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25-2958981
25-2958977



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COURT OF KING'S BENCH OF ALBERTA

CALGARY

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF OGEN
HOLDINGS LTD. AND OGEN LTD.

AFFIDAVIT

COM
July 21, 2023
Justice Sidnell

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Michael Selnes
Telephone No.: 403-298-3311
Email: selnesm@bennettjones.com
Fax No.: 403-265-7219
Client File No.: 96017.1

AFFIDAVIT OF DARREN BRISEBOIS

Sworn (Affirmed) on July 10, 2023

I, Darren Brisebois, of the City of Calgary, in the Province of Alberta, SWEAR/MAKE OATH
AND SAY THAT:

Background of OGEN

1. I am the President of OGEN Holdings Ltd. ("OHL") and OGEN Ltd. ("OL" and, collectively with OHL, the "Applicants" or "OGEN") and as such I have personal

knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case I verily believe same to be true.

2. OL was incorporated pursuant to the laws of Alberta (as "**Bloom Cultivation Ltd.**") on April 26, 2013. OL changed its name from Bloom Cultivation Ltd. to OGEN Ltd. on June 9, 2020. Attached as **Exhibit "1"** to this Affidavit is a true copy of OHL's Certificate of Incorporation and the Certificate of Amendment that was registered in connection with its name change.
3. OHL was incorporated pursuant to the laws of Alberta (as "Bloom Cultivation Holdings Ltd.") on January 12, 2017. OHL changed its name from Bloom Cultivation Holdings Ltd. to OGEN Holdings Ltd. on January 24, 2020. Attached as **Exhibit "2"** to this Affidavit are true copies of OHL's Certificate of Incorporation and the Certificate of Amendment that was registered in connection with its name change.
4. Shortly after the incorporation of OHL, the original shareholders of OL transferred all their shares to OHL, in consideration for receiving shares of OHL. As a result, OL has been a wholly-owned subsidiary of OHL since early 2017.
5. OL is an active operating company, that cultivates and processes cannabis products for sale in the retail and wholesale markets in Canada, and internationally. The registered head office of OHL and OL is 5430 30 Street SE, Calgary, Alberta, Canada. The Directors of the OHL and OL are Gary Edwards and Al Morrison and the sole Officer is Darren Brisebois. OL employs 78 individuals. OL conducts its cultivation and processing activities from its facility in Calgary, Alberta, which also houses its head office.
6. OHL owns the OGEN Facility and related production equipment and leases it to OL. OHL does not conduct any active business operations.
7. OGEN cultivates, processes, and sells cannabis flower products under the OGEN brand in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick. OGEN also sells bulk flower business to business. OGEN operates a purpose-built indoor production facility located at its registered head office (the "**OGEN Facility**"). The

OGEN Facility is 57,387 sq ft and the total site is 2.32 acres. The total cost to purchase the land, construct the facility and obtain necessary equipment was approximately \$31,000,000. However, Avison Young recently appraised the property in early 2023 at a much lower value.

8. OGEN's gross annual revenues were as follows:
 - (a) FY2020 - \$2,300,845.00;
 - (b) FY2021 - \$16,961,058.00; and
 - (c) FY2022 - \$9,895,725.00.

9. Competition, over supply, regulatory complexity, inflation, a strong black market, and high levels of excise tax have contributed to industry-wide struggles. Insolvencies in the sector are widespread. OGEN has been unable to achieve profitability after almost five (5) years of legalization although it believes it can become cash flow positive in the future. Increased distribution, product count, and decreased competition due to insolvencies contribute to the OGEN's ability to be profitable in the future, albeit with a lowered debt burden. OGEN is seeking to restructure its debt to be a viable going concern. Attached as **Exhibit "3"** to this Affidavit is a true copy of an industry whitepaper created by EY, which highlights the difficulties currently facing the Canadian cannabis industry.

OGEN's Liabilities

10. The primary secured creditor of OGEN is Connect First Credit Union ("**CFCU**"). As of July 9, 2023, OGEN owes CFCU approximately \$21,857,535.03 million, comprised of:
 - (a) \$21,411,379.95 in mortgage loans advanced by CFCU to OHL and secured against all of OHL's present and after-acquired real and personal property (including the OGEN Facility) (the "**OHL Mortgage Loans**"); and

- (b) \$446,155.08 by way of a revolving line of credit made available by CFCU to OL and secured against all of OL's present and after-acquired personal property (the "**OL Line of Credit**")

(collectively the "**CFCU Credit Facilities**").

11. To secure OGEN's obligations under the CFCU Credit Facilities, OGEN has entered into the following agreements, among others, with CFCU:

- (a) General Security Agreement dated June 10, 2017 granted by OHL;
- (b) Unlimited Guarantee and [Postponement] dated July 25, 2018 granted by OL; and
- (c) Collateral Mortgage dated July 16, 2019 (and subsequently amended) granted by OHL;

(collectively, the "**CFCU Security Agreements**").

12. The OHL Mortgage Loans are guaranteed by Edwards Concrete and Morrison Homes (Calgary) Ltd. for \$7,000,000 each (\$14,000,000 total and not joint and several). The guarantors are wholly owned and controlled by Gary Edwards and Al Morrison, respectively.
13. The OHL Mortgage Loans and the OL Line of Credit are cross-guaranteed and cross-collateralized. OL has provided an unlimited guarantee of the OHL Mortgage Loans, secured against all its property, and OHL has provided an unlimited guarantee of the OL Line of Credit, secured against all its property. As a result, CFCU has a first charge over all of the property of OHL and OL, to secure the entire amount of approximately \$21,857,535.03 million that is owed to it by OHL and OL.
14. OHL has approximately 15 shareholders. It's two largest shareholders are G. Edwards Holdings Ltd. ("**GEHL**") and Hawksworth Holdings Ltd. ("**HHL**"). GEHL holds approximately 40.67% of the voting common shares of OHL and HHL holds approximately 46.31% of the voting common shares of OHL.

15. OGEN has required substantial shareholder loans from GEHL and HHL, to be able to continue operating in the face of the serious financial challenges described above. By December 31, 2022, OHL owed the following shareholder loan amounts to GEHL and HHLK:
- (a) \$4,231,389.04 owed to GEHL; and
 - (b) \$5,145,115.07 to HHL;
- (collectively, the "**Shareholder Loans**").
16. The Shareholder Loans were unsecured. On December 31, 2022, GEHL and HHL agreed to convert the entirety of their Shareholder Loans into shares of OHL, to help OGEN improve its balance sheet. As a result of the equitization of the Shareholder Loans (which removed the Shareholder Loans from OHL's balance sheet), OHL has no other substantial debts besides its obligations to CFCU described above.
17. In addition to its obligations to CFCU described above, OL's major creditors as of June 23, 2023, are:
- (a) Canada Revenue Agency ("**CRA**"), to whom OL owes approximately \$4,959,158 on account of *Excise Tax Act* and GST arrears related to the sale of cannabis products;
 - (b) Health Canada, to whom OL owes approximately \$493,611.00 on account of Health Canada's regulatory fee, which is 2.2% of gross sales annually. This amount includes outstanding and accrued fees; and
 - (c) Trade creditors, to whom OL owes approximately \$736,283 on account of the supply of goods and services required to operate OL's business.

OGEN's Notices of Intention

18. On June 26, 2023, OHL and OL each filed a Notice of Intention to Make a Proposal (the "**NOIs**"), pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, with KSV

Restructuring Inc. named as proposal trustee (the "**Proposal Trustee**"). Attached as **Exhibit "4"** to this Affidavit is a true copies of the NOIs.

19. For efficiency and due to the interrelated nature of the Applicants' business and the cross-collateralization of the CFCU Facilities, the Applicants request the authorization of this Court to consolidate the two NOI proceedings in Actions 25-2958981 and 25-2958977 into a single proceeding. I believe this will allow for a more efficient restructuring and will benefit the Applicants' stakeholders.

Interim Financing and Interim Lender's Charge

20. Attached as **Exhibit "5"** to this Affidavit is a projected 13-week cashflow statement that OGEN has prepared with the assistance of the Proposal Trustee (the "**Cashflow Projection**").
21. It is projected that during the period covered by the Cashflow Projection, CFCU will continue to make the OL Line of Credit available to OL, but that OL's borrowings thereunder will not be permitted to exceed the borrowing base, which is calculated at 75% of accounts receivable, less priority payables. Based on the Cashflow Projection, OGEN does not currently anticipate that it will require additional liquidity, over and above its current borrowing limits under the existing OL Line of Credit, during the relevant 13-week period. However, the Applicants are seeking the Interim Loan Facility (as defined below) in case any contingency funds are required.
22. GEHL and HHL (the "**Interim Lenders**") have agreed to provide interim funding to OGEN cover any potential liquidity shortfall. To facilitate this, OGEN and the Interim Lenders have agreed to an Interim Financing Term Sheet (the "**Term Sheet**"). The key components of the Term Sheet are:
 - (a) the Interim Lenders will grant to OGEN a secured, debtor-in-possession, interim, loan facility (the "**Interim Loan**") up to the amount of \$500,000.00 (the "**Maximum Amount**");

- (b) the Interim Loan will be secured by a superpriority Interim Lenders' Charge, to be approved by this Honourable Court;
- (c) the interest rate for the amounts advanced by the Interim Lenders shall be 15%;
- (d) OGEN and the Proposal Trustee shall report actual cashflow results to the Interim Lenders on a weekly basis; and
- (e) OGEN shall be subject to certain additional covenants that I understand are customary in interim financing situations.

A true copy of the Interim Loan Facility is attached as **Exhibit "6"** to this Affidavit.

Administration Charge and D&O Charge

- 23. OGEN is requesting a Court-ordered charge over the assets, property and undertaking of the Applicants would be granted in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Interim Lender, to secure the payment of their professional fees and disbursements (incurred at their standard rates and charges, subject to the terms set forth in their respective engagement letters, as applicable), whether incurred before or after the filing of the NOI (the "**Administration Charge**"). The proposed Administration Charge is in an aggregate amount of \$250,000.00. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Applicants' restructuring efforts.
- 24. The amount of the proposed Administration Charge was reached in consultation with the Proposal Trustee, and I believe is reasonable in the circumstances.
- 25. The directors and officers of the Applicants (the "**Directors and Officers**") have been actively involved in the Applicants' efforts to address its challenging circumstances, including through overseeing the Applicants' liquidity management efforts, the Applicants' review and exploration of strategic options and alternatives in connection with their liquidity and financial challenges, communications and negotiations with key stakeholders and working with the Proposal Trustee and advisors in pursuing restructuring efforts through the NOI process.

26. OGEN is requesting that the Directors and Officers would be granted a Court-ordered charge on the assets, property and undertakings of the Applicants (the "**D&O Charge**") up to the maximum amount of \$50,000.00. I believe the D&O Charge is fair and reasonable in the circumstances.
27. A successful restructuring of the Applicants will only be possible with the continued participation of the Applicants' directors and officers. These individuals have specialized expertise and relationships with the Applicants' stakeholders. In addition, the directors and officers have gained significant knowledge that cannot be easily replicated or replaced.
28. The amount of the D&O Charge has been calculated based on the estimated exposure of the Directors and Officers and has been reviewed with the Proposal Trustee. The proposed D&O Charge would apply only to the extent that the Directors and Officers do not have coverage under the Applicants' D&O insurance policies or there is insufficient coverage.

Stay Extension

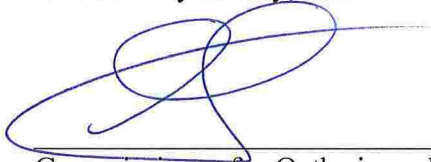
29. Since the filing of the NOIs, OGEN and its management team have been working diligently and in good faith with the Proposal Trustee, and in consultation with the Interim Lenders, to work towards a restructuring and to be in a position to be able to formulate a proposal to their creditors, but OGEN needs an extension of the Filing Period to complete such proposal.
30. As a result of the NOIs, OGEN must file a proposal on or before September 5, 2023 (the "**Filing Period**"), unless an extension is granted. Despite OGEN's diligent and good faith efforts, no proposal is currently ready for submission to creditors.
31. Accordingly, OGEN requires an extension of time for making the proposal and an extension of the stay of proceedings. An extension of the Filing Period by 45 days will allow OGEN to continue to work with its stakeholders to develop a proposal.
32. In my view, an extension of the Filing Period is appropriate, because:

- (a) OGEN has acted and continues to act in good faith and with due diligence;
- (b) OGEN will likely be able to make a viable proposal if the extension of the Filing Period is granted; and
- (c) the extension of the Filing Period will not materially prejudice any of OGEN's creditors.

33. To date, I have not been made aware of any creditor of OGEN intending to object to an extension of the stay of proceedings and the time for filing a proposal.

34. I make this Affidavit in support of OGEN's Application to extend the stay of proceedings and the time for filing a proposal by an additional 45 days, and for certain other ancillary relief, and for no improper purpose.

SWORN BEFORE ME at Calgary, Alberta,
this 10th day of July, 2023.



Commissioner for Oaths in and for the
Province of Alberta

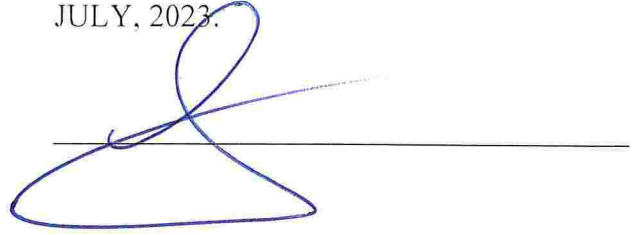
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DARREN BRISEBOIS

Michael W. Selnes
Barrister & Solicitor

THIS IS **EXHIBIT "1"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

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Michael W. Selnes
Barrister & Solicitor

Certified Copy

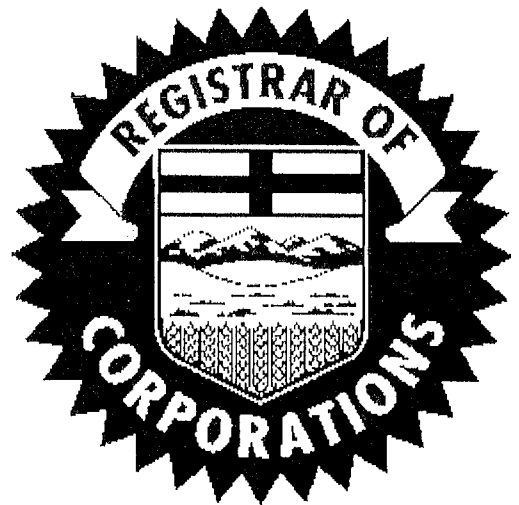
CORPORATE ACCESS NUMBER: 2017447877

**Government
of Alberta ■**

BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
INCORPORATION**

**BLOOM CULTIVATION LTD.
WAS INCORPORATED IN ALBERTA ON 2013/04/26.**



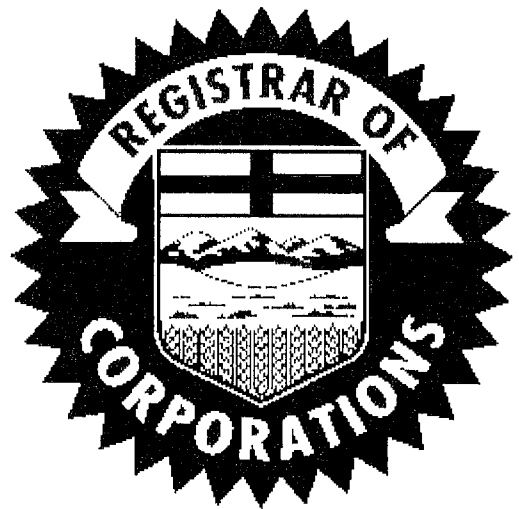
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**Government
of Alberta ■**

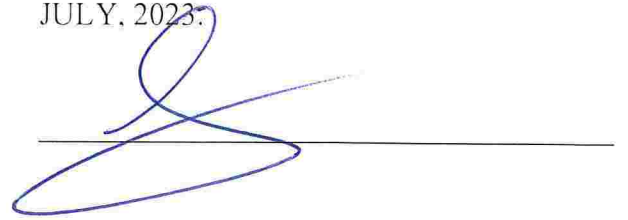
BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
AMENDMENT**

BLOOM CULTIVATION LTD.
CHANGED ITS NAME TO **OGEN LTD.** ON 2020/06/09.



THIS IS **EXHIBIT "2"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

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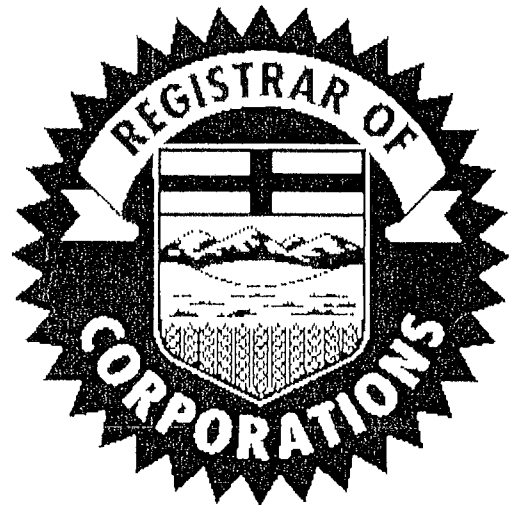
Michael W. Selnes
Barrister & Solicitor

**Government
of Alberta ■**

BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
INCORPORATION**

**BLOOM CULTIVATION HOLDINGS LTD.
WAS INCORPORATED IN ALBERTA ON 2017/01/12.**



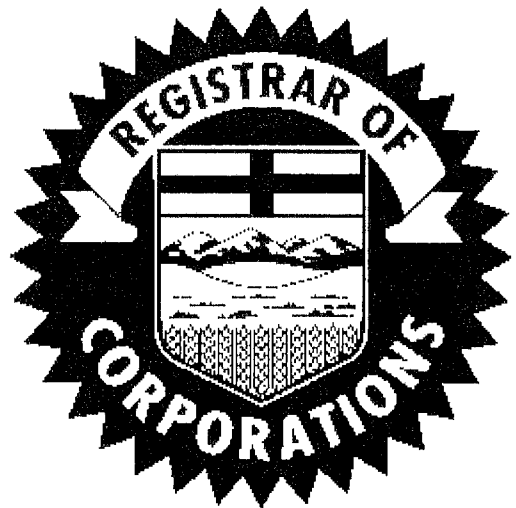
CORPORATE ACCESS NUMBER: 2020164113

**Government
of Alberta ■**

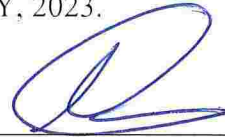
BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
AMENDMENT**

**BLOOM CULTIVATION HOLDINGS LTD.
CHANGED ITS NAME TO OGEN HOLDINGS LTD. ON 2020/06/24.**



THIS IS **EXHIBIT "3"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

A handwritten signature in blue ink, appearing to be 'M. Selnes', written over a horizontal line.

Michael W. Selnes
Barrister & Solicitor



Global Cannabis CEO Survey 2023

EY Americas Cannabis
Centre of Excellence

ey.com/ca/cannabis



Foreword

The strategic decisions cannabis executives make today will determine the success or failure of their organizations from here on out. That message came through loud and clear in the first-ever global EY Cannabis CEO Survey.

