;

AND WHEREAS RBC, NMC and Eve & Co. have entered into a forbearance agreement (the “**RBC Agreement**”), under which NMC and Eve & Co. are provided a period of forbearance to allow the CCAA Proceeding and the SISP to proceed and to permit the full indebtedness owing to RBC to be paid;

AND WHEREAS Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership, and DK Strategic Yield U.S. GP LLC, as General Partner of Deans Knight Strategic Yield Master Trust Limited Partnership (collectively, the “**Lenders**”) have agreed to advance to the Borrowers a debtor-in-possession loan in the total aggregate amount of \$2,200,000 subject to and in accordance with the terms and conditions contained herein and advanced subject to the terms of the Initial Order and CCAA Order;

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

SUMMARY OF TERMS FOR DIP FACILITY

- 1. Borrowers:** Eve & Co Incorporated, Natural MedCo Ltd., Eve & Co International Holdings, on a joint and several basis.

2. **Lenders:** Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership
3. **DIP Facility:** Non-revolving, facility in the maximum principal amount of \$2,200,000 (the “**DIP Facility**”).
4. **Purpose:** The purpose of the DIP Facility is to fund: (i) working capital needs in accordance with the cash flow projections approved by the Monitor and the Lenders from time to time (the “**Cash Flow Projections**”); (ii) the Lenders’ Fees and Expenses (as defined below); (iii) professional fees and expenses incurred by the Borrowers and the Monitor in respect of the CCAA Proceeding and the SISP; and (iv) such other costs and expenses of the Borrowers as may be agreed to by the Lenders, in writing.

For greater certainty, the Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers without the prior written consent of the Lenders, the Monitor, and RBC.

5. **Facility Advances:** Subject to the funding conditions in Section 10 of this Term Sheet, the DIP Facility shall be available in two advances (the “**Advances**”), as follows:
- (a) upon the issuance of the Initial Order, \$1,200,000, or such lesser amount as may be approved by the Initial Order, shall be advanced to the Borrowers to finance working capital requirements for the 10-day period immediately following the date of the Initial Order; and
 - (b) upon the issuance the CCAA Order, the balance of the DIP Facility, being \$1,000,000, shall be advanced to the Borrowers.

6. **Interest Rate and Expenses:** Interest: Interest on the principal amount of each Advance outstanding from time to time shall be calculated at a rate equal to 12% per annum, which interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date; provided, however, that the Lenders shall be entitled a minimum of six (6) months of interest.

Expenses: The Borrowers shall pay all fees and expenses (collectively, the “**Lenders’ Fees and Expenses**”) incurred by the Lenders in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the CCAA Order, the Interim Financing Charge (as defined below) and with the enforcement of the Lenders’ rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lenders, on a full indemnity basis. For greater certainty, “Lenders’ Fees and Expenses” shall include all reasonable fees and expenses incurred by the Lenders in connection with the CCAA Proceeding and all court attendances in respect thereof. If the Lenders have paid any expense for which the Lenders are entitled to reimbursement from the Borrowers, such expense shall be added to the DIP Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the Interim Financing Charge whether or not any funds under the DIP Facility are advanced.

- 7. Facility Fees:** A facility fee of \$60,000 shall be due and payable to the Lenders, which fee shall be fully earned on execution of this Term Sheet and be paid on the Maturity Date. For certainty, the facility fee shall be secured by the Interim Financing Charge.
- 8. Security:** All debts, liabilities and obligations of the Borrowers to the Lenders under or in connection with the DIP Facility, this Term Sheet and any other documents in connection therewith shall be secured by a Court-ordered priority charge granted to the Lenders in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired (the “**Interim Financing Charge**”), subject only to an administration charge in the maximum aggregate amount of \$500,000 for the payment of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the “**Administration Charge**”). The Initial Order and the CCAA Order shall also provide for a charge in the maximum aggregate amount of \$500,000 as security for the indemnity provided to the directors and officers of the Borrowers against obligations and liabilities they may incur after the commencement of the CCAA Proceeding (the “**Directors’ Charge**”), subject to the terms and conditions set out in the Initial Order, the CCAA Order or any other Court order granting such charge. The Directors’ Charge shall not stand in priority to the Interim Financing Charge nor the security held by RBC.
- 9. Maturity Date:** The Borrowers shall repay all obligations owing under the DIP Facility on the earlier of (the “**Maturity Date**”):
- (a) September 15, 2022;
 - (b) the closing of a sale or investment transaction resulting from the SISF, which transaction has been approved by an order of the Court;
 - (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers’ creditors, and by an order of the Court;
 - (d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the BIA;
 - (e) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date that the Lenders learn of such Event of Default.
- 10. Funding Conditions:** The availability of the Advances under the DIP Facility shall be subject to and conditional upon the following:
- (a) The Court shall have issued the Initial Order, in a form satisfactory to the Lenders, including:
 - i. approving this Term Sheet and the DIP Facility;
 - ii. granting the Interim Financing Charge in favour of the Lenders;

- iii. authorizing the Lenders to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the Interim Financing Charge;
 - iv. providing that the Interim Financing Charge shall be valid and effective to secure all of the obligations of the Borrowers to the Lenders hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrowers;
 - v. declaring that the granting of the Interim Financing Charge and all other documents executed and delivered to the Lenders as contemplated herein, including, without limitation, all actions taken to perfect, record and register the Interim Financing Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
 - vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrowers, other than as permitted herein and in the Interim Financing Order.
- (b) The Initial Order or the CCAA Order, as the case may be, shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lenders, acting reasonably;
- (c) no Event of Default shall have occurred.

11. Covenants:

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

- (a) promptly on the receipt by the Borrowers of the same, give the Lenders a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order or the CCAA Order, including (without limitation) any application to the Court for the granting of new or additional security that will or may have priority over the Interim Financing Charge, or otherwise for the variation of the priority of the Interim Financing Charge;
- (b) provide the Lenders with any additional financial information reasonably requested by the Lenders, to the extent that it is readily available;
- (c) use the Advances only in accordance with Section 4 of this Term Sheet;
- (d) provide the Lenders with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

- (e) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (f) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the Interim Financing Charge due and payable from and after the commencement of the CCAA Proceeding, as and when such amounts are due;
- (g) not declare any dividend, or make any other distributions with respect to any shares of the Borrowers without the prior written consent of the Lenders;
- (h) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the Lenders;
- (i) keep the Borrowers' assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets; and
- (j) not, without the prior written consent of the Lenders, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the Interim Financing Charge) over any of its property, whether ranking in priority to or subordinate to the Interim Financing Charge.

12. Events of Default:

The DIP Facility shall be subject to the following event of default ("**Events of Default**");

- (a) the Borrowers' failure to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the Lenders;
- (c) the seeking or support by the Borrowers of any court order (in the CCAA Proceeding or otherwise) which is adverse or potentially adverse to the interests of the Lenders;
- (d) the issuance of any Court order lifting or terminating (in whole or in part) the stay of proceedings in the CCAA Proceeding, or discontinuing, dismissing or otherwise terminating the CCAA Proceeding;
- (e) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order or the CCAA Order, the DIP Facility or the Interim Financing Charge without the Lenders' consent;
- (f) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order or the CCAA Order;

- (g) an event occurs that will, in the opinion of the Lenders, materially impair the Borrowers' financial condition, operations or ability to perform under this Term Sheet or any order of the Court;
- (h) failure by the Borrowers to comply with the Initial Order or the CCAA Order;
- (i) any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the property of the Borrowers; (iii) the Interim Financing Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lenders or to any person under any material contract; (v) the Lenders' ability to enforce any of its rights or remedies against the Borrowers' property or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (j) any Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Borrower or any of their property;
- (k) the acceptance of any offer resulting from the SISP, or the filing of a motion seeking approval of the Court to accept any such offer, unless the total indebtedness owing by the Borrowers under the DIP Facility is to be paid in full in cash or other immediately available funds upon completion of the transaction resulting from such offer;
- (l) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrowers, except pursuant to a transaction resulting from the SISP or as may be otherwise approved by the Lenders in writing;
- (m) the filing of any plan of reorganization, arrangement or liquidation to which the Lenders do not consent;
- (n) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the Interim Financing Charge or its priority; (ii) for monetary, injunctive or other relief against the Lenders or the Borrowers' property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lenders of any of their rights and remedies hereunder, pursuant to the Initial Order or the CCAA Order or under applicable law, or the enforcement or realization by the Lenders against any of their collateral.