That's not to say executives lack optimism. Across geographies, the executives we spoke to shared their excitement about market opportunities they see on the horizon. Still, their opinions vary around what that future could look like, how quickly things will change and who the key leaders, challengers and laggards will be. These sentiments make sense; the industry itself is rife with disruption. What does that look like?

Excessive competition and over-supply are ongoing issues. True, too, for pricing and margin pressure, consolidation, economic uncertainty, increasing cost of capital and a slew of other macroeconomic and business trends.

In the pages that follow, we summarize executives' views across these factors, and on the future of this emerging, globalizing industry. We asked their opinions on regulatory complexity, changing consumer behaviour and product innovation right across the value chain. We dove into business strategy, growth priorities, drivers, barriers and much more.

Across geographies and companies, again and again we came back to that same central theme: the decisions made right here and now will have a massive influence on the future of these businesses, and the industry they're shaping. Profound change is coming. And the choices executives make today will determine what that change - and the future itself - looks like overall.



RAMI EL-CHEIKH

Partner, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence Leader
rami.el-cheikh@parthenon.ey.com
+1 (647) 669-4555



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Executive Summary



Executive Summary

The cannabis industry has been growing steadily since legalization in North American markets.

That said, 2022 was an unprecedented year, rife with industry-specific challenges exacerbated by inflationary pressures and limited capital availability. Most cannabis companies underperformed from a top and bottom-line perspective. This was attributed to a number of external factors, including intense competition, oversupply, pricing and margin pressure, tax and regulatory burdens, inventory write-downs, goodwill impairments and legislative setbacks in the US. All of this had a negative impact on performance and profitability.

To survive, many companies had to launch performance improvement and cost-reduction programs, streamline operations and divest non-core assets and businesses. Other companies became insolvent, as demonstrated in Canada with filing under the Companies' Creditors Arrangement Act (CCAA). Survival was the theme of the year for many cannabis companies in 2022.

In 2023, cannabis executives are anticipating another wave of intense challenges similar to last year. However, they are optimistic and confident about their companies' business strategies and their ability to weather the storm. Their top strategic priorities are centred around margin enhancement and revenue growth, including initiatives such as new product introduction, pricing optimization and new market expansion, namely to Germany, Australia and other European countries. Executives also anticipate potential opportunities, driven by competitor exits and legalization in new markets. Still, they recognize that companies will require financing over the next 6 to 12 months to sustain operations and fund innovation and M&A initiatives. Put simply, 2023 is depicted as another "tricky" year for the industry, with significant upside for companies that have established strong foundations and are better capitalized.

Main findings / Anticipated market scenarios

- 1. Established/mature markets – including Canada, Colorado, California and others – will continue to experience low or flat growth, oversupply and margin compression.**
 - ▶ Consolidation will accelerate in these markets; inefficient and undercapitalized cannabis companies will likely become insolvent and be acquired by larger, better-capitalized corporates and multi-state operators.
 - ▶ Large Canadian cannabis companies will stop liquidating/selling cannabis at a loss to undercut competitors, as liquidity from capital markets is drying up. This will result in Canadian companies to either survive or collapse.
 - ▶ Canadian retail consolidation and closures are also expected to accelerate due to over saturation and market limitations caused by city opt-outs.
- 2. Newer/emerging adult-use markets (e.g., Michigan, Massachusetts, etc.) will reach a saturation point faster than historically experienced in other markets. This is because most established MSOs have now built new capacity in many markets and are better and faster at setting up new facilities.**
- 3. Inflation will persist and prove challenging to eliminate; cost increases that cannot be passed on through higher prices will pressure cannabis companies' margins.**

Main findings (continued)

4. Anticipated Regulatory Scenarios

- ▶ Limited regulatory progress on US federal legalization, de-scheduling/re-scheduling, amendments to IRS 280E Code and SAFE banking reform are expected in 2023.
- ▶ The FDA's lack of regulatory guidelines for the cannabidiol (CBD) industry and classification of CBD as a dietary supplement will persist, restricting retail avenues for the product.
- ▶ The uncertainty around the German recreational market will remain. There are many political and bureaucratic challenges that could prevent adult-use legalization from taking place in 2024.

5. Anticipated Capital Market Scenarios

- ▶ In 2023, access to capital will remain limited and more expensive than in the past, with no near-term relief in sight.
- ▶ Several plant-touching cannabis companies in the US will likely list on the Toronto Stock Exchange (TSX) in 2023; this is expected to expand their investor base and enable better liquidity.

6. Anticipated M&A Scenarios

- ▶ M&A activity will be limited/slow in 2023 due to the sustained demand/supply capital imbalance.
- ▶ Better-capitalized cannabis companies will find buying distressed companies to be a more cost-efficient method of expanding capacity or entering new markets than internal builds. The negotiating power is shifting to larger, better-capitalized companies relative to constrained, smaller competitors.

7. Anticipated financial performance scenarios

- ▶ Cannabis companies' balance sheets will become more stretched in 2023, forcing them to either equityize or refinance debt on less favourable terms and with higher costs; significant dilution is expected in some cases.
- ▶ All companies will exploit every lever possible to attempt to achieve or maintain cash flow positivity, including tight cost controls, stringent working capital management and reduced CAPEX.
- ▶ A significant number of cannabis companies are expected to either collapse or become insolvent and resort to the Companies' Creditors Arrangement Act, Canada's corporate insolvency law.

Our perspective

We agree with the perspectives of cannabis executives and expect 2023 will be a difficult year for the industry. Some companies will cease to exist. Others will survive and as a result, have better foundations for the future. However, we must keep the long game in mind when we think about ending the 85-year policy of cannabis prohibition and criminalization stemming from the US Marihuana Tax Act of 1937. The cannabis industry isn't different from where alcohol and tobacco were in their early development years. It will continue to undergo significant shifts in social and cultural acceptability and face regulatory challenges, including taxation and marketing issues.

What's more, the industry will have to navigate complex legal frameworks before maturing and stabilizing. The theme for the short-term is "survival of the fittest".

Still, our long-term outlook on the industry is positive for many reasons. The US is estimated at \$100B in sales today, of which 25% is legal. In the future, we believe greater acceptability with legalization and innovation should boost that number. Also, the momentum of regulatory tailwinds will continue to push the cannabis industry forward. This period of belt-tightening and consolidation will result in a healthier industry better positioned to face the challenges of US legalization when and if it arrives.

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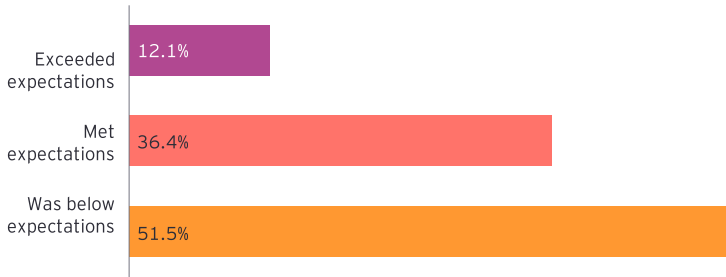
Survey Findings: 2022 backward-looking view



Looking back at 2022

The following section of the report includes insights from survey participants and is intended to give an overview of the cannabis industry in 2022, with a focus on the performance of cannabis companies, the major external factors and obstacles they faced, and the areas of highest financial risk. Additionally, this section highlights the strategies and actions cannabis companies took to mitigate these challenges. It is important to note that this information is not intended to be exhaustive or all-encompassing.

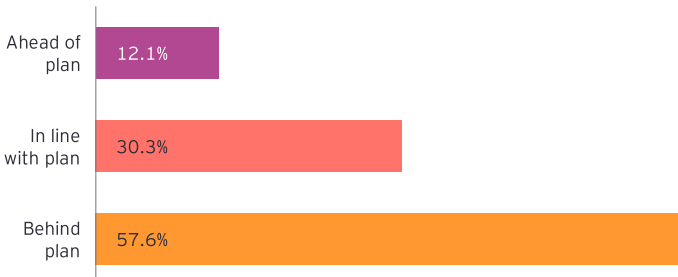
Q How did your company’s **business strategy** perform relative to management and/or board expectations in 2022?



Q How did your company perform from a **top-line** perspective in 2022?

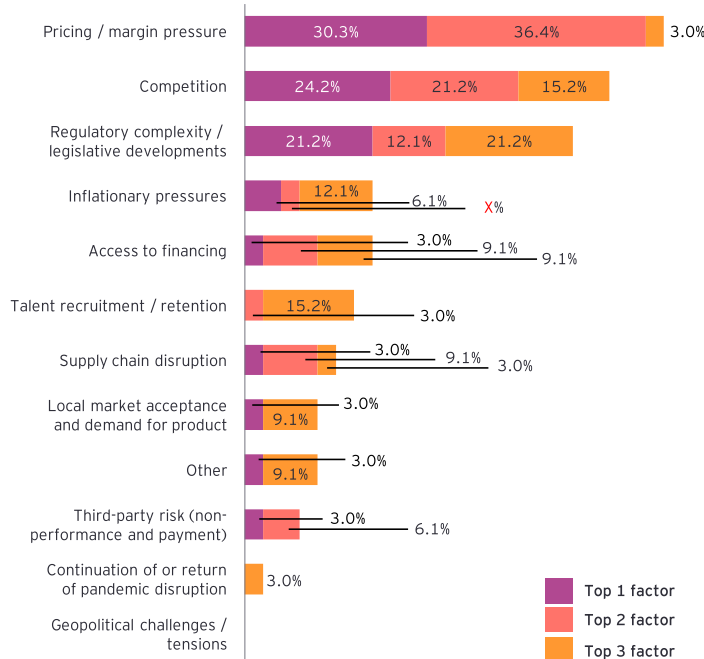


Q How did your company perform from a **bottom-line** perspective in 2022?

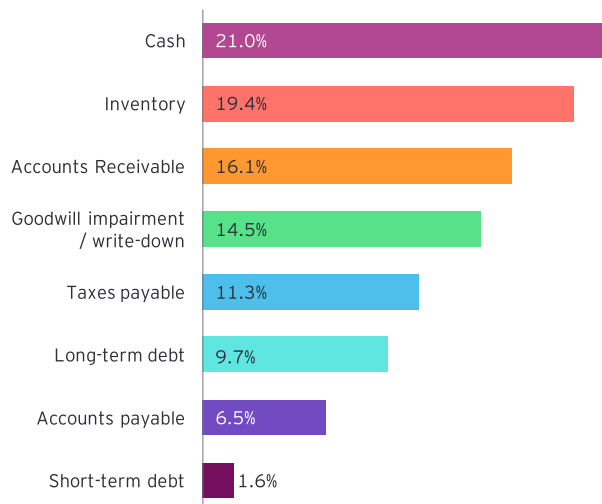


- ▶ It’s been almost five years since cannabis was legalized for recreational purposes in several US states and nationwide in Canada. The industry continues to grow and evolve, yet it remains tightly regulated and operationally challenging.
- ▶ Over 50% of cannabis executives acknowledged their company’s business strategy did not meet the expectations of management and the board in 2022.
- ▶ Despite this, most executives – ~70% – reported their company’s top-line performance was in line with the original forecast, but the bottom-line was significantly behind plan.
- ▶ In light of this, many executives have implemented performance improvement programs to address losses and ensure their companies’ long-term sustainability.

Q Which top 3 external factors adversely impacted your company's business performance in 2022?

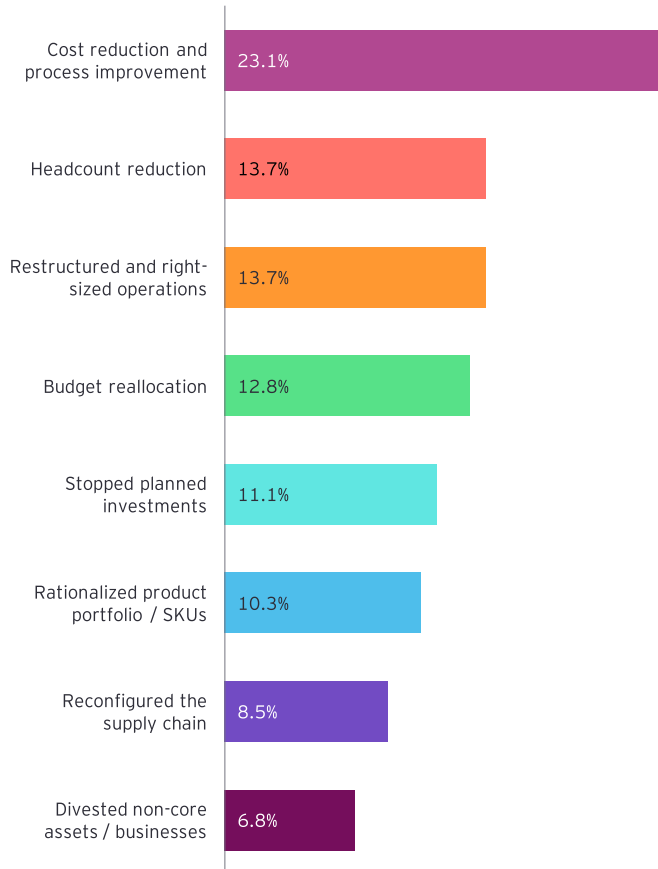


Q Which line items(s) in your company's balance sheet carried the highest level of financial risk in 2022?



- ▶ In 2022, cannabis companies faced a variety of external factors that had a negative impact on performance and profitability. The most cited ones included intense competition, price and margin pressures and complex regulations.
- ▶ Additionally, the industry faced significant challenges in attracting, recruiting and retaining talent due to the industry's unstable nature, history of serial headcount reduction and limited pool of suitable candidates with relevant experience and cannabis knowledge.
- ▶ On the financial side, cannabis companies faced high levels of risk related to cash, inventory, accounts receivable, goodwill impairment and write-downs. This was primarily driven by an oversupplied market, leading to excess inventory and past acquisitions that were overvalued and underperforming.

Q What key changes has your company made to its business model/strategic investment plans in 2022?



- ▶ The cannabis industry faced a number of difficulties in 2022, including over-supply, pricing pressure, competition from legal and illegal sources, supply chain disruptions, inflation, regulatory challenges and setbacks in the US. These factors had a negative impact on the industry's financial performance and resulted in some companies becoming insolvent / resorting to formal insolvency proceedings as well as informal workouts in Canada and the US.
- ▶ To address these challenges, executives implemented cost-cutting measures, reduced headcount, restructured and streamlined operations and reallocated their budgets.
- ▶ While these performance improvement efforts have not yet fully borne fruit in 2022, they are expected to yield positive results in 2023.

Looking back at 2022: Summary takeaways

- ▶ Cannabis companies faced significant, industry-specific challenges in 2022, in addition to inflationary pressures. "Survival" was the theme of the year for a majority of cannabis companies.
- ▶ Most cannabis CEOs acknowledged their companies' performance did not meet expectations from a bottom-line perspective.
- ▶ Intense competition, over-supply, pricing and margin pressure, tax and regulatory burdens, inventory write-downs, goodwill impairments, and legislative setbacks in the US negatively impacted the industry.
- ▶ To survive, many cannabis companies launched performance improvement and cost-reduction programs, reduced headcount, right-sized operations, reallocated budgets and stopped planned investments.
- ▶ Some companies became insolvent and resorted to formal insolvency proceedings / informal workouts in Canada and the US.

3

Survey Findings: 2023 forward-looking view



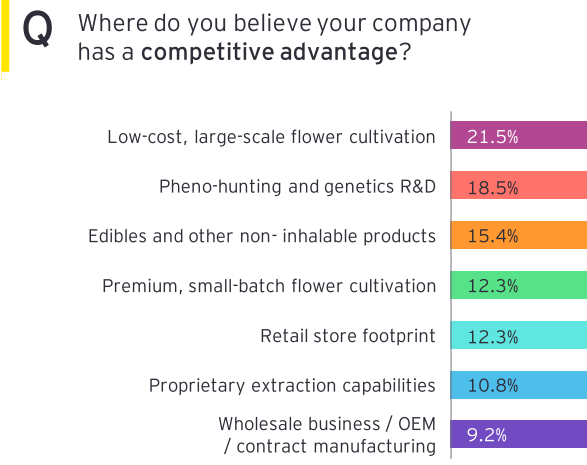
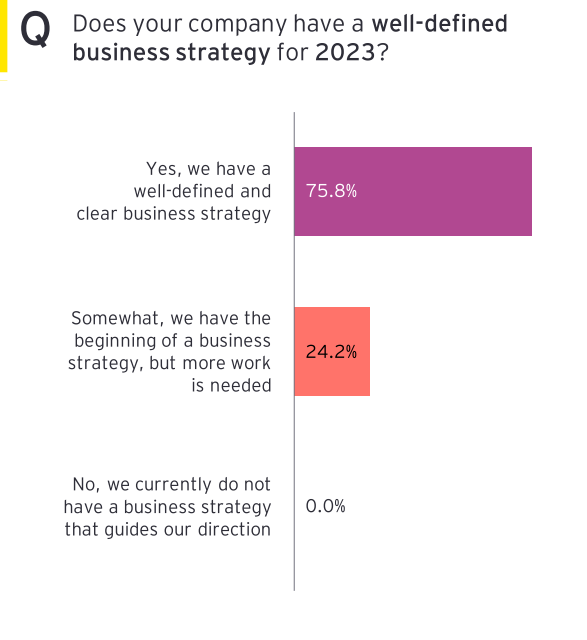
Looking Ahead to 2023

Looking forward to 2023 and beyond, we gathered insights from cannabis executives, capturing their thinking on business strategy, growth priorities, market drivers, barriers and trends, M&A, joint ventures and divestments, financing, and the outlook for future performance expectations.

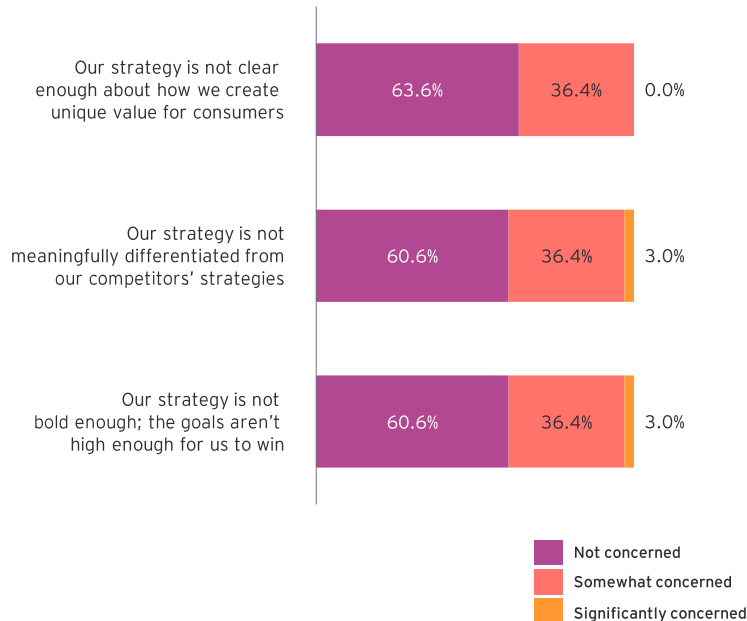
What did we hear?