13. Remedies and Enforcement:

Following the occurrence of an Event of Default, and upon five (5) business days' written notice to the Borrowers, the Monitor and RBC, the Lenders shall have the right, subject to the Lenders obtaining an Order from the Court lifting the stay under the CCAA Proceeding and subject to first obtaining the consent of RBC, to:

- (a) enforce the Interim Financing Charge and realize on the Borrowers property and any other collateral securing the DIP Facility;

- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario), the *Mortgages Act* (Ontario) or any legislation of similar effect; and
- (c) exercise all such other rights and remedies available to the Lenders under this Term Sheet, the Initial Order, the CCAA Order, any other order of the Court or applicable law.

The Lenders agree in the event that RBC, while recognizing the priority claim of the Interim Financing Charge, takes steps to enforce the security granted to it by NMC and Eve & Co., that the Lenders shall co-operate with RBC's enforcement efforts and consent to any Court order sought by RBC in relation to such enforcement, including an order appointing a Receiver over the real property and premises of NMC.

- 14. Evidence of Indebtedness:** The Lenders shall maintain records evidencing the DIP Facility. The Lenders' accounts and records shall constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrowers to the Lenders under the DIP Facility.
- 15. Further Assurances:** The Borrowers will, at their own expense and promptly on demand by the Lenders at any time, do such acts and things and execute and deliver such deeds and documents as the Lenders may request to give effect to any of the provisions set out hereunder.
- 16. Assignment:** The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lenders. The Lenders may assign or sell their rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers.
- 17. Governing Law:** The DIP Facility and the provisions set out herein shall be governed by and construed in all respects in accordance with the laws of Ontario and the laws of Canada applicable therein.
- 18. Currency:** All references to currency in this Term Sheet are references to Canadian Dollars.
- 19. Acceptance:** This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on March 24, 2022. A copy of this Term Sheet, countersigned by the Borrowers, may be delivered by electronic transmission or personal delivery.

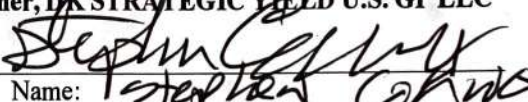
[Signature Page Follows]

Dated this 22nd day of March, 2022.

DEANS KNIGHT PRIVATE CREDIT LIMITED PARTNERSHIP, by its General Partner, DEANS KNIGHT PRIVATE CREDIT GP INC.

By: 
Name: Stephen Conway
Title: Director
I have authority to bind the Corporation.

DK STRATEGIC YIELD MASTER TRUST LIMITED PARTNERSHIP, by its General Partner, DK STRATEGIC YIELD U.S. GP LLC

By: 
Name: Stephen Conway
Title: Director
I have authority to bind the Corporation.

ACCEPTANCE

TO: DEANS KNIGHT PRIVATE CREDIT GP INC., as General Partner of DEANS KNIGHT PRIVATE CREDIT LIMITED PARTNERSHIP

AND TO: DK STRATEGIC YIELD U.S. GP LLC, as General Partner of DK STRATEGIC YIELD MASTER TRUST LIMITED PARTNERSHIP

For good and valuable consideration received, Eve & Co Incorporated, Natural MedCo Ltd. and Eve & Co International Holdings Ltd. accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this 22nd day of March, 2022.

EVE & CO INCORPORATED

By: 
Name: Melinda Rombouts
Title: President

I have authority to bind the Corporation.

NATURAL MEDCO LTD.

By: 
Name: Melinda Rombouts
Title: President

I have authority to bind the Corporation.

EVE & CO INTERNATIONAL HOLDINGS LTD.

By: 
Name: Melinda Rombouts
Title: Chief Executive Officer

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 THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS
LTD.**

Court File No.:

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF MELINDA ROMBOULTS
(sworn March 23, 2022)

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON CANADA M5H 3S1

David S. Ward LSO #: 33541W
dward@millerthomson.com
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Tel: 416.595.8639

Manav Singhla LSO #: 66481Q
msinghla@millerthomson.com
Tel: 416.595.7947

Lawyers for the Applicants

595

TAB 3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)	FRIDAY, THE 25TH
)	
JUSTICE CONWAY)	DAY OF MARCH, 2022

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 EVE & CO INCORPORATED, NATURAL MEDCO LTD., and EVE & CO INTERNATIONAL HOLDINGS LTD. (collectively, the "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 "**CCA**") was heard this day by videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Melinda Rombouts sworn March 23, 2022 and the Exhibits thereto, and the pre-filing report of BDO Canada Limited, in its capacity as proposed monitor of the Applicants ("**Monitor**"), dated March ●, 2022, 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 Applicants and counsel for the Monitor, no one appearing for any other party although duly served as appears from the affidavit of service of ●, filed, and on reading the consent of BDO Canada Limited act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service 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.

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 a plan 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, licenses, 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 business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, 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 the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each

- case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (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; and
 - (c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below).

6. **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; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. **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 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 Taxes are accrued or collected after the date of this Order, or where such Sales 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.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **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 unless such payments are approved under the DIP Term Sheet, the Forbearance Agreement (as defined below), and/or the Definitive Documents (each as defined below) and consented to by the Monitor; (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

10. **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 defined below) and the Forbearance Agreement, 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 \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of its employees as it deems appropriate; and,
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

11. **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, they 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’ claim to the fixtures in dispute.

12. **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 APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including April 4, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in or out of any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants 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 Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, Royal Bank of Canada (the "**Secured Lender**") shall be unaffected by the stay of proceedings and shall be entitled to enforce its rights and remedies in accordance with the terms agreed to in the Forbearance Agreement, and subject to the jurisdiction of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants 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

15. **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, lease, sublease, licence or permit in favour of or held by any of the Applicants, except with the written consent of the applicable Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the Applicants 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, security services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, 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 Applicants, and that each of the Applicants 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 Applicant in accordance with normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **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 the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants 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 Applicants 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 applicable Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the applicable Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Applicants shall indemnify their 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.

20. **THIS COURT ORDERS** that the 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 \$150,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

21. **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 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that BDO Canada Limited 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 Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

23. **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 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 its 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 its preparation of the Applicants' cash flow statements and reporting required by the Secured Lender pursuant to the Forbearance Agreement, which information shall be reviewed with the Monitor and delivered to the Secured Lender and its counsel on a weekly basis, or as otherwise agreed to by the Secured Lender;
- (f) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (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;
- (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; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision 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, under the *Cannabis Act*, S.C. 2008, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, the *Ontario Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, or other such applicable federal or provincial legislation (collectively, the "**Cannabis Legislation**") 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 within the meaning of any Cannabis Legislation, or otherwise, and nothing in this 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.

25. **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 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**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental 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, unless it is actually in possession.

26. **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.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its

respective employees or representatives acting in such capacities, shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements related to these proceedings, 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 weekly basis.

29. **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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel 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 \$150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

31. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility ("**DIP Loan**") from Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, 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 \$1,200,000 unless permitted by further Order of this Court.

32. **THIS COURT ORDERS THAT** such DIP Loan shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of March 22, 2022 (the “**DIP Term Sheet**”), filed.

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their 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.

34. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 38 and 40 hereof.

35. **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 five business days written notice to the Applicants, the Monitor, and the Secured Lender, and with the leave of this Court to lift the Stay Period, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender’s Charge, including without limitation, to cease making advances to the Applicants and set off

- and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

36. **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 (the "**BIA**"), with respect to any advances made under the Definitive Documents.

FORBEARANCE AGREEMENT

37. **THIS COURT ORDERS AND DECLARES** that the entering into of the forbearance agreement dated as of March 22, 2022 between the Secured Lender and the Applicants, Natural Medco Ltd. and Eve & Co Incorporated (the "**Forbearance Agreement**"), providing for, among other things, the continuation and amendment of the loan agreement as between the Secured Lender and Natural Medco Ltd. dated June 11, 2020 (as previously amended from time to time) and the repayment of all indebtedness owing by the Applicant, Natural Medco Ltd. to the Secured Lender, is hereby approved, ratified and confirmed, as are the terms thereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge, the DIP Lender's Charge, and any and all charges, liens, encumbrances and other security held by the Secured Lender (the "**RBC Security**") as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000);

Second – DIP Lender’s Charge (to the maximum amount of \$1,200,000);

Third – the RBC Security; and,

Fourth – Directors’ Charge (to the maximum amount of \$150,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **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 and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

41. **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 obtain the prior written consent of the Monitor, the DIP Lender, the Secured Lender, and the beneficiaries of the Directors’ Charge and the Administration Charge, or further Order of this Court.