Perspectives on business strategy

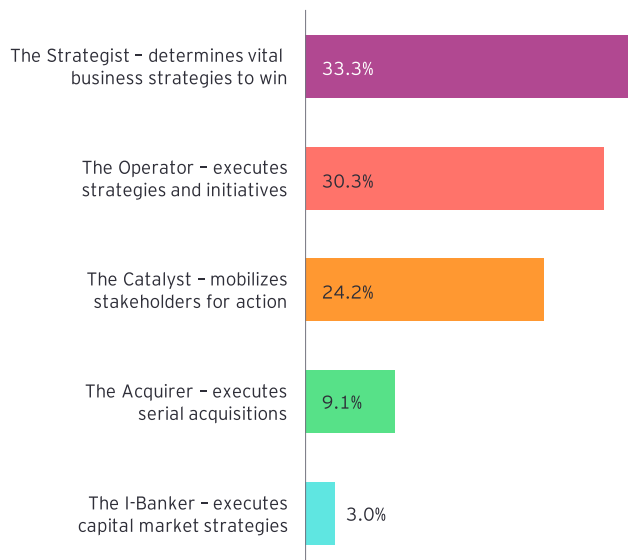
In this section of the survey, cannabis leaders were asked to share their thoughts on the business strategy of their company, including the level of clarity and their own confidence in it. Additionally, they were asked to identify the areas in which they feel their company holds a competitive edge.



Q Thinking about your company's strategy, how concerned are you about the following?



Q As a CEO, which role will you mostly play / emphasize in 2023 and beyond?

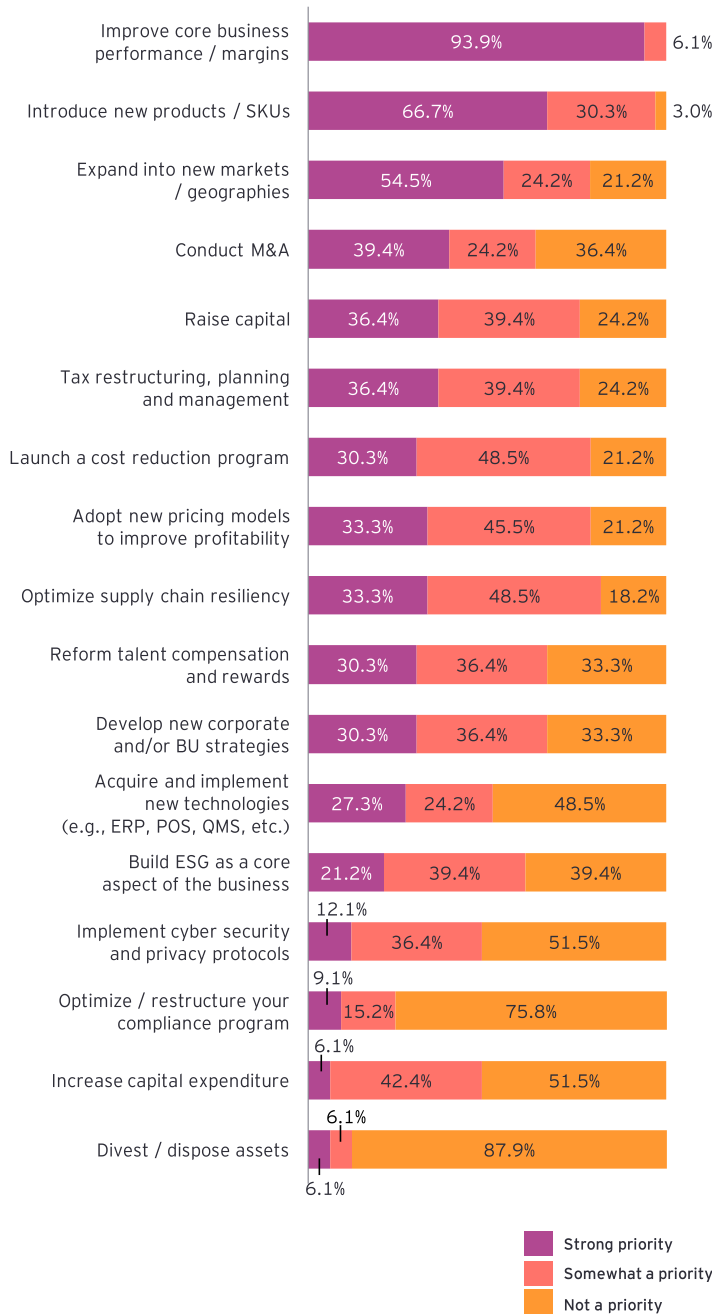


- ▶ Many cannabis industry leaders (75.8%) reported having a well-planned and clearly defined business strategy for their company in 2023, including delineated and prioritized fields of play and sources advantages.
- ▶ They also expressed a strong belief in the effectiveness of their strategy and its ability to drive success for their business.
- ▶ The top cited areas of competitive advantage executives are relying on include cost-efficient large-scale flower cultivation, pheno-hunting and genetics, R&D and edibles manufacturing.
- ▶ Over 60% of executives expressed confidence in their company's unique business strategy and its ability to stand out among competitors, creating value for consumers and fostering a strong brand loyalty.
- ▶ Only a limited number of executives were significantly concerned with the possibility of creating substantial differentiation in the cannabis sector.
- ▶ Cannabis executives often have various responsibilities, such as developing strategy, operating the business, and making acquisitions. In 2023, many of them will place a greater emphasis on being a "strategist" - determining vital business strategies to win.

Perspectives on strategic and growth priorities

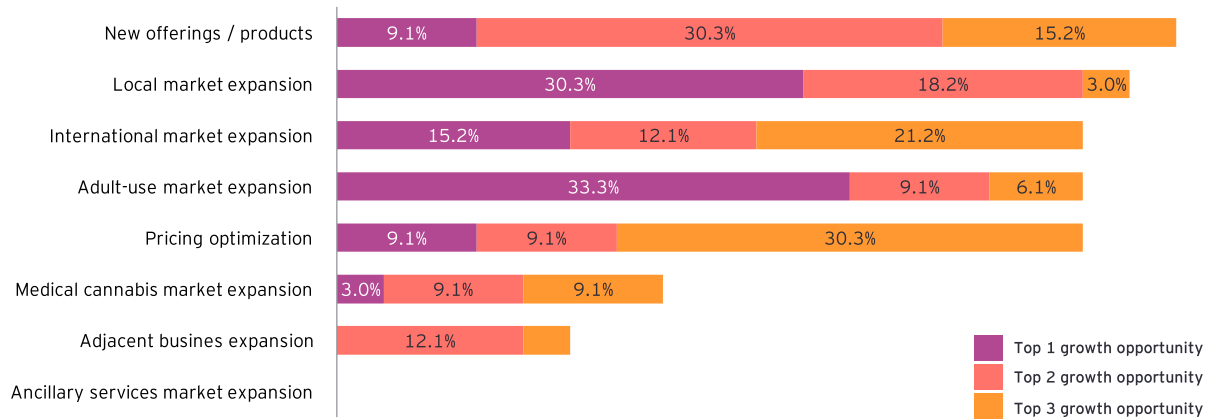
We asked cannabis industry leaders to share their perspectives on strategic priorities for 2023 and beyond. Additionally, we asked them to identify top growth opportunities they plan to pursue, including any international market expansion plans.

Q To what extent is each of the following strategic actions likely to be a **priority** for your company in 2023?

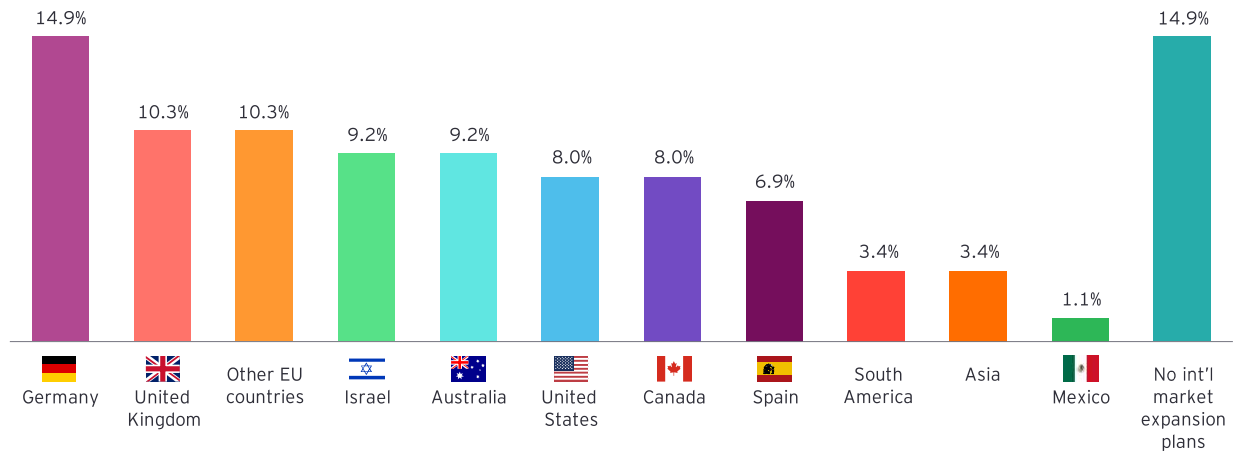


- ▶ Cannabis industry leaders identified three main areas as their top strategic priorities for 2023: 1) margin enhancement, which includes initiatives such as improving performance and reducing costs; 2) new product introductions; and 3) new market expansion.
- ▶ M&A and capital raising initiatives were cited as important, but not crucial for 2023.
- ▶ Generally, executives reported they generally do not plan to divest any assets or businesses in 2023, as they were active in this area in 2022.
- ▶ Additionally, executives will be limiting capital expenditure in 2023 either because their companies recently completed their capital expenditure cycles or because of the current challenges in financing.
- ▶ Many executives reported that building environmental, social and governance (ESG) practices into their business model is not a top priority in 2023, as they first need to focus on achieving profitability.

Q What are the top 3 growth priorities/opportunities for your company in 2023?



Q If your company has international expansion plans, indicate which markets you intend to enter/expand in 2023?

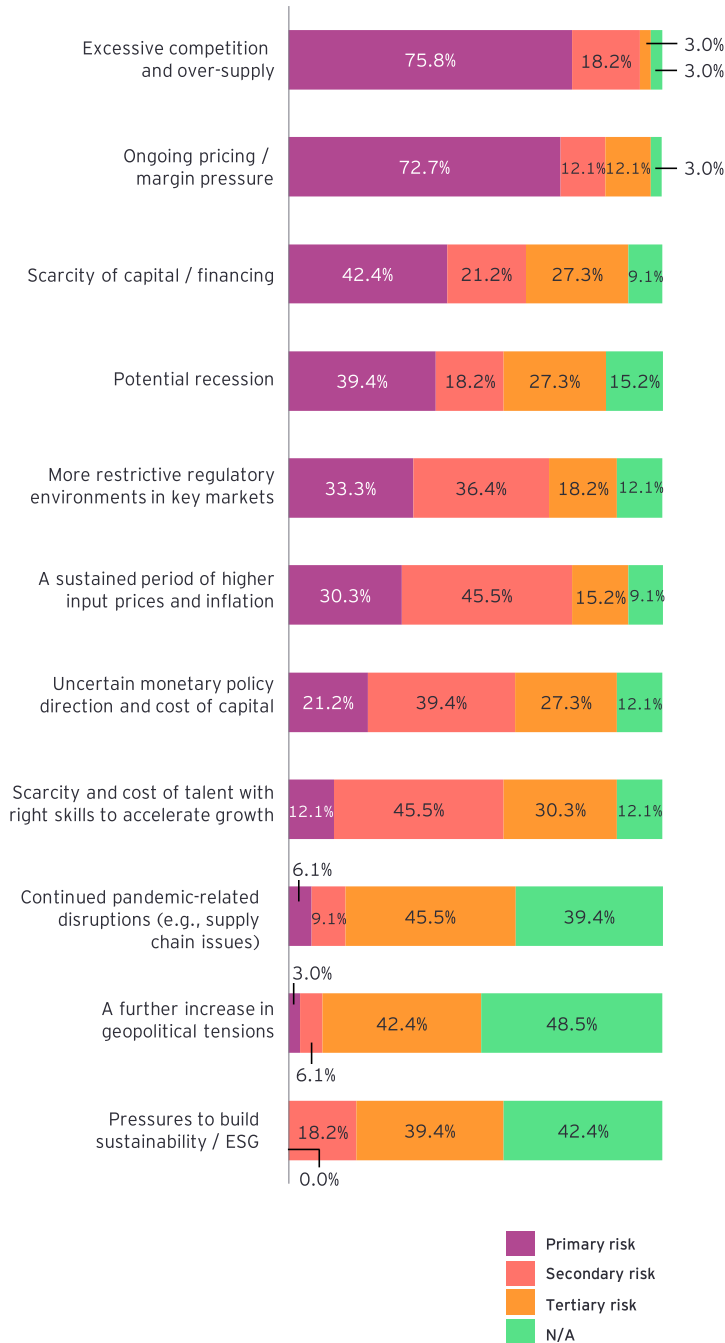


- ▶ Cannabis industry leaders identified adult-use market expansion, local market expansion and international market expansion as their top priorities. New product introduction was also among the most frequently cited top growth opportunities.
- ▶ Optimizing pricing was noted as a key focus area as the current pricing model is unsustainable in the long run. Cannabis companies cannot continue to sell products at a loss simply to undercut competitors, as financing is now more limited and expensive.
- ▶ Cannabis executives intend to expand their business operations into international markets with Germany, UK and other European countries cited as the most attractive jurisdictions. This is because cannabis legalization is expected to gain momentum in these regions despite the current uncertainty surrounding adult-use legalization in Germany.

Perspectives on growth drivers, barriers and trends

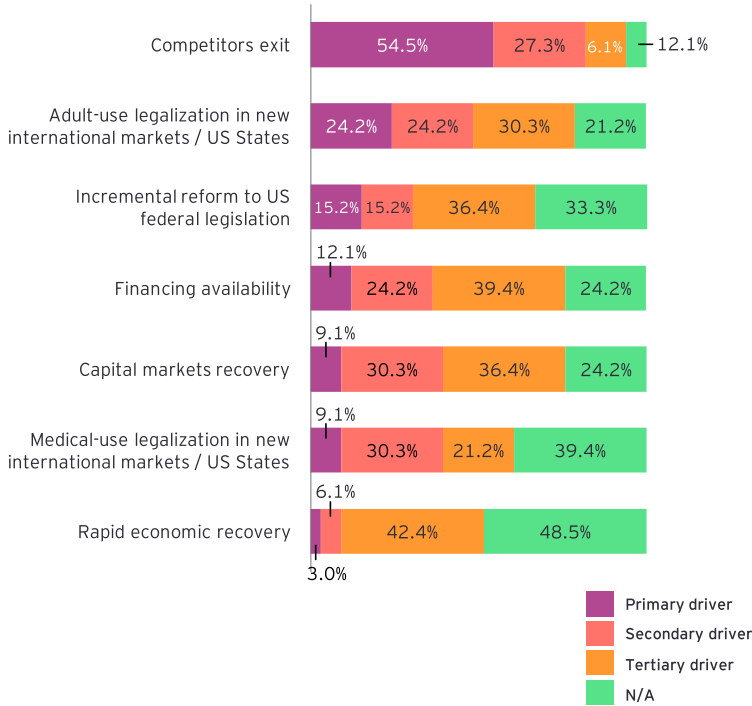
We asked cannabis leaders to share their perspectives on the potential opportunities and challenges anticipated in 2023. We invited them to discuss growth drivers and barriers including areas where the competitive landscape may shift and their perspective on the latest innovation trends.

Q Which of the following do you consider to be the **greatest risks to growth/headwinds** for your business in 2023?



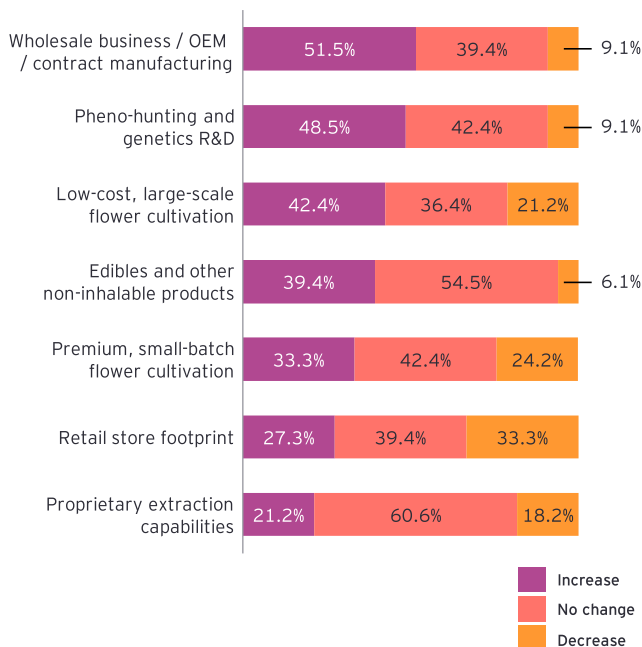
- ▶ When asked about the greatest risks to growth facing their business in 2023, most executives identified excessive competition, over-supply, ongoing pricing and margin pressure, and scarcity of capital as their primary concerns.
- ▶ The scarcity and cost of capital risks reflect the current capital market conditions and the investor fatigue that has taken hold in Canada and the US due to disappointing business results and limited positive regulatory developments.
- ▶ Executives are strongly feeling the impact of inflation on their product cost, margin and consumers, who are shifting their spending to lower-priced value products. Companies are unable to pass on these higher costs to consumers given the current competitive dynamics and ongoing pricing pressures in the cannabis industry.

Q Which of the following **tailwinds** are your **betting on** for your business in 2023?



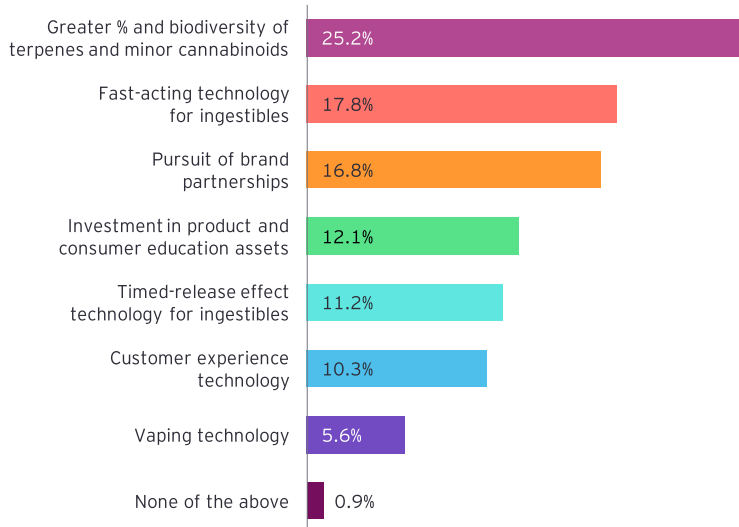
- ▶ On the up side, cannabis leaders are counting on several potential opportunities to drive growth, with the most cited being competitor exits, legalization of adult cannabis in new international markets and/or US states and incremental reform to US federal legislation.
- ▶ Cannabis executives appear to be less optimistic on the recovery of capital markets and availability of financing in 2023.

Q How do you expect **competition to change** in the following areas in 2023?



- ▶ Over 40% of cannabis executives anticipate competition will increase in the areas of contract manufacturing, pheno-hunting and genetics R&D, and low-cost, large-scale flower cultivation in 2023.
- ▶ The competitive dynamics in the area of proprietary extraction is expected to remain the same in 2023.
- ▶ Many executives believe the competitive intensity at the retail level will decrease in 2023 due to anticipated exits and consolidation.

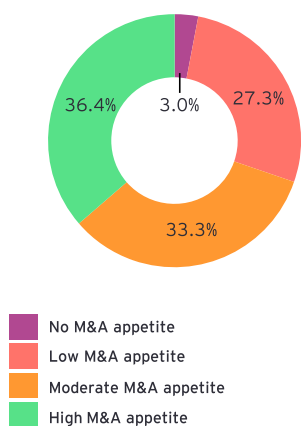
Q Which product innovation trends do you expect in 2023?



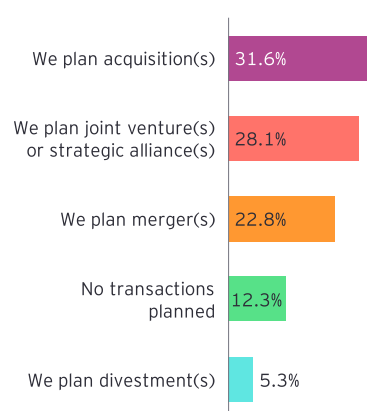
Perspectives on M&A, joint ventures and divestments

We asked cannabis leaders to share their thoughts on M&A, joint ventures, and divestments in 2023 and beyond. They described their interest in pursuing M&A and discussed the type of transactions they plan to undertake and the reasons behind their decisions.

Q What is your appetite for M&A in 2023?



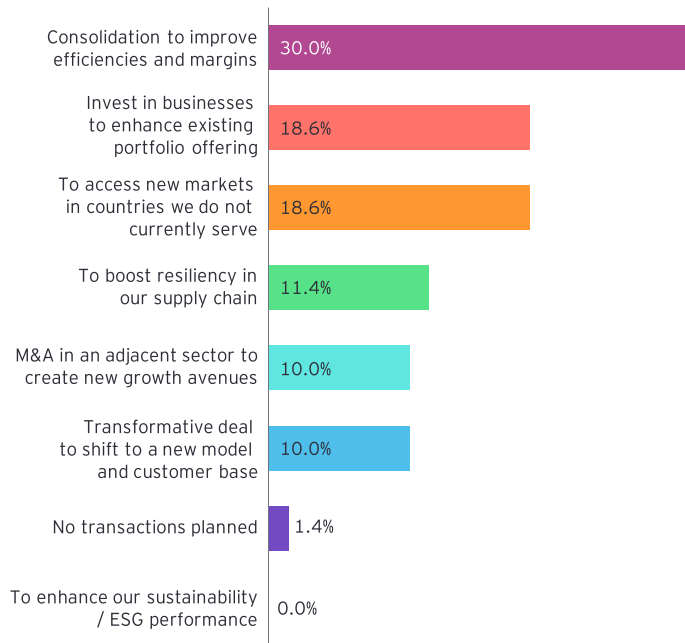
Q What transactions do you expect to execute in 2023?



- ▶ When it comes to product innovation trends, cannabis executives expect to see cannabis products with "greater percentage and biodiversity of terpenes and minor cannabinoids" in 2023.
- ▶ They anticipate increased popularity of fast-acting technology for ingestible products and more brand partnerships.
- ▶ Executives also expect continued investment in budtender education assets and customer experience technology.

- ▶ Executives operating larger, better-capitalized companies have a moderate to high interest in pursuing M&A in 2023 due to the availability of distressed businesses, assets, and brands at significantly lower valuations compared to 2021.
- ▶ These executives believe buying distressed companies will be a more cost-efficient method of expanding capacity or entering new markets than internal builds.
- ▶ Many executives plan to focus on conducting acquisitions in 2023 rather than other types of transactions.

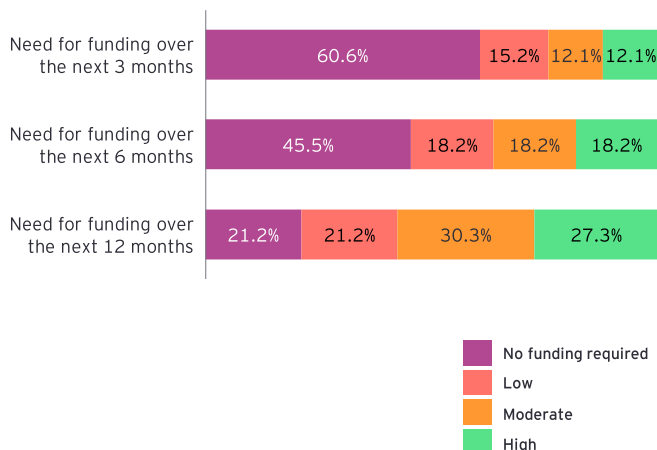
Q What would be the **primary drivers** for your next planned transactions?



Perspectives on financing and investments

We asked executives to share their thoughts on financing and investments for 2023 and beyond. They shared their companies' funding needs over the next 3, 6 and 12 months, and also discussed how they plan to use the proceeds.

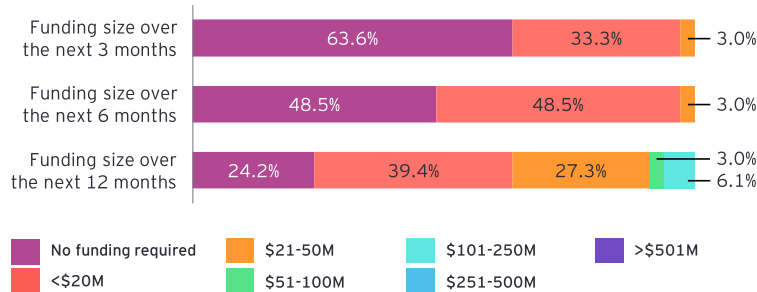
Q To what extent will your company need funding over the next 3, 6 and 12 months?



- ▶ The investment thesis of executives' M&A plans is primarily focused on consolidation to improve efficiencies, enhancement of existing portfolio offering, and access to new markets not currently served.
- ▶ Executives have emphasized the importance of being strategic and cautious when it comes to M&A, focusing on identifying opportunities for synergies and profitable market share gains.
- ▶ The approach to cannabis deal making is expected to be more cautious in 2023.

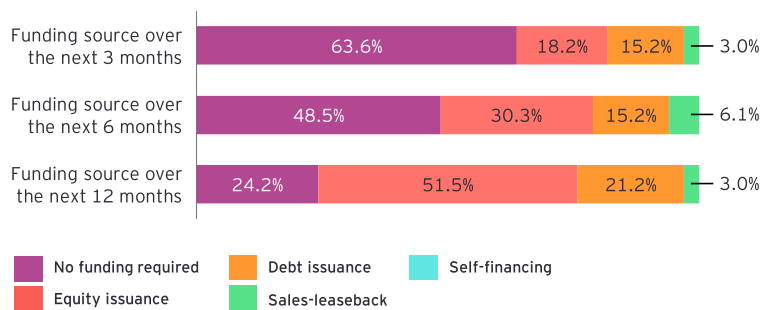
- ▶ Most cannabis executives surveyed don't see an urgent need for funding or financing in the next 3 to 6 months.
- ▶ However, beyond this time frame, the need for financing is expected to rise as cash reserves dwindle and debt becomes payable in 2023 - 2024.
- ▶ Several executives of publicly-listed cannabis companies acknowledged their companies' cash flow from operations may not be enough to keep them afloat and able to repay debt due in 2023.

Q What size of funding/financing will your company be looking for over the next 3, 6 and 12 months?

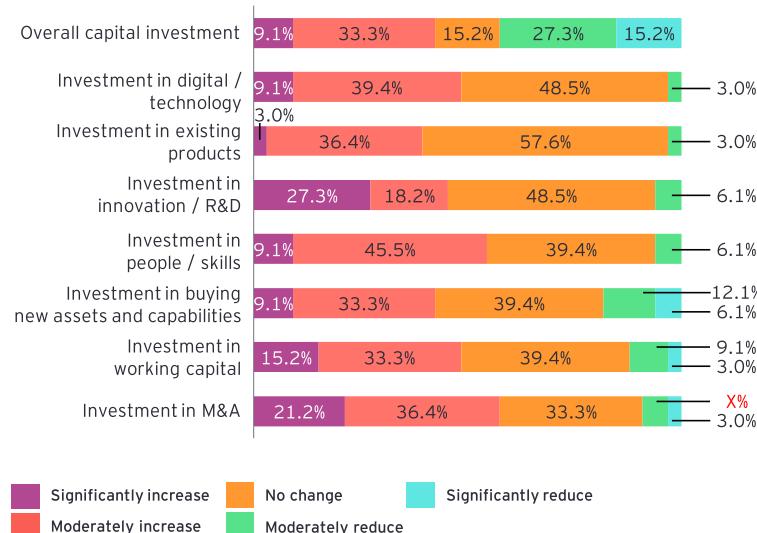


- ▶ Over the next 6 months, more than 50% of cannabis companies anticipate a need for funding of up to \$50m.
- ▶ During the next 12 months, nearly 35% of companies predict the requirement for financing between \$21m and \$250m.
- ▶ This funding is anticipated to come from issuing equity and to a lesser extent, debt.

Q What sources of funding/financing will your company likely focus on over the next 3, 6 and 12 months?



Q How will your company's capital investments change in the following areas in 2023?

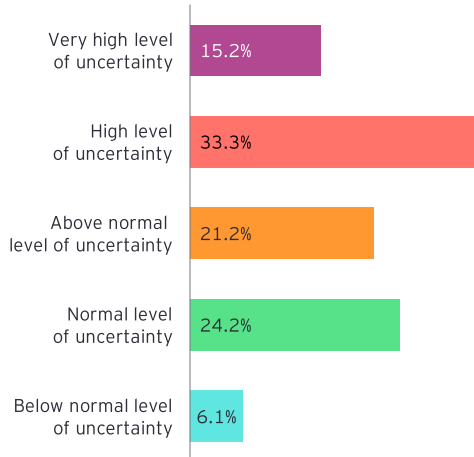


- ▶ Over 50% of executives plan to either maintain or reduce overall capital investment in 2023.
- ▶ They plan to primarily use financing to invest in working capital, innovation and R&D, and to pursue M&A.
- ▶ They also anticipate moderately increasing their investment in people and skills, digital/technology, and existing products.
- ▶ For many companies, the one area where investment is unlikely to change from 2022 levels is in existing products.

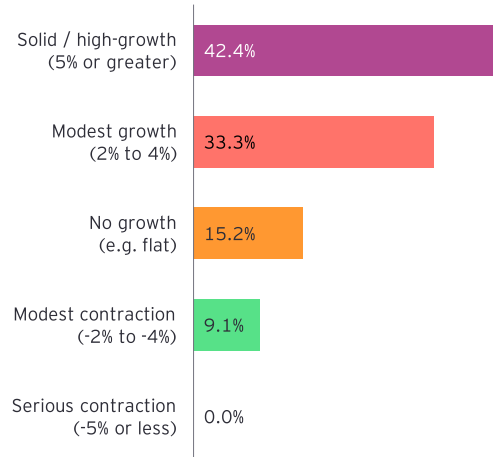
Perspectives on outlook and future performance expectations

In the final portion of the survey, we asked cannabis executives to share their perspectives on the industry's future and to provide their expectations for their companies' performance. This included a focus on specific key performance indicators and a timeline for either achieving profitability or breaking even.

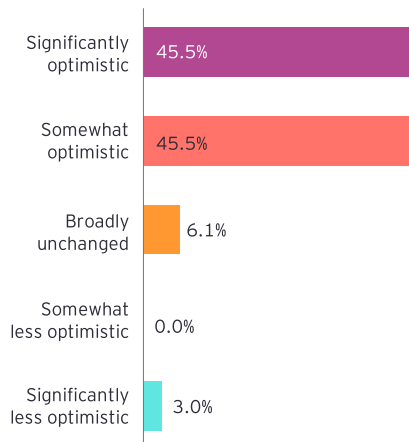
Q How would you rate the **level of external financial and economic uncertainty** facing your company in 2023?



Q What **economic scenario** are you predicting/planning for the cannabis industry in 2023?

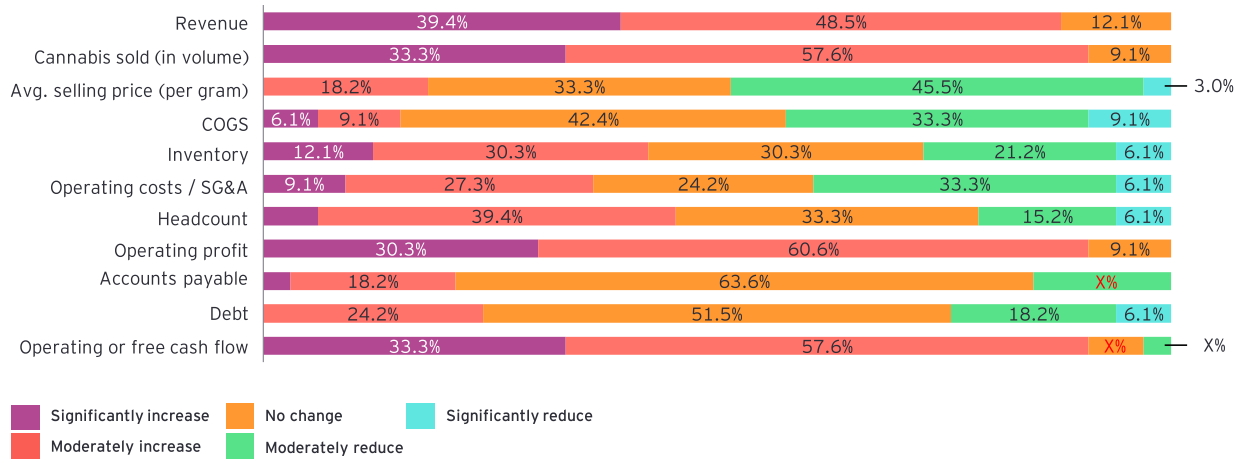


Q How do you feel about the **financial prospects** of your company in 2023?

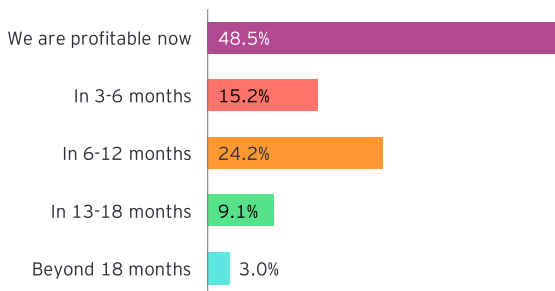


- ▶ Despite the high level of external financial and economic uncertainty in 2023, most executives are still predicting a high-growth economic scenario for the industry, with growth projections exceeding 5% over 2022.
- ▶ The growth of the cannabis market will be primarily fueled by a rising volume of product sales rather than price hikes.
- ▶ Despite the uncertainty, executives are feeling optimistic about their companies' financial prospects in 2023, with more than 90% of them feeling "optimistic" and well-prepared to face the challenges ahead.

Q How do you expect your company's KPIs (below) to change in 2023?



Q How do you expect your company's KPIs (below) to change in 2023?



- ▶ Executives are optimistic about their companies' financial prospects in 2023. They anticipate an increase in cannabis volume sold, even though the average selling price may be lower.
- ▶ They also plan to focus on streamlining operations, reducing expenses and controlling costs. Over 90% of executives expect their company's operating profit and cash flow to improve in 2023, either significantly or moderately.
- ▶ The majority of cannabis executives are optimistic about achieving profitability or breaking even in the next 6 to 12 months.

2023 forward-looking view: summary takeaways

- ▶ Despite anticipating significant challenges in 2023, leaders expressed optimism and confidence in their companies' business strategy and their ability to weather the storm.
- ▶ Their top strategic priorities are centered around margin enhancement and revenue growth, including initiatives such as core business improvement, new product introduction and local or new market expansion. The most cited international markets for expansion are Germany, UK, other European countries, and Israel.
- ▶ The primary risks facing their business in 2023 include excessive competition, over-supply, ongoing pricing and margin pressure, and scarcity of capital. However, many cannabis executives are counting on potential tailwinds such as competitor exits and legalization in new markets.
- ▶ Most cannabis companies will require financing over the next 6 to 12 months to sustain their operations and fund innovation and opportunistic M&A initiatives.

4

Conclusion and Final Thoughts



Final Thoughts

While the cannabis market is expected to sustain its growth (albeit at a decelerating rate), the consensus outlook for the industry in 2023 is bleak.

The major themes experienced in 2022 will continue and intensify in 2023, with persistent inflation, limited and expensive cost of capital, ongoing competition, pricing compression and margin pressure. The cannabis industry is poised to experience its version of the dot-com bubble burst of 2000. After years of fast growth, the industry is expected to face a reset.

This tough environment will force many companies to either become insolvent and exit the industry or become exceptional operators, executing efficiently with resolve, grit and a value-oriented mindset. In this new normal, flawless operational execution and financial management should be top priorities. With that in mind, M&A should be on the table – but only in select cases where cannabis companies are confident about realizing rapid cost savings and revenue synergies.

What’s the good news? The industry will survive and start to normalize. The march towards legalization is relentless. Every mainstream reference and recognition is chipping away at the opposition to US federal legalization. Also, the conversion of New York, New Jersey and Connecticut to adult-use markets was an inflection point; there is no denying the sheer size and density of these markets.

Many survey participants along with EY team’s long-term outlook for the industry is positive. With the current valuation environment, we see great value for new entrants today, albeit in a tight and defined investable pool. Financial and strategic investors will need to sharpen their market entry analysis and strategy.