42. **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**”) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or

provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants or any one of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which any of them 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, or any one of them, pursuant to this 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.

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

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor (and its directors, officers, employees or representatives) shall have any personal liability for the Applicants failure to file annual information forms, annual and quarterly management discussion and analysis, annual and quarterly financial statements (including related audits, reports, and certifications) for the Stay Period, which period may be extended pursuant to further Order of the Court.

SERVICE AND NOTICE

45. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of 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 <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 ‘<@>’.

47. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

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, 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.

GENERAL

49. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under this Order or in the interpretation or application of this Order.

50. **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.

51. **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.

52. **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.

53. **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 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.

54. **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.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED**
**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS
LTD.**

Court File No.:

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

INITIAL ORDER

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Lawyers for the Applicants

TAB 4

Revised: January 21, 2014

Court File No. —

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE —MADAM) ~~WEEKDAY~~FRIDAY, THE #25TH
JUSTICE —CONWAY) DAY OF ~~MONTH~~MARCH, ~~20YR~~2022

**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
[APPLICANT'S NAME] (the "Applicant" EVE & CO INCORPORATED, NATURAL
MEDCO LTD., and EVE & CO INTERNATIONAL HOLDINGS LTD. (collectively, the
"Applicants"))**

INITIAL ORDER

THIS APPLICATION, made by the ~~Applicant~~Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day ~~at 330 University Avenue, Toronto, Ontario~~by videoconference due to the COVID-19 pandemic.

ON READING the affidavit of ~~[NAME]~~Melinda Rombouts sworn ~~[DATE]~~March 23, 2022 and the Exhibits thereto, and the pre-filing report of BDO Canada Limited, in its capacity as proposed monitor of the Applicants ("Monitor"), dated March 9, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES]~~Applicants and counsel for the Monitor, no one appearing for ~~[NAME]~~any other party although duly served as appears from the affidavit of service of ~~[NAME]~~sworn [DATE] 9, filed, and on reading the consent of ~~[MONITOR'S NAME]~~to BDO Canada Limited act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

~~5. [THIS COURT ORDERS that the Applicant shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash~~

~~Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, 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.]~~ **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

~~6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:~~

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

~~6.~~ **7.** **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~ Applicants shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~ Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation,

- payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales 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 ~~Applicant~~Applicants.

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ **resiliated**⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated

between the ~~Applicant~~Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant is~~Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of this date unless such payments are approved under the DIP Term Sheet, the Forbearance Agreement (as defined below), and/or the Definitive Documents (each as defined below) and consented to by the Monitor; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as ~~hereinafter~~ defined) below) and the Forbearance Agreement, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~and to dispose of redundant or non-material assets not exceeding \$•50,000 in any one transaction or \$•250,000 in the aggregate~~;
- (b) ~~terminate the employment of such of its~~their employees or temporarily lay off such of its employees as it deems appropriate~~;~~ and~~;~~
- (c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

11. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Applicants, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant disclaims~~for resiliatesApplicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, ~~it~~they 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 ~~for resiliation~~ of the lease shall be without prejudice to the ~~Applicant's~~Applicants' claim to the fixtures in dispute.

12. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~for resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Applicants and the Monitor 24 hours' ! prior written notice, and (b) at the effective time of the disclaimer ~~for resiliation~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

13. ~~14.~~ **THIS COURT ORDERS** that until and including [~~DATE—MAX. 30 DAYS~~], April 4, 2022, or such later date as this Court may order (the “Stay Period”), no proceeding or enforcement process in or out of any court or tribunal (each, a “Proceeding”) shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, Royal Bank of Canada (the “Secured Lender”) shall be unaffected by the stay of proceedings and shall be entitled to enforce its rights and remedies in accordance with the terms agreed to in the Forbearance Agreement, and subject to the jurisdiction of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “Persons” and each being a “Person”) against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants 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

15. ~~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, lease, sublease, licence or permit in favour

of or held by any of the ~~Applicant~~Applicants, except with the written consent of the applicable Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with any of the ~~Applicant~~Applicants 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, security services, payroll services, insurance, transportation services, utility or other services to the Business or any of the ~~Applicant~~Applicants, 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 ~~Applicant~~Applicants, and that each of the ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the ~~Applicant~~Applicants 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 applicable Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the applicable Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~150,000.~~150,000. as security for the indemnity provided in paragraph ~~{20}~~19 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~ and ~~{40}~~ herein.

21. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the ~~Applicant's~~Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent

that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~19 of this Order.

APPOINTMENT OF MONITOR

~~22.~~ **23. THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~BDO Canada Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants 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.

~~23.~~ **24. THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, in ~~its~~their dissemination, to the DIP Lender and its counsel ~~on a [TIME INTERVAL] basis~~ of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the ~~Applicant~~Applicants in its preparation of the ~~Applicant's~~Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel as agreed to by the DIP Lender;

- (e) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Secured Lender pursuant to the Forbearance Agreement, which information shall be reviewed with the Monitor and delivered to the Secured Lender and its counsel on a ~~periodic~~ weekly basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Secured Lender;
- (f) ~~(e)~~ advise the ~~Applicant~~ Applicants in ~~its~~ their development of the Plan and any amendments to the Plan;
- (g) ~~(f)~~ assist the ~~Applicant~~ Applicants, to the extent required by the ~~Applicant~~ Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~ Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~ Applicants' business and financial affairs or to perform its duties arising under this Order;
- (i) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

24. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision 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, under the Cannabis Act, S.C. 2008, c. 16, the Controlled Drugs and Substances Act, S.C. 1996, c. 19, the Excise Tax Act, R.S.C. 1985, c. E. 15, the Ontario Cannabis Control Act, 2017, S.O. 2017, c. 26, Sched. 1, or other such applicable federal or provincial legislation (collectively, the "Cannabis Legislation") 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 within the meaning of any Cannabis Legislation, or otherwise, and nothing in this 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.

25. ~~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 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"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental 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, unless it is actually in possession.

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

27. ~~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, neither the Monitor nor its respective employees or representatives acting in such capacities, shall incur ~~no~~any liability or obligation as a result of ~~its~~the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

28. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements related to these proceedings, in each case at their standard rates and charges, ~~by the Applicant~~whether incurred prior to, on, or subsequent to, the date of this Order by the Applicants as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Applicants on a ~~[TIME INTERVAL]~~weekly basis ~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~

29. ~~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.

30. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the ~~Applicant's~~Applicants' counsel 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 \$●, ~~—~~150,000. as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~{38}~~ and ~~{40}~~ hereof.

DIP FINANCING

31. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~ Applicants are hereby authorized and empowered to obtain and borrow under a credit facility ~~from [DIP LENDER'S NAME]~~ ~~(the~~ "DIP Loan") from Deans Knight Private Credit GP Inc., as General Partner of Deans Knight Private Credit Limited Partnership and DK Strategic Yield U.S. GP LLC, as General Partner of DK Strategic Yield Master Trust Limited Partnership (collectively, the "DIP Lender") in order to finance the ~~Applicant's~~ Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$ ~~●~~ 1,200,000 unless permitted by further Order of this Court.

32. ~~33.~~ **THIS COURT ORDERS THAT** such ~~credit facility~~ DIP Loan shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~ DIP Term Sheet between the ~~Applicant~~ Applicants and the DIP Lender dated as of ~~[DATE]~~ March 22, 2022 (the ~~"Commitment Letter"~~ "DIP Term Sheet"), filed.

33. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~ Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the ~~Commitment Letter~~ DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~ Applicants are hereby authorized and directed to pay and perform all of ~~its~~ their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~ DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~{38}~~ and ~~{40}~~ hereof.

35. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~●~~ five business days written notice to the ~~Applicant and~~ Applicants, the Monitor, and the Secured Lender, and with the leave of this Court to lift the Stay Period. may exercise any and all of its rights and remedies against the ~~Applicant~~ Applicants or the Property under or pursuant to the ~~Commitment Letter~~ DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~ Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~ Applicants against the obligations of the ~~Applicant~~ Applicants to the DIP Lender under the ~~Commitment Letter~~ DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against the ~~Applicant~~ Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~ Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~ Applicants or the Property.