How EY teams can help

Our global Cannabis professionals can support you with your most complex business challenges. See our select list of service offerings relevant for cannabis companies in this challenging and uncertain environment:

Strategy and Transactions Services

- ▶ Growth and Market Entry Strategy
- ▶ Integration and Value Creation
- ▶ Financial and Operational restructuring
- ▶ Complex Valuation

Consulting services

- ▶ Supply Chain Optimization
- ▶ Technology Strategy and Transformation
- ▶ HR Transformation
- ▶ Risk Management

Tax services

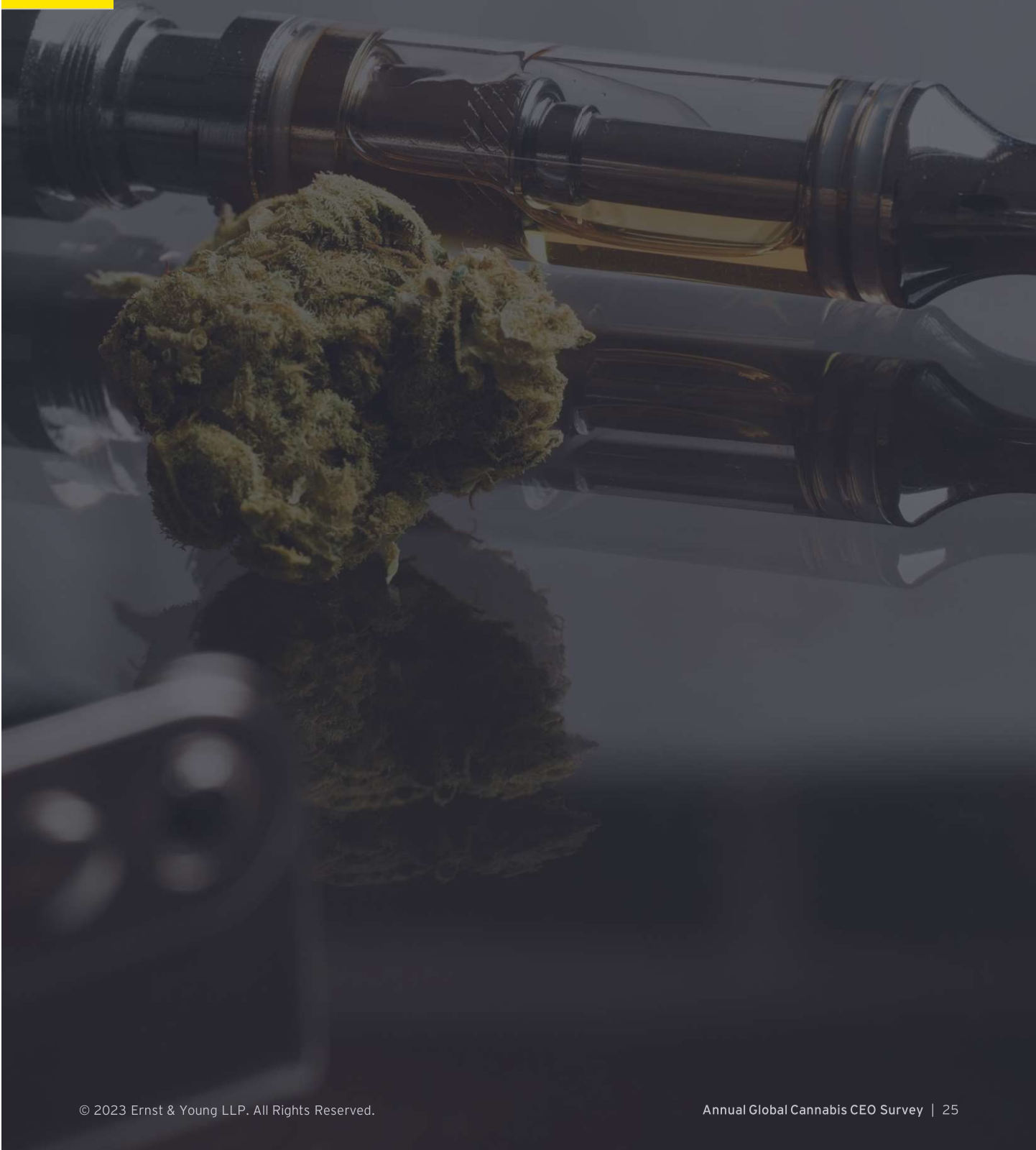
- ▶ M&A Tax Structuring and Corporate Reorganizations
- ▶ Direct Tax/Indirect Tax/Excise Duty Advisory
- ▶ Tax Compliance
- ▶ Tax-effective Supply Chain Planning

Assurance services

- ▶ IPO Readiness & Support
- ▶ US GAP/IFRS Conversion
- ▶ Financial Reporting Assistance
- ▶ External Audit Preparation Assistance

5

Appendix



Contacts

Let's explore how we can help you achieve your goals in the evolving cannabis industry. Contact a member of our team today.

Cannabis Centre of Excellence



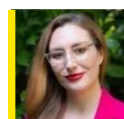
RAMI EL-CHEIKH

Partner, Partner, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence Leader
rami.el-cheikh@parthenon.ey.com
+1 (647) 669-4555



PRANAV SOOD

Director, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence
pranav.sood@parthenon.ey.com
+1 (416) 932-4094



SARAH DALTON

Senior Director, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence
sarah.dalton@parthenon.ey.com
+1 (503) 414-7994



MARIO VIOLA

Senior Consultant, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence
mario.viola@parthenon.ey.com
+1 (437) 288-7219



GENNARO SANTORO

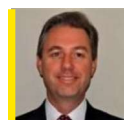
Senior Director, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence
gennaro.santoro@parthenon.ey.com
+1 (289) 208-3731



SAMUEL PRIMUCCI

Consultant, Ernst & Young LLP,
EY Americas Cannabis Centre of Excellence
samuel.primucci@parthenon.ey.com
+1 (416) 294-7944

Cannabis Consulting, Strategy and Transactions



JOEL ALDEN

Partner, Ernst & Young L.P.*
Value Creation
joel.alden@parthenon.ey.com
+1 (416) 275-8396



MONICA CHADHA

Partner, Ernst & Young L.P.
Risk Management
monica.chadha@ca.ey.com
+1 (289) 208-3731



DOUG JENKINSON

Partner, Ernst & Young LLP
M&A Due Diligence
doug.jenkinson@ca.ey.com
+1 (647) 328-4069



NIMA PARSI

Partner, Ernst & Young L.P.
Technology Transformation
nima.parsi@ca.ey.com
+1 (416) 560-4043



ALEX MORRISON

Partner, Ernst & Young LLP*
Turnaround & Restructuring
alex.f.morrison@parthenon.ey.com
+1 (647) 284-2725



PAUL VAIL

Partner, Ernst & Young L.P.*
Supply Chain
paul.vail@ca.ey.com
+1 (416) 943-3400



KAREN FUNG

Partner, Ernst & Young LLP
Turnaround & Restructuring
Karen.k.fung@parthenon.ey.com
+1 (416) 943-2501



HOLLY PALMER

Partner, Ernst & Young LLP
Turnaround & Restructuring
holly.palmer@parthenon.ey.com
+1 (604) 899-3583



ZACH PENDLEY

Partner, Ernst & Young L.P.
Turnaround & Restructuring
zach.pendley@ca.ey.com
+1 (416) 943-5465

Contacts

Let's explore how we can help you achieve your goals in the evolving cannabis industry.
Contact a member of our team today.

Cannabis Tax and Assurance



DARRELL BONTES
Partner, Ernst & Young LLP*
Tax
darrell.bontes@ca.ey.com
+1 (613) 598-4864



KWAN SONG
Partner, Ernst & Young LLP
Assurance
kwan.h.song@ca.ey.com
+1 (416) 819-2390



MARK KAPLAN
Partner, Ernst & Young LLP*
Tax Structuring
mark.kaplan@ca.ey.com
+1 (416) 271-6039



CARLA MADRA
Partner, Ernst & Young LLP*
Financial Accounting Advisory
carla.madra@ca.ey.com
+1 (780) 993-4230



TARA DI ROSA
Partner, Ernst & Young L.P.
Transfer Pricing
tara.dirosa@ca.ey.com
+1 (416) 200-6356



RYAN MACDONALD
Partner, Ernst & Young LLP*
Assurance
ryan.p.macdonald@ca.ey.com
+1 (403) 585-8215

* Ernst & Young LLP indicates a incorporated partner of Ernst & Young LLP

* Ernst & Young L.P. indicates a limited partner of Ernst & Young L.P. which provides services to Ernst & Young LLP

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About EY Americas Cannabis Centre of Excellence

The Americas Cannabis Centre of Excellence's ("CoE") objective is to advise operators in the global cannabis sector and create value for our clients.

Our aspiration

- ▶ The EY Americas Cannabis Centre of Excellence is an innovation hub, creating value for cannabis companies through thought leadership and impactful advice on critical business challenges.
- ▶ Our goal is to help propel the cannabis industry forward. We are committed to delivering the highest standards of service to further professionalize the industry and develop best practices.

Who we are



A **value creation Center of Excellence** that clients trust with their greatest business challenges

50+
years of collective industry experience

150+
engagements

Clients served



Markets served

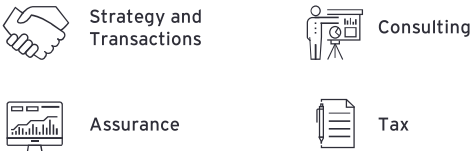


*At this time, we are not able to serve US plant-touching companies.

Segments served



Our offerings



Our expertise



Cannabis CoE Services








The CoE has developed a set of solution offerings adapted for the cannabis industry and its evolving nature. For a full list of service offerings, please visit the [EY COE](#) website.

Business and Commercial Strategy Advisory	Operational Excellence Advisory	People and Workforce Advisory	Technology Advisory
Risk Management Advisory	Transactions and Financial Advisory	Tax Advisory	Financial Accounting and Reporting Advisory

Cannabis CoE Ecosystem

The CoE offers the transformational power of an industry ecosystem. By orchestrating the right resources, data, capabilities and relationships, we assist in unlocking new sources of value, create new forms of competitive advantage and drive agility, efficiency and resilience across your organization.

Visit [EY Americas Cannabis Centre of Excellence](#)

 <p>Industry Associations Network of cannabis associations keeping a pulse on sector issues.</p>	 <p>Investment Banks Network of i-banks with cannabis expertise and connections.</p>	 <p>Law Firms Network of law firms with deep cannabis expertise.</p>	 <p>CoE Ecosystem and Network</p>
 <p>Adjacent Industries Network of adjacent operators entering the cannabis sector.</p>	 <p>Specialized Consulting Boutiques Network of contractors who specialize in niche areas.</p>	 <p>Cannabis Data Providers Network of unique cannabis data and insights providers.</p>	

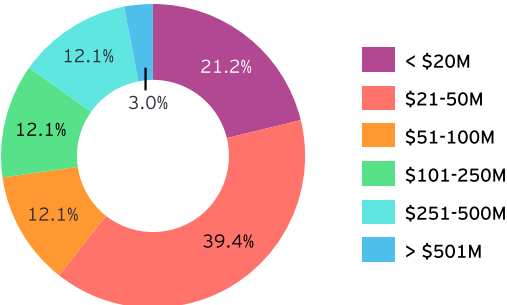
Survey Respondent Profile

EY Americas Cannabis Centre of Excellence conducted a global survey across the cannabis industry during the December 2022 - January 2023 period.

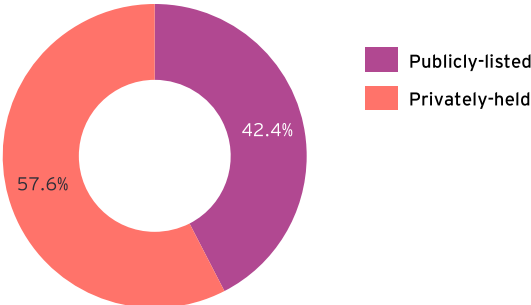
Almost 50 private and public cannabis company CEOs and C-suite executives were interviewed across multiple sectors (THC, CBD, retail and ancillary services providers).

The charts included below offer a detailed breakdown of the survey demographics.

Company Size (Annual Revenue)



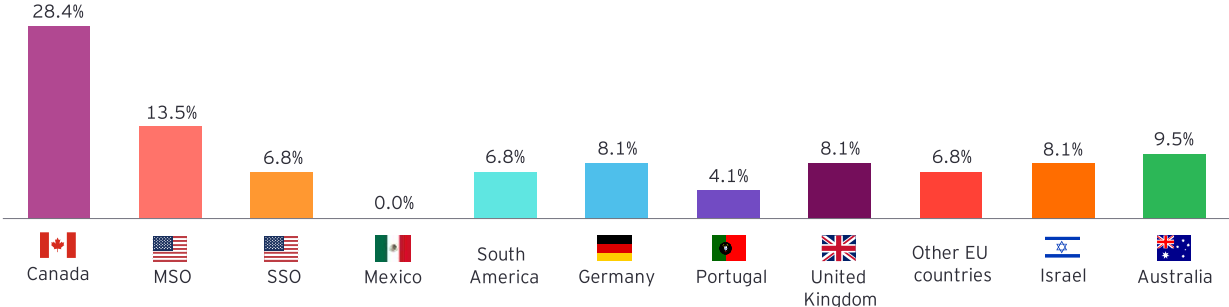
Company Ownership Structure



Company Description



Company Geographic Scope



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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ey.com/ca



THIS IS **EXHIBIT "4"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Michael W. Selnes
Barrister & Solicitor



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2958981
Estate No. 25-2958981

In the Matter of the Notice of Intention to make a proposal of:

OGEN Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 26, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 26, 2023, 13:47

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

FORM 33

Notice of Intention to Make a Proposal
[Subsection 50.4(1)]

IN THE MATTER OF THE PROPOSAL OF
OGEN LTD.

TAKE NOTICE THAT:

1. OGEN Ltd., an insolvent company, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, intends to make a proposal to its creditors.
2. KSV Restructuring Inc. of 220 Bay Street, Suite 1300, PO Box 20, Toronto, Ontario, M5J 2W4, a licensed insolvency trustee, has consented to act as trustee under the proposal and a copy of the consent is attached hereto.
3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.
4. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against OGEN Ltd. are stayed as of the date of filing this notice with the Official Receiver in its locality.

DATED at Calgary, Alberta this 23rd day of June, 2023.

OGEN Ltd.

Per: 

Name: Darren Brisebois

Title: President

OGEN LTD.

Preliminary list of creditors as at June 23, 2023
as submitted by OGEN Ltd.
(Unaudited)

Creditor	Address	Amount due (CDN\$)*
<u>Secured</u>		
connectFirst Credit Union	2850 Sunridge Blvd NE #200, Calgary AB T1Y 6G2	704,122.30
Total Secured Creditors		704,122.30
<u>Unsecured</u>		
310-Dump	11403 199 St NW, Edmonton AB T5S 2C6	5,990.32
420 Premium Markets Ltd.	201-255 17th Avenue SW, Calgary AB T2S 2T8	2,310.00
About Staffing Ltd - Office	200 - 709 11 Avenue SW, Calgary AB T2R 1G2	1,237.81
AIR LIQUIDE CANADA INC	#101 3750-46 AVENUE SE, Calgary AB T2B 0L1	179.34
Alberta Elevating Devices	104-8616 51 Ave, Edmonton AB T6E 6E6	328.65
BC Liquor Distribution Branch	3383 Gilmore Way, Burnaby BC V5G 4S1	2,260.95
Best Shredding Ltd.	101-85 Schooner St, Coquitlam BC V3K 7A8	258.72
BGE Indoor Air Quality Solutions	5711 - 103A Street, Edmonton AB T6H 2J6	5,248.15
Bio-Chem Consulting Services (1980)	#118 - 339 50th Avenue SE, Calgary AB T1Y 1M1	2,727.40
BioFloral Inc	675 Montee St-Francois, Laval QC H7C 2S8	213.20
Black Diamond Limited Partnership	Suite 1000, 440 2nd Ave SW, Calgary AB T2P 5E9	1,923.60
Bradbosh Landscaping & Snow removal	2807 58th Ave SE, Calgary AB T2C 0B4	2,551.50
Calyx Containers	500 Lincoln St Floor 2, Allston MA 02134	18,633.69
Canada Revenue Agency (GST)	220 4 Ave SE, Calgary AB T2G 0L1	209,993.28
Canada Revenue Agency (Excise Tax)	220 4 Ave SE, Calgary AB T2G 0L1	4,749,165.18
Canadian Bank Note Company Ltd.	975 Gladstone Ave, Ottawa ON K1Y 4W5	4,678.61
Canadian Water Technologies Ltd.	4357 54 Ave SE, Calgary AB T2C 2A2	7,811.21
Cannabis Council of Canada	111 Albert Street, PO BOX 81071, Ottawa ON K1P 1B1	2,625.00
Cannabis Xpress	Unit#354 - 3 Everson Drive, Toronto ON M2N 7C2	23.85
Cannabolic Marketing Corp	210 Shields Court, Markham ON L3R 8V2	13,560.00
Cannaco - The Cannabis Company	28 Main St S, Georgetown ON L7G 3G6	5,640.00
CCR Cleanroom Products	20 Cope Drive, Kanata ON K2M 2V8	1,976.46
City of Calgary	P.O. Box 2100, Stn. M, Calgary AB T2P 2M5	1.00
Coffee Connection	Unit 3, 401 - 33 Street NE, Calgary AB T2A 1X5	649.40
Convergint Technologies LTD	PO Box 15720, Station A, Toronto ON M5W 1C1	17,584.67
Craft Depot	618 Yates St, Victoria BC V8W 1K9	15,950.23
Daikin Applied Canada Inc.	3061, Rue Joseph A Bombardier, Laval QC H7P 6C5	1,820.22
dBm Telecom Solutions Inc	191 Edwards Way SW, Airdrie AB T4B 3E2	165.38
DCM (Data Communications Management)	9195 Torbram Rd, Brampton ON L6S 6H2	12,432.69
Direct Energy	P.O. Box 1515, Calgary AB T2P 4K2	1,571.59
Dupre Solutions	108 S. Main St, Waterbury VT 05676	4,163.60
Ecolab	5664 69 Ave SE, Calgary AB T2C 5B1	521.65
Employees (Various)	5430 30 Stree SE, Calgary AB T2C 1G2	84,802.71
Endless Heights Culture Shop	1747 University Ave, Windsor ON N9B 1C3	200.00
Enmax	141 50 Avenue S.E., Calgary AB T2G 4S7	5,714.35

Enviro Print	15050 82 Avenue, Surrey BC V3S 7V6	1,050.00
Environmental Diagnostics Inc.	140-5050 106th Ave SE, Calgary AB T2C 5E9	3,995.25
Fabco Plastics	24790 - 117 Ave, Acheson AB T7X 6C2	628.11
GF Inc - A Buzl Company	2270 Portland Street SE, Calgary AB T2G 4M6	1,610.84
Gateworks Inc	Box 12, Site 8, RR2, Okotoks AB T1S 1A2	267.75
Grodan	8024 Esquesing Line, Milton ON L9T 6W3	19,906.63
Health Canada	161 Goldenrod Drwy, Ottawa ON K1A 0K9	493,610.67
Hifyre Inc.	301 - 12 James St. N, Hamilton ON L8R 2J9	40,803.50
High North Laboratories, Inc.	241 Hanlan Rd, Unit 7, Vaughan ON L4L 3R7	610.20
In Front Marketing Inc	255 17 Ave AW - Suite 401, Calgary AB T2S 2T8	2,047.50
Johnson Controls	431 Manitou Rd SE, Calgary AB T2G 4C2	2,355.93
Konica Minolta Business Solutions	PO Box 4563 Stn A, Toronto ON M5W 0H1	1,841.54
Labs-Mart Inc.	1938 94 Street NW, Edmonton AB T6N 1J3	12,718.56
Lucid Cannabis SK Inc.	304-10240 124 Street NW, Edmonton AB T5N 3W6	1,954.54
Mountain View Printing	3656-60th Avenue SE, Calgary AB T2C 2C7	46,765.70
NexTec Consulting Canada Inc.	PO Box 49314, Suite 2600, Vancouver BC V7X 1L3	1,617.00
Orbis Express Ltd.	200-6791 Elmbridge Way, Richmond BC V7C 4N1	19,155.06
Pathogenia Inc.	5055 Rue Fisher, St. Laurent QC H4T 1J8	18,054.75
Plantlife Cannabis	1112 95 St. SW, Edmonton AB T6X 0A7	14,364.00
Polar Promotions & Sportswear	9990 River Way, Delta BC V4G 1M9	19,135.40
Purolator Inc.	PO Box 4800 Stn Main, Concord ON L4K 0K1	16,062.43
Quality Analytical Services	A43-64089 393 AVE E, Okotoks AB T1S 0L1	659.40
RSM Alberta LLP	112-4th Ave SW-Floor 22, Calgary AB T2P 0H3	2,122.31
Reding Instruments	1-3600 21st Street NE, Calgary AB T2E 6V6	3,346.88
Ryan ULC	102-6775 Financial Drive, Mississauga ON L5N 0A4	33,775.44
Select Delivery Systems Inc.	PO Box 697, Stn T, Calgary AB T2H 2H2	804.38
Sterigenics Radiation Technologies	1425 Kebet Way, Port Coquitlam BC V3C 6L3	12,777.83
Stratus Electrical Instrumentation	4720 76 Ave SE, Calgary AB T2W 2W9	413.94
Sunbelt Rentals Inc.	PO Box 99257, Stn Terminal, Vancouver BC V6B 0N5	385.16
Tango Cannabis	199B Principale St, La Broquerie MB R0A0W0	443.04
TerraLink Horticulture Inc.	464 Riverside Road, Abbotsford BC V2S 7M1	7,939.30
The Bureau	10970 SW 69th Ave, Miami FL 33156	7,400.00
ThyssenKrupp Elevator (Canada) Ltd.	C/O T10451C/U, PO Pox 4687, Stn A, Toronto ON M5W 6	1,578.50
Trane Services	Bay 157, 10905 48 St. SE, Calgary AB T2C 1G8	2,910.60
Transalta	1100 1 St SE, Calgary AB T2G 1B1	171,574.15
ULine	3333 James Snow Parkway North, Milton ON L9T 8L1	14,317.26
UniFirst Canada Ltd.	5728 35 ST SE, Calgary AB T2C 2G3	13,905.70
We Share Supply Inc.	425 Herbert St, Gananoque ON K7G 1R2	11,227.95
Workers' Compensation Board (Alberta)	4311 12 St NE #150, Calgary AB T2E 4P9	1.00
Total Unsecured creditors		6,189,052.61

6,893,174.91



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-2958977
Estate No. 25-2958977

In the Matter of the Notice of Intention to make a proposal of:

OGEN Holdings Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 26, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 26, 2023, 13:43

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

FORM 33

Notice of Intention to Make a Proposal
[Subsection 50.4(1)]

**IN THE MATTER OF THE PROPOSAL OF
OGEN HOLDINGS LTD.**

TAKE NOTICE THAT:

1. OGEN Holdings Ltd., an insolvent company, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, intends to make a proposal to its creditors.
2. KSV Restructuring Inc. of 220 Bay Street, Suite 1300, PO Box 20, Toronto, Ontario, M5J 2W4, a licensed insolvency trustee, has consented to act as trustee under the proposal and a copy of the consent is attached hereto.
3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.
4. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against OGEN Holdings Ltd. are stayed as of the date of filing this notice with the Official Receiver in its locality.

DATED at Calgary, Alberta this 23rd day of June, 2023.

OGEN Holdings Ltd.

Per: 

Name: Darren Brisebois

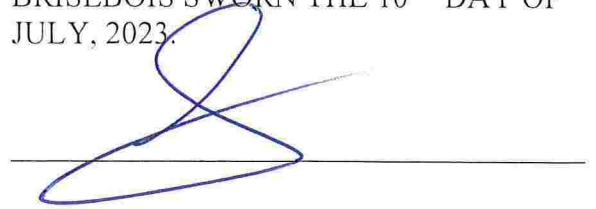
Title: Officer

OGEN HOLDINGS LTD.

Preliminary list of creditors as at June 23, 2023
as submitted by OGEN Holdings Ltd.
(Unaudited)

Creditor	Address	Amount due (CDN\$)*
<u>Secured</u>		
connectFirst Credit Union	2850 Sunridge Blvd NE #200, Calgary AB T1Y 6G2	21,411,379.95
Total Secured Creditors		21,411,379.95
<u>Unsecured</u>		
Carscallen LLP	900-332 6 Ave SW, Calgary AB T2P 0B2	3,877.97
Global Industrial Canada	C/O TH1216 PO Box 4290 Stn A, Toronto ON M5W 0E1	3,159.63
MBM Intellectual Property Law LLP	275 Slater Street, 14th Floor, Ottawa ON K1P 5H9	3,643.64
Modern Metal Products Ltd.	3300 114th Avenue SE, Calgary AB T2Z 3V6	17,510.85
Modern Niagara Building Services	3652 - 44th Ave SE, Calgary AB T2B 3J9	4,499.25
RSM Alberta LLP	112-4th Ave SW-Floor 22, Calgary AB T2P 0H3	13,147.31
Stratus Electrical	4720 76 Ave SE, Calgary AB T2W 2W9	3,398.42
Total Unsecured creditors		49,237.07
Total Secured and Unsecured creditors		21,460,617.02

THIS IS **EXHIBIT "5"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be the name 'Michael W. Selnes'.

Michael W. Selnes
Barrister & Solicitor

OGEN Ltd. and OGEN Holdings Ltd.
Cash Flow Forecast
June 26, 2023 to September 24, 2023

For the week ending, In CAD	Notes	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
		02-Jul-23	09-Jul-23	16-Jul-23	23-Jul-23	30-Jul-23	06-Aug-23	13-Aug-23	20-Aug-23	27-Aug-23	03-Sep-23	10-Sep-23	17-Sep-23	24-Sep-23	
Opening cash (operating line) balance	1	(690,403)	(621,239)	(576,361)	(623,000)	(625,301)	(724,239)	(511,978)	(590,425)	(410,210)	(550,768)	(719,965)	(707,465)	(629,965)	(690,403)
Cash Receipts															
Collection of outstanding receivables	2	268,398	222,619	260,861	109,199	65,507	337,697	4,053	187,715	16,942	-	-	-	-	1,472,992
Collection of new revenue	2	-	-	-	50,000	100,000	70,000	220,000	95,000	245,000	195,000	245,000	195,000	245,000	1,660,000
		268,398	222,619	260,861	159,199	165,507	407,697	224,053	282,715	261,942	195,000	245,000	195,000	245,000	3,132,992
Cash Disbursements															
<u>Operating Expenses</u>															
Wages, salaries, and benefits	3	186,945	12,000	180,000	-	186,945	12,000	180,000	-	180,000	18,945	180,000	-	180,000	1,316,836
Utilities	4	7,286	82,253	-	104,000	-	-	-	-	170,000	8,000	-	-	-	371,539
Other operating expenses	5	-	47,000	55,000	55,000	75,000	92,000	55,000	100,000	50,000	97,000	50,000	50,000	50,000	776,000
Property taxes	6	-	33,988	-	-	-	33,988	-	-	-	33,988	-	-	-	101,964
		194,231	175,241	235,000	159,000	261,945	137,988	235,000	100,000	400,000	157,933	230,000	50,000	230,000	2,566,339
<u>Other Disbursements</u>															
Excise tax	7	-	-	-	-	-	50,000	-	-	-	200,000	-	-	-	250,000
Anticipated capital expenditures		-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
		-	2,500	2,500	2,500	2,500	52,500	2,500	2,500	2,500	202,500	2,500	2,500	2,500	280,000
<u>Debt Repayment</u>															
Interest & principal	1	5,003	-	-	-	-	4,949	-	-	-	3,764	-	-	-	13,715
Total operating disbursements		199,234	177,741	237,500	161,500	264,445	195,437	237,500	102,500	402,500	364,197	232,500	52,500	232,500	2,860,054
Professional Costs	8														
Company counsel legal fees		-	-	25,000	-	-	-	25,000	-	-	-	-	25,000	-	75,000
Trustee fees		-	-	30,000	-	-	-	30,000	-	-	-	-	25,000	-	85,000
Trustee's counsel fees		-	-	15,000	-	-	-	10,000	-	-	-	-	15,000	-	40,000
Total Professional Costs		-	-	70,000	-	-	-	65,000	-	-	-	-	65,000	-	200,000
Net cash flow		69,164	44,878	(46,639)	(2,301)	(98,938)	212,260	(78,447)	180,215	(140,558)	(169,197)	12,500	77,500	12,500	72,938
Interim financing															
Interim financing advances / (repayments)	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash (operating line) balance		(621,239)	(576,361)	(623,000)	(625,301)	(724,239)	(511,978)	(590,425)	(410,210)	(550,768)	(719,965)	(707,465)	(629,965)	(617,465)	(617,465)

Management of OGEN Ltd. and OGEN Holdings Ltd. (collectively, "OGEN" or the "Companies") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 9. The Cash Flow Forecast has been prepared on a consolidated basis, as the Companies will be seeking a consolidation order at the first extension hearing. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by each of the Companies on June 26, 2023. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Companies is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

OGEN Ltd. and OGEN Holdings Ltd.

Per:

DocuSigned by:

 Darren Brisebois

Darren Brisebois

President

KSV Restructuring Inc.

Per:

 Jason Knight

Jason Knight CPA, CA, CIRP, LIT

Managing Director

OGEN Ltd. and OGEN Holdings Ltd.
Notes to the Cash Flow Forecast
June 26, 2023 to September 24, 2023

Note 1

OGEN has a revolving line of credit (the "Operating Facility") and term debt (the "Term Debt") owing to Connect First Credit Union Ltd. ("CFCU"). As at June 26, 2023, the Operating Facility and Term Debt had balances of \$690,403 and approximately \$21.5 million, respectively. The Operating Facility has a limit of the lesser of: (i) the calculated borrowing base, based on the Companies' accounts receivable less certain reserves; and (ii) \$1.5 million. The Cash Flow Forecast is based on the assumption that CFCU will allow continued access to the Operating Facility. With respect to the Term Debt, in late 2022, the Companies were temporarily allowed to defer all interest and principal payments on the Term Debt. The Cash Flow Forecast assumes that this arrangement will remain in place during the forecasted period.

Note 2

The Companies' customers consist of certain provincial cannabis purchasing divisions and wholesale customers. Revenue and collection projections are based on historical results and stated collection terms.

Note 3

Wages, salaries, and benefits have been estimated based on the Companies' current staffing levels.

Note 4

Utilities are projected based on historical results.

Note 5

Other expenses include, among other things: insurance, repairs and maintenance, freight, marketing, administration, quality assurance, and IT. The amounts projected in this Cash Flow Forecast are based on recent financial results of the Companies.

Note 6

The Companies' pay property tax on the City of Calgary Tax Installment Payment Plan (TIPP) program. Payments are up to date.

Note 7

Excise tax is an estimate based on forecasted revenue generated during the Cash Flow Forecast period.

Note 8

The Companies intend to make an application to the Court for the creation of a charge over the Companies' assets as security for the professional costs of the NOI process.

Note 9

The Companies are currently finalizing a term sheet with certain of its shareholders for an interim credit facility in the maximum amount of \$500,000 (the "Interim Loan"). The Companies intend to make an application to the Court for the creation of a charge over the Companies' assets as security for the advances under the Interim Loan.

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958981
Estate No. 25-2958981

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

The Company of OGEN Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 4th day of July 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

DocuSigned by:

Darren Brisebois

EC210CA54F10473

OGEN Ltd.
Debtor

Darren Brisebois, President

Name and title of signing officer

Name and title of signing officer

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958981
Estate No. 25-2958981

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Projection Notes:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

DocuSigned by:

Darren Brisebois

EC210CA34F10473...

OGEN Ltd.

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958981
Estate No. 25-2958981

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of OGEN Ltd., as of the 4th day of July 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

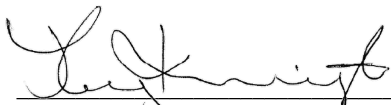
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight Licensed Insolvency Trustee

220 Bay St. Suite 1300, PO Box 20

Toronto ON M5J 2W4

Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958981
Estate No. 25-2958981

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Projection Notes:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

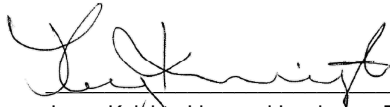
Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee

220 Bay St. Suite 1300, PO Box 20

Toronto ON M5J 2W4

Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958977
Estate No. 25-2958977

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

The Company of OGEN Holdings Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 4th day of July 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

DocuSigned by:

Darren Brisebois

EC210CA54E10473

OGEN Holdings Ltd.
Debtor

Darren Brisebois, President

Name and title of signing officer

Name and title of signing officer

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958977
Estate No. 25-2958977

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Projection Notes:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

DocuSigned by:

Darren Brisebois

EC210CA54E10473

OGEN Holdings Ltd.

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958977
Estate No. 25-2958977

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to file a Proposal of
OGEN Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of OGEN Holdings Ltd., as of the 4th day of July 2023, consisting of a signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

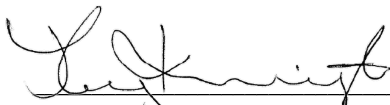
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



Jason Knight - Licensed Insolvency Trustee

220 Bay St. Suite 1300, PO Box 20

Toronto ON M5J 2W4

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FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
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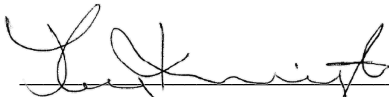
Assumptions:

A signed pdf copy of a weekly cash flow statement for the period ending September 24, 2023.

Dated at the City of Calgary in the Province of Alberta, this 4th day of July 2023.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



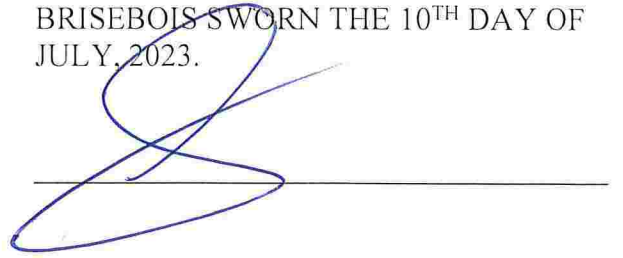
Jason Knight - Licensed Insolvency Trustee

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Phone: (416) 932-6262 Fax: (416) 932-6266

THIS IS **EXHIBIT "6"** REFERRED TO
IN THE AFFIDAVIT OF DARREN
BRISEBOIS SWORN THE 10TH DAY OF
JULY, 2023.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be the initials 'MS'.

Michael W. Selnes
Barrister & Solicitor

INTERIM FINANCING TERM SHEET

Dated as of July 7, 2023

WHEREAS OGEN Holdings Ltd. and OGEN Ltd. wish to commence proceedings (the "**NOI Proceedings**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") before the Court of King's Bench of Alberta (the "**Court**");

AND WHEREAS OGEN Holdings Ltd. and OGEN Ltd. have requested that the Interim Lenders (as defined below) provide them with loans in order to, among other things, fund certain of their obligations during the pendency of the NOI Proceedings;

AND WHEREAS each Interim Lender (as defined below) has agreed to provide the requested loans in accordance with the terms set out herein.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **Borrowers:** OGEN Holdings Ltd. and OGEN Ltd., together the "**Borrowers**" and each a "**Borrower**", acting jointly and severally.
2. **Interim Lenders** Hawksworth Holdings Ltd. and G. Edwards Holdings Ltd. (together with any other entity party hereto from time to time as a lender as successor or assignee thereof, collectively, the "**Interim Lenders**", and each, individually, a "**Interim Lender**").

The obligations of the Interim Lenders shall be several (and not joint and several). No Interim Lender shall be responsible for the obligations of any other Interim Lender under this Interim Financing Term Sheet, and the failure by any Interim Lender to perform its obligations under this Interim Financing Term Sheet shall not affect the obligations of any other Interim Lender hereunder.

3. **Defined Terms** Capitalized terms used in this Interim Financing Term Sheet and not defined herein have the meanings given thereto in Schedule "A". Unless otherwise noted herein, all references herein to "dollars" or to "\$" means Canadian dollars.
4. **Purpose:** To provide for the short-term liquidity needs of the Borrowers pursuant to the Cash Flow Budget and in accordance with the Charging Order while the Borrowers are under Court protection pursuant to the NOI Proceedings.
5. **Interim Loan Facility and Maximum Amount:** A super priority (debtor-in-possession), interim, revolving credit facility (the "**Interim Loan Facility**") up to a maximum principal amount of \$500,000 (as such amount may be reduced from time to time pursuant to Section 13 hereof, the "**Maximum Amount**"), subject to the terms and conditions contained herein.
6. **Pro Rata Advances, Interest Rate and** Advances under the Interim Loan Facility ("**Interim Advances**" and each an "**Interim Advance**") shall be made in equal amounts by the

Default Interest:

Interim Lenders and shall bear interest at a rate equal to 15% per annum. Interest shall accrue daily on the aggregate outstanding principal of the Interim Loan Facility and shall be calculated and payable in cash in arrears on the Maturity Date, to such account as directed in writing by each such Interim Lender to the Borrowers from time to time.

All interest will be calculated on the basis of a 365 day year and actual days lapsed, up to (but excluding) the date of actual payment from the funding date or the due date, as applicable; provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Any amounts which are not paid when due and payable by any Borrower hereunder or in respect of any other Interim Financing Credit Documentation shall accrue interest (after as well as before maturity and judgment) on a daily basis up to and including the date of actual payment from the due date, at a rate equal to 15% per annum, payable on demand by the Interim Lenders.

7. **Use of Proceeds:**

The Borrowers are authorized to use Interim Advances only:

- (i) for working capital, including for restructuring costs in the NOI Proceedings and for other general corporate purposes of the Borrowers;
- (ii) to make payments necessary to comply with or as contemplated under the Charging Order;
- (iii) to pay the professional fees of the Interim Lenders in connection with the NOI Proceedings, whether incurred before or after the granting of the Charging Order; and
- (iv) to pay the fees and expenses of the beneficiaries of the Administration Charge and professional fees of the Borrowers and Proposal Trustee (including the Borrower's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel and such other agents, advisors and consultants of the Borrowers retained in accordance with the Charging Order), incurred after the granting of the Charging Order;

and in each case of the foregoing paragraphs (i) to (iv), consistent with (and as specifically provided for in) the Cash Flow Budget; provided that no proceeds from the Interim Loan Facility or the Collateral shall be used other than in accordance with this Interim Financing Term

Sheet unless otherwise agreed in writing by the Interim Lenders.

8. **Availability Under Interim Loan Facility:** For an Interim Advance, the applicable Borrower shall deliver a written request for such Interim Advance (a "**Interim Advance Request**") to the Interim Lenders, and the Interim Lenders shall, within two (2) Business Days of receipt thereof, advise the Borrowers of the satisfaction or non-satisfaction of the Funding Conditions, as determined by the Interim Lenders in their sole discretion. Each Interim Advance shall be made by the Interim Lenders on a pro rata basis, giving effect to the proportionate and aggregate Commitments of the Interim Lenders as set out in **Schedule "D"** hereto (such pro rata allotment herein referred to as "**Pro Rata Basis**") to the Borrowers on the same day on which the Interim Lenders confirm to the Borrowers the satisfaction of the Funding Conditions. For greater certainty, each Interim Lender shall fund on a Pro Rata Basis each Interim Advance made pursuant to this Interim Financing Term Sheet by depositing the amount required to be funded by such Interim Lender in the Borrowers Account on or before the dates otherwise required herein.

Interim Advances shall be available in Canadian dollars and shall be made on a Pro Rata Basis by the Interim Lenders.