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

FORBEARANCE AGREEMENT

37. THIS COURT ORDERS AND DECLARES that the entering into of the forbearance agreement dated as of March 22, 2022 between the Secured Lender and the Applicants, Natural Medco Ltd. and Eve & Co Incorporated (the "Forbearance Agreement"), providing for, among other things, the continuation and amendment of the loan agreement as between the Secured Lender and Natural Medco Ltd. dated June 11, 2020 (as previously amended from time to time) and the repayment of all indebtedness owing by the Applicant, Natural Medco Ltd. to the Secured Lender, is hereby approved, ratified and confirmed, as are the terms thereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge ~~and~~ the DIP Lender's Charge, and any and all charges, liens, encumbrances and other security held by the Secured Lender (the "RBC Security") as among them, shall be as follows⁹:

First ~~=~~ Administration Charge (to the maximum amount of \$●150,000);

Second ~~=~~ DIP Lender's Charge (to the maximum amount of \$1,200,000);

~~and~~

Third ~~=~~ the RBC Security; and,

Fourth – Directors' Charge (to the maximum amount of \$●150,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge~~ Charges (all as constituted and defined herein) shall constitute

a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge,~~Charges unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, the DIP Lender, the Secured Lender, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter,~~Charges, the DIP Term Sheet, and the Definitive Documents ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ~~Applicant~~Applicants or any one of them, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which ~~it is~~any of them are a party;

- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Applicants entering into the ~~Commitment Letter~~DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the ~~Applicant~~Applicants, or any one of them, pursuant to this Order, the ~~Commitment Letter~~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.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

44. THIS COURT ORDERS that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor (and its directors, officers, employees or representatives) shall have any personal liability for the Applicants failure to file annual information forms, annual and quarterly management discussion and analysis, annual and quarterly financial statements (including related audits, reports, and certifications) for the Stay Period, which period may be extended pursuant to further Order of the Court.

SERVICE AND NOTICE

45. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the ~~Applicant~~Applicants of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated

amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

46. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 ‘<[@](#)>’.

47. ~~46.~~ **THIS COURT ORDERS** that [the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3\(c\) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 \(SOR/DORS\).](#)

48. **THIS COURT ORDERS that** if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant’s~~Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or distribution by courier, personal delivery or 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.

GENERAL

49. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of ~~its~~their powers and duties ~~hereunder~~under this Order or in the interpretation or application of this Order.

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

51. ~~49.~~ **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 ~~Applicant~~Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

53. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order

on not less than seven (7) days notice to 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.

54. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. ~~Eastern Standard/Daylight Time~~ Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS LTD.

Court File No.:

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

INITIAL ORDER

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Document comparison by Workshare 9.5 on Wednesday, March 23, 2022 3:28:58 PM

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Document 1 ID	file://C:\Users\ecraddoc\Desktop\intitial-order-CCAA-EN (3).doc
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Document 2 ID	interwovenSite://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/61065315/2
Description	#61065315v2<Legal> - REVISED Initial Order
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	362
Deletions	338
Moved from	2
Moved to	2
Style change	0
Format changed	0

Total changes	704
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¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

² ~~If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

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

⁵ ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

TAB 5

Court File No. _____

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
EVE & CO INCORPORATED, NATURAL MEDCO LTD. AND EVE & CO
INTERNATIONAL HOLDINGS LTD (collectively, the "Applicants")**

CONSENT

BDO Canada Limited hereby consents to act as the Court-appointed Monitor in this proceeding should an Initial Order be granted by the Court.

Dated at London this 23rd day of March, 2022.

BDO CANADA LIMITED

Cherniak,
Stephen N

Digitally signed by Cherniak, Stephen
N
DN: cn=Cherniak, Stephen N,
email=SCherniak@bdo.ca
Reason: I am approving this document
Date: 2022.03.23 14:40:28 -04'00'

Per: _____
Stephen N. Cherniak, CPA, CA, CIRP
Licenced Insolvency Trustee
Senior Vice President

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF EVE & CO INCORPORATED, NATURAL MEDCO LTD.
AND EVE & CO INTERNATIONAL HOLDINGS LTD.

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

CONSENT

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

**AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF EVE & CO
INCORPORATED, NATURAL MEDCO LTD., EVE & CO INTERNATIONAL HOLDINGS
LTD.**

Court File No.:

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at TORONTO

**APPLICATION RECORD
(RETURABLE MARCH 25, 2022)**

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