9. **Conditions Precedent To Effectiveness:** The effectiveness of this Interim Financing Term Sheet is subject to the satisfaction of the following conditions precedent as determined by the Interim Lenders in their sole discretion:

(a) the Court shall have pronounced an order (the "**Charging Order**") (as part of the NOI Proceedings) in a form satisfactory to the Interim Lenders approving this Interim Financing Term Sheet and the Interim Loan Facility and granting the Interim Lenders a superpriority charge (the "**Interim Lenders' Charge**") in favour of the Interim Lenders (collectively, the "**Interim Secured Parties**") on the Collateral of the Borrowers, securing all obligations, covenants and liabilities owing by the Borrowers to the Interim Secured Parties hereunder or under any other related agreement, including, without limitation, all principal, interest, indemnities and the Interim Financing Expenses (collectively, the "**Interim Financing Obligations**"); the Charging Order shall provide that the Interim Lenders' Charge shall have priority over all Liens, except for the Permitted Priority Liens; and the Charging Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interests of the Interim Lenders in a material manner, without the consent of the Interim Lenders;

(b) the Interim Lenders shall be satisfied that (i) the entering into of this Interim Financing Term Sheet and the other Interim Financing Credit Documentation, the granting of the Interim Lenders' Charge and the consummation of the transactions

contemplated hereby has been approved by the Borrowers and (ii) service has been effected on a list of parties acceptable to the Interim Lenders;

- (c) the Interim Financing Credit Documentation shall be satisfactory to the Interim Lenders, and shall have been executed by the Borrowers;
- (d) upon entry of the Charging Order, the Borrowers shall have obtained all governmental, regulatory and third party approvals required to be obtained to permit it to enter into the transactions contemplated by the terms hereof;
- (e) the Interim Lenders shall have received the Cash Flow Budget in accordance with the terms of this Interim Financing Term Sheet (which shall be satisfactory to the Interim Lenders);
- (f) there shall be no material damage or destruction to any of the Collateral, nor any material depreciation in the value thereof and the Borrowers' operations shall comply, in all material respects, with all applicable health and safety, environmental, labour and other applicable laws and regulations;
- (g) all expenses (including all legal fees and expenses) of the Borrowers incurred in connection with the Interim Loan Facility shall have been paid in full as and to the extent required under Section 13 (which expenses may be deducted from the Interim Advances, as applicable);
- (h) the Interim Secured Parties shall have received all "know your client" information they may require;
- (i) all of the representations and warranties of the Borrowers as set forth herein and in any other Interim Financing Credit Documentation shall be true and correct in all respects; and
- (j) there shall be no Liens ranking in priority to the Interim Lenders' Charge, other than the Permitted Priority Liens.

10. **Conditions Precedent To Interim Advances:**

The Interim Lenders' obligation to make Interim Advances to the Borrowers is subject to the satisfaction of the following conditions precedent as determined by the Interim Lenders) in its sole discretion (collectively, the "**Funding Conditions**"):

- (a) this Interim Financing Term Sheet shall have become effective and all conditions precedent set out in Section 9 shall have been fulfilled;
- (b) the Borrowers shall have received from the Borrowers an Interim Advance Request, substantially in the form attached hereto as Schedule "C", which shall be executed by an officer

of the Borrowers, and shall certify, *inter alia*, that the Interim Advance Request is within the Maximum Amount, is consistent with the Cash Flow Budget, and that the Borrowers are in compliance with the Interim Financing Credit Documentation and the Restructuring Court Orders (as defined below);

- (c) prior to the making of any Interim Advance in the NOI Proceedings, the Borrowers and the Interim Lenders (or their respective counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of, as applicable:
 - (i) the Charging Order; and
 - (ii) any other Order sought by the Borrowers in the NOI Proceedings ("**Other NOI Orders**").
- (d) the Interim Lenders shall be satisfied, acting reasonably, with the form and content of the court orders made in the NOI Proceedings applicable to the Borrowers (collectively, the "**Restructuring Court Orders**" and each a "**Restructuring Court Order**", which shall include but are not limited to the Charging Order and the Other NOI Orders);
- (e) the Interim Lenders shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business other than (i) as may be permitted under the Restructuring Court Orders or (ii) as to which any enforcement in respect of noncompliance is stayed by a Restructuring Court Order, provided the issuance of such Restructuring Court Order (in each case) does not result in the occurrence of an Event of Default;
- (f) the requested Interim Advance shall not, if advanced to either Borrower, cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the total Interim Advances projected to be required in the Cash Flow Budget, unless otherwise specifically approved by the Interim Lenders;
- (g) all Interim Financing Expenses shall have been paid, or will be paid from the proceeds of the requested Interim Advance, as applicable, within such period of time as is acceptable to the Interim Lenders in their absolute discretion;
- (h) all of the representations and warranties of the Borrowers as set forth herein and in any other Interim Financing Credit

Documentation shall be true and correct in all respects;

- (i) no Default or Event of Default shall have occurred or will occur as a result of the requested Interim Advance;
- (j) the Interim Lenders are satisfied that no Material Adverse Change shall have occurred after the date of the issuance of the Charging Order or the Charging Order;
- (k) the Interim Secured Parties shall have valid and perfected superpriority Liens on the Collateral of the Borrowers pursuant to the Charging Order and there are no Liens ranking in priority to the Interim Lenders' Charge, other than the Permitted Priority Liens;
- (l) since the date of the Charging Order there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Charging Order or as otherwise provided for hereunder and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget; and
- (m) the Charging Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed in a manner adverse to the interests of the Interim Lenders.

11. **Repayment:**

The Interim Loan Facility shall be repayable in full (including all accrued and unpaid interest thereon and all costs and any other amounts due and payable in connection therewith) on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured; (ii) the implementation of a Proposal to the Borrower's creditors within the NOI Proceedings (a "**Proposal**") which has been approved by the requisite majorities of the Borrowers' creditors and sanctioned by an order of the Court; (iii) conversion of the NOI Proceedings into a liquidation or receivership proceeding under the BIA; (iv) the sale of all or substantially all of the Collateral; and (v) December 31, 2023 (the earliest of such dates being the "**Maturity Date**"). For greater certainty, all payments on account of principal and interest to be made by the Borrowers to the Interim Lenders in accordance with this Interim Financing Term Sheet shall be made to the Borrowers Account for distribution by the Borrowers to each Interim Lender, on a Pro Rata Basis, to such account as directed in writing by the Interim Lenders to the Borrowers from time to time.

Subject to the terms above with respect to extensions of the Maturity Date, the Commitment shall expire on the Maturity Date and all amounts outstanding under the Interim Loan Facility shall be repaid in full no later than the Maturity Date, without the Interim Lenders being required to make demand upon the Borrowers or to give notice that the

Interim Loan Facility has expired and the obligations are due and payable. The order of the Court sanctioning any Proposal shall not discharge or otherwise affect in any way any of the obligations of the Borrowers to the Borrowers and the Interim Lenders under the Interim Loan Facility, other than after the permanent and indefeasible payment in cash to the Interim Lenders of all obligations under the Interim Loan Facility on or before the date the Proposal is implemented.

12. **Prepayment:** Upon 5 days prior written notice to the Borrowers, the Borrowers may prepay any amounts outstanding under the Interim Loan Facility at any time prior to the Maturity Date, without any prepayment fee or penalty. In no event shall the Interim Lenders be obligated to accept any amount that would be contrary to any applicable law respecting interest to be charged. If the minimum interest payable under this Interim Financing Term Sheet is determined to be in excess of the maximum amount permitted by applicable law, then the minimum interest shall be reduced to the maximum amount that would be permitted by applicable law.

The Borrowers may borrow, repay and re-borrow Interim Advances, subject to the terms and conditions herein. Any amount repaid or prepaid under the Interim Loan Facility (including those repaid in accordance with Section 13) shall be applied against amounts outstanding hereunder and in connection herewith by the Borrowers in its sole and absolute discretion.

13. **Mandatory Repayments:** Unless otherwise consented to in writing by the Interim Lenders), Interim Advances to the Borrowers shall be forthwith repaid and the Maximum Amount shall be permanently reduced: (i) upon a sale, transfer, lease or other disposition of any of the Collateral out of the ordinary course of business, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable costs and closing adjustments); (ii) upon receipt by any Borrowers of insurance proceeds with respect to the Collateral owned by it, (iii) upon receipt by any Borrower of a refund or payment on account of Taxes from any Governmental Entity, excluding refunds or payments on account of sales taxes, and (iv) upon receipt by any Borrower (or any of its advisors or agents on such Borrower's behalf) of any amounts related to any avoidance actions or avoidance transactions (including, without limitation, in connection with any acts of fraudulent preference, acts of fraudulent conveyance and/or transfers at under value).

14. **Evidence of Indebtedness:** The Interim Lenders' accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the Interim Lenders pursuant to the Interim Loan Facility.

15. **Costs and Expenses:** The Borrowers shall pay all of the Borrowers' out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Loan Facility, the Interim Lenders' Charge, the other Interim Financing Credit Documentation and the NOI Proceedings (collectively, the "**Interim**

Financing Expenses").16. **Documentation and Interim Financing Security:**

The Interim Financing Obligations shall be secured by:

- (a) the Interim Lenders' Charge;
- (b) such other documents as the Interim Lenders) may request (which will include a fixed and floating charge debenture granted by each Borrower in favour of the Interim Lenders; including those documents required in order to register or otherwise perfect the security interests comprising the Interim Lenders' Charge

((a) and (b) collectively, the "**Interim Financing Security**").

The Interim Financing Security shall be in priority to all Liens pursuant to the Restructuring Court Orders, including but not limited to the Charging Order, and subordinate only to the Permitted Priority Liens. The Interim Financing Obligations shall also be secured by a general security agreement and mortgage charging all of the personal and real property of the Borrowers and such other documents as the Interim Lenders may request including those documents required in order to register or otherwise perfect the security interests granted under any such documents (collectively, the "**Other Security**").

The Interim Financing Security, the Other Security and the charges created hereby and in the Restructuring Court Orders (including but not limited to the Charging Order) shall be deemed to be valid and perfected by the granting of the Restructuring Court Orders (including but not limited to the Charging Order). The Interim Lenders shall not be required to file any financing statement, mortgage, security notice, or similar instrument or take any other action to validate or perfect the security charges granted hereunder and in the Restructuring Court Orders (including but not limited to the Charging Order), however the Interim Lenders may register the Interim Financing Security and the Other Security (and/or any notice, certificate, instrument or other agreement associated therewith) in jurisdictions and at registries or public offices as the Interim Lenders may determine necessary or beneficial to protect their interests under the Interim Financing Security and the Other Security.

17. **Permitted Liens and Priority:**

All Collateral will be free and clear of all other Liens, except for the Permitted Liens.

18. **Cash Flow Budget:**

Attached hereto as Schedule "B" is the Cash Flow Budget as in effect on the date hereof, which is in form and substance satisfactory to the Interim Lenders.

By 12:00 noon Mountain time of every Thursday of each week following the granting of the Charging Order, the Borrowers shall provide the Interim Lenders with an updated Cash Flow Budget in form

and substance satisfactory to and approved by the Interim Lenders, together with (A) a comparison of the previous week's forecast to actual cash receipts and expenditures for each line item in the Cash Flow Budget (i.e. a week in arrears) and (B) an explanation of the differences (the "**Variance Report**"), or such other reporting as the Borrowers and the Interim Lenders may agree.

The Borrowers shall use commercially reasonable efforts, if requested by the Interim Lenders, to cause its non-legal advisors to participate on weekly conference calls with the Interim Lenders and their respective advisors, agents and employees to discuss the revised Cash Flow Budget, the Variance Report, the Borrowers' current and projected operational performance, and any related financial matters.

19. **Proposal Proposal Trustee:** The proposal (the "**Proposal Trustee**") in the NOI Proceedings shall be KSV Restructuring Inc. The Proposal Trustee shall be authorized to have direct discussions with the Interim Lenders, and the Interim Lenders shall be entitled to receive information from the Proposal Trustee as may be requested by them from time to time.
20. **Representations and Warranties:** Each Borrower represents and warrants to the Interim Lenders, upon which Interim Lender is relying in entering into this Interim Financing Term Sheet and the other Interim Financing Credit Documentation, as follows:
- (a) the Interim Financing Term Sheet and the other Interim Financing Credit Documentation and the transactions contemplated hereby and thereby:
 - (i) are within the powers of each Borrower;
 - (ii) have been duly executed and delivered by or on behalf the Borrowers pursuant to the Charging Order;
 - (iii) do not conflict with or result in a breach of (a) any of the terms or conditions of the constating documents of the Borrowers or (b) any applicable law, any contractual restrictions binding on or affecting the Borrowers' material properties or any judgement, injunction, determination or award which is binding on the applicable Borrower unless in the case of subparagraph (b) such conflict or breach could not reasonably be expected to cause a Material Adverse Change;
 - (iv) upon the granting of the Charging Order, constitute legal, valid and binding obligations of the Borrowers; and
 - (v) other than those already obtained (including the Charging Order), do not require the consent or

approval of, registration or filing with, or any other action by, any governmental authority or any third party, other than filings which may be made, but are not required, to register or otherwise record the Interim Lenders' Charge, the Interim Financing Security and the Other Security;

- (b) the Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the Charging Order, the Interim Lenders' Charge;
- (c) none of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrowers to the Interim Lenders or their advisors in connection with the negotiation of this Interim Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading; *provided that* to the extent any such reports, financial statements, certificates or other written information therein was based upon or constitutes a forecast or projection, each Borrower represents only that it has acted in good faith and utilized assumptions believed by it to be reasonable at the time made;
- (d) each Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable or that are being diligently contested in good faith by the applicable Borrower and for which sufficient reserves have been set aside, other than such amounts as have been specifically disclosed to the Interim Lenders;
- (e) each Borrower, since January 1, 2023, has maintained its obligations for payroll, source deductions, current normal cost pension liabilities, retail sales tax, goods and services tax and harmonized sales tax, as applicable, and is not in arrears in respect of payment of these obligations;
- (f) all representations and warranties made by the Borrowers in all other Interim Financing Credit Documentation are true and correct in all respects;
- (g) no Default or Event of Default has occurred and is continuing;
- (h) each Borrower has been duly formed and is validly existing

under the law of its jurisdiction of incorporation;

- (i) each Borrower maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;
- (j) no Borrower is aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a material adverse effect on such Borrower or its businesses;
- (k) no Borrower has entered into any material transaction or other written contractual relationship with any related party except as disclosed to the Borrowers in writing prior to the effective date of this Interim Financing Term Sheet;
- (l) other than as stayed pursuant to the Charging Order, the commencement of the NOI Proceedings will not trigger any contractual provision that would entitle any officer or director of any Borrower to claim additional compensation, bonus or severance;
- (m) all material payments to shareholders, directors and senior executives of the Borrowers and any related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow Budget (which, for certainty, do not include payments to any senior executive of any Borrower related to salary deferral arrangements);
- (n) other than as stayed pursuant to any Restructuring Court Order, there is not now pending or, to the knowledge of any of the senior officers or directors of any Borrower, threatened against such Borrower, nor has any Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;
- (o) all material contracts to which the Borrowers are a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and no Borrower has any knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the

commencement of the NOI Proceedings);

- (p) no Borrower has any defined benefit pension plans or similar plans;
- (q) each Borrower is and remains in compliance with the Restructuring Court Orders; and
- (r) no Borrower is liable for any indebtedness for borrowed money, except as disclosed in the NOI Proceedings.

21. **Affirmative Covenants:**

In addition to all of the other covenants and obligations contained herein, each Borrower covenants and agrees to perform and do each of the following until the Interim Loan Facility is permanently and indefeasibly repaid in full and terminated:

- (a) allow the Interim Lenders and any of their agents and advisors, on reasonable notice during regular business hours, to enter on and inspect any Borrower's assets and properties, and provide the Interim Lenders and their respective agents or advisors, on reasonable notice and during normal business hours, full access to all Borrower's books and records (including all sales contracts pertaining to the Borrowers' assets and properties), financial information and electronic data rooms of or maintained by any Borrower and cause management and employees thereof to fully co-operate with the Interim Lenders and their agents and advisors;
- (b) cause management, the financial advisor and legal counsel of the Borrowers, to cooperate with reasonable requests for information by the Interim Lenders and their advisors, in each case subject to solicitor-client privilege, all Restructuring Court Orders and applicable privacy laws and the Borrowers' confidentiality obligations to third parties, in connection with matters reasonably related to the Interim Loan Facility or compliance of the Borrowers with their obligations pursuant to this Interim Financing Term Sheet and the other Interim Financing Credit Documentation;
- (c) provide to the Interim Lenders regular updates regarding the status of the NOI Proceedings including, without limitation, reports on the progress of any Proposal, which may otherwise be confidential, subject to same being maintained as confidential by the Interim Lenders;
- (d) provide the Interim Lenders with draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file within the NOI Proceedings as soon as practically possible prior to any such filing;

- (e) use reasonable efforts to keep the Interim Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers;
- (f) deliver to the Interim Lenders the updated Cash Flow Budget and the Variance Reports as and when set out herein, and such other reporting and other information from time to time reasonably requested by the Interim Lenders. Without limiting the foregoing, the Borrowers shall use commercially reasonable efforts to deliver to the Interim Lenders copies of any financial reporting provided to the Proposal Trustee in a timely manner and forthwith provide to the Interim Lenders any reports or commentary received from the Proposal Trustee regarding the financial position of the Borrowers;
- (g) conduct all activities in a manner consistent with the Cash Flow Budget;
- (h) promptly provide notice to the Interim Lenders and their counsel, and keep them otherwise apprised, of any material developments in respect of any material contract and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrowers;
- (i) comply in all material respects with applicable law, except to the extent not required to do so pursuant to the Charging Order or any Restructuring Court Order;
- (j) take all actions necessary or available to defend the Charging Order and any other Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the Interim Lenders;
- (k) use the proceeds of the Interim Loan Facility only for the purposes described in Section 7 hereof, and in a manner consistent with the restrictions set out herein;
- (l) pay all of the Interim Lenders' costs and expenses no less frequently than every month following the delivery of an invoice to the Borrowers, provided that the Interim Secured Parties shall provide reasonable estimates of such expenses for purposes of the Cash Flow Budget;
- (m) comply with the provisions of the Restructuring Court Orders; provided that if any Restructuring Court Order contravenes this Interim Financing Term Sheet or any of the Interim Financing Credit Documentation so as to adversely impact the rights or interests of the Interim Lenders in a material manner, the same

shall be an Event of Default hereunder;

- (n) preserve, renew and keep in full force its respective corporate existence and its respective material licenses, permits, approvals, etc. required in respect of its business, properties, assets or any activities or operations carried out therein, unless otherwise agreed by the Interim Lenders in their sole discretion;
- (o) upon request of the Interim Lenders, complete all necessary Lien and other customary searches against the Borrowers, together with all registrations, filings and recordings wherever the Interims Lenders deem appropriate to satisfy the Interim Lenders that there are no Liens affecting the Collateral, except Permitted Liens;
- (p) use commercially reasonable efforts consistent with the Cash Flow Budget to (i) maintain the insurance in existence as at the date hereof with respect to the Collateral owned by it, or (ii) obtain insurance over such Collateral where none exists or has expired, on terms acceptable to the Interim Lenders; and
- (q) forthwith notify the Interim Lenders of (i) the occurrence of any Default or Event of Default, (ii) any event or circumstance that may negatively impact the Cash Flow Budget, including any material change in its contractual arrangements or with relationships with third parties, (iii) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, Governmental Entity or regulatory body, which could be reasonably likely to result, individually or in the aggregate, in a judgment in excess of \$25,000, to the extent not stayed by the Restructuring Court Orders, (iv) any default or dispute with respect to any of its material contracts, to the extent enforcement thereof is not stayed by the Restructuring Court Orders; and (v) the discovery: (i) of any title defect in respect of any properties of any Borrower, other than a minor title defect; and (ii) that any material portion of the Collateral has been damaged or destroyed; and (vi) any event that could reasonably be expected to cause a Material Adverse Change.

22. **Negative Covenants:** Each Borrower covenants and agrees not to do the following, other than with the prior written consent of the Interim Lenders:

- (a) transfer, sell, lease or otherwise dispose of all or any part of its property, assets or undertaking after the date hereof (excluding dispositions of obsolete assets or dispositions in the ordinary course of business), except such transfers, sales, leases or other dispositions as are permitted pursuant to the Restructuring Court Orders. For greater certainty, in the case of any transfer,

lease, sale or other disposition of any Collateral, all proceeds of such transfer, lease, sale or other disposition shall be subject to Section 13;

- (b) other than as provided for hereunder, make any payment of principal, interest or fees in respect of existing (pre-filing) debt or obligations other than as may be permitted by the Charging Order or a Restructuring Court Order that does not result in an Event of Default, and is provided for in the Cash Flow Budget;
- (c) create or permit to exist indebtedness (including guarantees thereof or indemnities) other than (pre-filing) debt existing as of the date hereof, debt contemplated by this Interim Financing Term Sheet and post-filing trade payables;
- (d) make any payments not consistent with the Cash Flow Budget;
- (e) enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred;
- (f) after the date hereof, enter into any hedging agreement;
- (g) acquire, create or cause to exist any subsidiary;
- (h) make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise), unless permitted by the Charging Order or any Restructuring Court Order;
- (i) make any loans, advances, financial assistance or assurances (in the form of bonds, letters of credit, financial guarantees or otherwise), capital contribution, investments or acquisitions whether direct or indirect, other than as reflected in the Cash Flow Budget;
- (j) (i) enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than in accordance with the Cash Flow Budget;
- (k) pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of legal, financial or other advisor of any party unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the Interim Lenders, except for (i)

fees, expenses and disbursements of the Proposal Trustee and its legal counsel and (ii) fees, expenses and disbursements of the respective legal, financial and other advisors of the Borrowers and the Interim Secured Parties;

- (l) create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (m) challenge or fail to support the Liens and claims of the Interim Secured Parties;
- (n) seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any transaction other than as part of a Restructuring Option;
- (o) terminate any material contract or amend any material contract in any material manner except with the prior consent of the Interim Lenders;
- (p) change its name or locations of business, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity except as part of a transaction under the SISP, and on terms and conditions satisfactory to the Interim Lenders;
- (q) seek, obtain, support, make or permit to be made any court order or any material change, amendment or modification to any Restructuring Court Order affecting the Interim Lenders, except with the prior written consent of the Interim Lenders;
- (r) enter into any material settlement agreement or agree to any material settlement arrangements with any Governmental Entity or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the Interim Lenders, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the Cash Flow Budget;
- (s) without the approval of the Court or the prior written consent of the Interim Lenders in their sole discretion, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;
- (t) seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;
- (u) after the date hereof, purchase any additional insurance in respect of any director or officer of any Borrower, including

any "tail" insurance, without the prior written consent of the Interim Lenders;

- (v) change any of its organizational documents, its name, fiscal year end or accounting standards;
- (w) implement any key employee retention program, or seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any charge in respect of any key employee retention program;
- (x) execute any documents that would materially adversely affect the rights of the Interim Secured Parties; and
- (y) make any payment in respect of post-employment benefit payments.

23. **Indemnity and Release:**

Each Borrower agrees to indemnify and hold harmless the Interim Lenders and their respective directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to or resulting from the Interim Loan Facility, this Interim Financing Term Sheet or any other Interim Financing Credit Documentation (regardless of whether such Claim is made in the NOI Proceedings or any other proceeding, including a bankruptcy or insolvency proceeding) and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, no Borrower shall be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this Interim Financing Term Sheet shall survive any termination of the Interim Loan Facility.

24. **Events of Default:**

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Interim Financing Term Sheet:

- (a) the failure of the Borrowers to pay any principal amount owing under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation when due;
- (b) the failure of the Borrowers to pay any interest or costs any portion thereof owing under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation when due;
- (c) the issuance of an order of the Court (including any Restructuring Court Order) or any other court of competent jurisdiction:
 - (i) dismissing the NOI Proceedings or lifting the stay in the NOI Proceedings to permit (A) the enforcement of any Lien against any Borrower, or a material portion of its property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim-receiver or similar official or the making of a bankruptcy order against any Borrower;
 - (ii) granting any Lien which is senior to or *pari passu* with the Interim Lenders' Charge, other than the Permitted Priority Liens;
 - (iii) staying, reversing, vacating or otherwise modifying the Charging Order or the Charging Order or any Restructuring Court Order in a manner materially adverse to the interests of the Interim Lenders; or
 - (iv) adversely impacting the rights and interests of the Interim Lenders in a material manner, without the prior written consent of the Interim Lenders;
- (d) the filing of any pleading by any Borrower seeking any of the matters set forth in clause (c) above or failure of any Borrower to diligently oppose any party that brings an application or motion for the relief set out in paragraph (c) above and/or failure to secure the dismissal of such motion or application within thirty (30) days from the date such application or motion is brought;
- (e) unless consented to in writing by the Interim lenders, the expiry without further extension of the stay of proceedings extended initially in the Charging Order;
- (f) the failure of any Borrower to comply with any negative covenants in this Interim Financing Term Sheet, which default has not been remedied or cured within three (3) Business Days;

- (g) a Restructuring Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions (financial or otherwise), of any Borrower, that will in the Interim Lenders' judgment materially further impair the Borrowers' financial condition or ability to comply with its obligations under this Interim Financing Term Sheet, any other Interim Financing Credit Documentation, or any Restructuring Court Order or carry out a Proposal acceptable to the Interim Lenders (a "**Material Adverse Change**");
- (h) there exists a net negative variance (excluding advisor fees and expenses) from the Cash Flow Budget in excess of 10% (or \$20,000, if 10% would equal an amount less than \$20,000) on a line item basis and on a cumulative basis since the beginning of the period covered by the first Cash Flow Budget issued hereunder;
- (i) the Cash Flow Budget or any update thereof contemplates or forecasts an adverse change or changes from the then existing Cash Flow Budget and such change(s) constitute(s) a Material Adverse Change, or any updated Cash Flow Budget forecasts that borrowings under the Interim Loan Facility will exceed the Maximum Amount at any time (unless and until the Interim Lenders consent to increase the Maximum Amount, which shall be in the Interim Lenders' sole and absolute discretion);
- (j) any representation or warranty by any Borrower herein or in any Interim Financing Credit Documentation shall be incorrect or misleading in any material respect when made;
- (k) borrowings under the Interim Loan Facility exceed the Maximum Amount at any time without the prior consent of the Interim Lenders);
- (l) a material violation or breach of any Restructuring Court Order upon receipt by the Borrowers of notice from the Interim Lenders of such violation or breach;
- (m) an event of default has occurred and is ongoing under any of the Interim Financing Credit Documentation;
- (n) any proceeding, motion or application is commenced or filed by the Borrowers, or if commenced by another party, supported or otherwise consented to by the Borrowers, seeking the invalidation, subordination or otherwise challenging of the terms of the Interim Loan Facility, the Interim Lenders' Charge, this Interim Financing Term Sheet, or any of the other Interim Financing Credit Documentation or, unless the Proposal provides for repayment in full of the Interim Loan Facility, the approval of any Proposal which does not have the prior written

consent of the Interim Lenders;

- (o) any Proposal is proposed by the Borrowers that contravenes any provision of this Interim Financing Term Sheet or other Interim Financing Credit Documentation, unless the Interim Lenders have consented thereto;
- (p) except as set out in the Cash Flow Budget, or as otherwise agreed to in writing by the Interim Lenders, the Borrowers are required by any Governmental Entity to make expenditures or pay damages, fines, claims, costs or expenses to remediate, or in respect of, any environmental liabilities, and such requirement is not stayed by a Restructuring Court Order;
- (q) if any of the Borrowers pays or agrees to pay any of the legal, consulting or other professional fees and/or disbursements incurred by any other party in the NOI Proceedings without the prior consent of the Interim Lenders, other than the Interim Financing Expenses, the professional fees and disbursements of Interim Lenders' legal counsel and the professional fees and disbursements of the beneficiaries to the Administration Charge;
- (r) the Interim Lenders' Charge ceases to be a valid, perfected and enforceable superpriority Lien senior to all other Liens other than Permitted Priority Liens;
- (s) the denial or repudiation by any Borrower of the legality, validity, binding nature or enforceability of this Interim Financing Term Sheet, any other Interim Financing Credit Documentation or the Interim Lenders' Charge;
- (t) failure of the Borrowers to perform or comply with any other term or covenant under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation (other than as specified in subparagraphs (a), (b) and (f) above), and such default shall continue unremedied for a period of three (3) Business Days; and
- (u) if any Borrower commences an action or takes any other proceeding to obtain any form of relief against the Interim Lenders or any affiliate thereof.

25. **Remedies:**

Upon the occurrence of an Event of Default that is continuing, and subject to the Restructuring Court Orders, the Interim Lenders may elect to terminate the Commitments and declare the obligations in respect of the Interim Financing Credit Documentation to be immediately due and payable and cease making any further Interim Advances. Without limiting the foregoing remedies, upon the occurrence of an Event of Default that is continuing, the Interim Lenders may elect to permanently reduce the Maximum Amount. In

addition, upon the occurrence of an Event of Default that is continuing, the Interim Lenders may, subject to any Restructuring Court Order:

- (a) apply to a court for the appointment of a receiver, interim receiver or a receiver and manager over any of the Collateral, or for a bankruptcy order against the Borrowers or any one of them and for the appointment of a trustee in bankruptcy of the Borrowers or any one of them;
- (b) set-off or consolidate any amounts then owing by the Interim Lenders to the Borrowers against the obligations of the Borrowers to the Interim Lenders (in their capacities as such) hereunder;
- (c) exercise its unqualified right to credit bid up to the full amount of the outstanding Interim Financing Obligations (including, for certainty, all accrued interest) in any sale of the Collateral (or any part thereof);
- (d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Alberta) or any legislation of similar effect; and
- (e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under the Interim Financing Credit Documentation, the Restructuring Court Orders and applicable law.

26. **Taxes:**

All payments by the Borrowers under this Interim Financing Term Sheet and the other Interim Financing Credit Documentation to the Interim Lenders, including any payments required to be made from and after the exercise of any remedies available to the Interim Lenders upon an Event of Default that is continuing, shall be made free and clear of and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision or any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any amount payable to the Interim Lenders under any Interim Financing Credit Documentation, the amount so payable to the Interim Lenders shall be increased to the extent necessary to yield to the Interim Lenders on a net basis after payment of all Withholding Taxes the amount payable under such Interim Financing Credit Documentation at the rate or in the amount specified in such Interim Financing Credit Documentation, and the Borrowers shall provide evidence satisfactory to the Interim Lenders that the Taxes have been so withheld and remedied.

27. **Further Assurances:** The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Interim Lenders may reasonably request for the purpose of giving effect to this Interim Financing Term Sheet.
28. **Amendments, Waivers, Etc.:** No amendment of any provision of any Interim Financing Credit Documentation shall be effective unless agreed to by the applicable Borrower and the Interim Lenders and, in the case of any material amendment, the Proposal Trustee.
- No waiver or delay on the part of the Interim Lenders in exercising any right or privilege hereunder or under any other Interim Financing Credit Documentation will operate as a waiver hereof or thereof unless made in writing by the Interim Lenders and delivered in accordance with the terms of this Interim Financing Term Sheet or the other applicable Interim Financing Credit Documentation and then such waiver shall be effective only in the specific instance and for the specific purpose given.
29. **Entire Agreement Conflict:** This Interim Financing Term Sheet, including the schedules hereto and the Interim Financing Credit Documentation, constitute the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Interim Financing Term Sheet and any of the other Interim financing Credit Documentation, this Interim Financing Term Sheet shall govern.
30. **Assignment:** Each Interim Lender may assign this Interim Financing Term Sheet and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder, with the prior consent of the Borrowers, acting reasonably. Neither this Interim Financing Term Sheet nor any right hereunder may be assigned by the Borrowers.
31. **Severability:** Any provision in this Interim Financing Term Sheet or any other Interim Financing Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
32. **No Third Party Beneficiary:** No Person, other than the Borrowers, the Borrowers and each Interim Lender, is entitled to rely upon this Interim Financing Term Sheet and the parties expressly agree that this Interim Financing Term Sheet does not confer rights upon any party not a signatory hereto.
33. **Counterpart and Facsimile Signatures:** This Interim Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission (including .pdf), each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall

constitute one and the same instrument.

34. **Notices:**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by fax or electronic mail to the attention of the Person as set forth below:

In the case of the Interim Lenders, to:

Hawksworth Holdings Ltd.
300, 2912 Memorial Drive, SE
Calgary, Alberta, T2A 6R1
Attention: Al Morrison
Telephone: 403.540.1125
Email: al.morrison@morrisonhomes.ca

G. Edwards Holdings Ltd.
306062 - 17 Street West
Foothills, Alberta, T1S 5E8
Attention: Gary Edwards
Telephone: 403.660.6570
Email: gary@bodhitreeyogaresort.com

In the case of the Borrowers to:

OGEN Ltd.
5430 30 Street SE
Calgary, Alberta, T2C 1G2
Attention: Darren Brisebois
Telephone: 587.896.2963
Email: dbrisebois@ogencannabis.com

In either case, with a copy to the Proposal Trustee:

KSV Advisory Inc.
220 Bay St. Suite 1300
Toronto, ON M5J 2W4
Attention: Jason Knight
Email: jknight@ksvadvisory.com

Any such notice shall be deemed to be given and received when received, unless received after 5:00 pm Mountain time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

35. **Governing Law and Jurisdiction:**

This Interim Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Interim Lenders to enforce this Interim Financing Term Sheet in

any other proper jurisdiction, each Borrower irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of Alberta, and further acknowledge and agree that any disputes arising in respect of the Interim Financing Credit Documentation shall be heard by the Court.

IN WITNESS HEREOF, the parties hereby execute this Interim Financing Term Sheet as at the date first above mentioned.

Borrower:

OGEN HOLDINGS LTD.

Per: _____
Name: Darren Brisebois
Title: President

Commitment: \$250,000

Commitment: \$250,000

Borrower:

OGEN LTD.

Per: _____
Name: Darren Brisebois
Title: President

Interim Lender:

HAWKSWORTH HOLDINGS LTD.

Per: _____
Name: Al Morrison
Title: Director

Interim Lender:

G. EDWARDS HOLDINGS LTD.

Per: _____
Name: Gary Edwards
Title: Director

SCHEDULE "A"**DEFINED TERMS**

"Administration Charge" means the administration charge on the Collateral of the Borrowers in an aggregate amount not to exceed \$250,000 and as provided for in the Charging Order.

"Borrower" and **"Borrowers"** has the meaning given thereto in Section 1.

"Borrowers Account" means such account of the Borrowers as designated in writing by the Borrowers to the Interim Lenders from time to time.

"Business Day" means any day other than a Saturday, Sunday or any other day in which banks in Calgary, Alberta are not open for business.

"Cash Flow Budget" means a 13-week cash flow budget of expected weekly receipts and all of the operating and capital expenditures to be made during each calendar week and in the aggregate for the period of time covered by the Cash Flow Budget, prepared by the Borrowers with the assistance of the Proposal Trustee, which is attached as Schedule "B" to this Interim Financing Term Sheet, together with any subsequent detailed cash flow budget prepared by the Borrowers, with the assistance of the Proposal Trustee, as applicable, and submitted by the Borrowers to the Borrowers and approved by the Interim Lenders.

"Charging Order" has the meaning given thereto in Section 9(a).

"Claims" has the meaning given thereto in Section 23.

"Collateral" means all now owned or hereafter acquired property and assets of the Borrowers, real and personal, tangible or intangible.

"Commitment" means (a) \$500,000, as such amount may be reduced from time to time in accordance with the terms of this Interim Financing Term Sheet or (b) with respect to a Interim Lender, the relevant amount designated as such opposite such Interim Lender's name on the signature pages hereto with respect to the Interim Loan Facility.

"Court" has the meaning given thereto in the Recitals.

"Default" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"D&O Charge" means the directors' and officers' charge on the Collateral of the Borrowers in an aggregate amount not to exceed \$50,000, and as provided for in the Charging Order and the Charging Order.

"Event of Default" has the meaning given thereto in Section 24.

"Funding Conditions" has the meaning given thereto in Section 10.

"Governmental Entity" means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

"**Interim Advance**" and "**Interim Advances**" has the meanings given thereto in Section 6.

"**Interim Advance Request**" has the meaning given thereto in Section 8.

"**Interim Financing Credit Documentation**" means this Interim Financing Term Sheet, any other documentation in respect of the Interim Loan Facility that is requested by the Interim Lenders, which shall be in form and substance satisfactory to the Borrowers), including the Interim Financing Security and the Other Security.

"**Interim Financing Expenses**" has the meaning given thereto in Section 15.

"**Interim Financing Obligations**" has the meaning given thereto in Section 9(a).

"**Interim Financing Security**" has the meaning given thereto in Section 16.

"**Interim Lenders**" and "**Interim Lender**" has the meaning given thereto in Section 2.

"**Interim Lenders' Charge**" has the meaning given thereto in Section 9(a).

"**Interim Loan Facility**" has the meaning given thereto in Section 5.

"**Interim Secured Parties**" has the meaning given thereto in Section 9(a).

"**Indemnified Persons**" has the meaning given thereto in Section 23.

"**Liens**" means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever granted by the Borrowers or against the Collateral.

"**Material Adverse Change**" has the meaning given thereto in Section 24(g).

"**Maturity Date**" has the meaning given thereto in Section 11.

"**Maximum Amount**" has the meaning given thereto in Section 5.

"**NOI**" has the meaning given thereto in the Recitals.

"**NOI Proceedings**" has the meaning given thereto in the Recitals.

"**Proposal Trustee**" has the meaning given thereto in Section 19.

"**Permitted Liens**" means (i) the Interim Lenders' Charge, the Interim Financing Security and the Other Security; (ii) any charges created under the Charging Order or other Restructuring Court Order in each case subsequent in priority to the Interim Lenders' Charge, the limit and priority of each of which shall be acceptable to the Interim Lenders) in the Borrowers's discretion; (iii) validly perfected Liens existing prior to the date hereof (which for greater clarity rank subordinate to the Interim Lenders' Charge); (iv) inchoate statutory Liens arising after the date of the Charging Order in respect of any accounts payable arising after the date of the Charging Order in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (v) Permitted Priority Liens.

"**Permitted Priority Liens**" means: (a) the Administration Charge in an amount not to exceed \$250,00; (b) statutory super-priority Liens for unpaid employee source deductions or liabilities related to GST/HST

payment obligations; (c) the D&O Charge in an amount not to exceed \$50,000; and (d) such other Liens as may be agreed to in writing by the Interim Lenders.

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Entity or other entity of whatever nature.

"**Proposal**" has the meaning given thereto in Section 13.

"**Pro Rata Basis**" has the meaning given thereto in Section 8.

"**Restructuring Court Order**" and "**Restructuring Court Orders**" have the meanings given thereto in Section 10(d).

"**Taxes**" has the meaning given thereto in Section 26.

"**Variance Report**" has the meaning given thereto in Section 18.

"**Withholding Taxes**" has the meaning given thereto in Section 26.

SCHEDULE "B"

CASH FLOW BUDGET

See attached.

SCHEDULE "C"

FORM OF Interim ADVANCE REQUEST

Date: _____

•

Attention: [•]
Telephone: [•]
Telecopier: [•]
Email: [•]

•

Attention: [•]
Telephone: [•]
Telecopier: [•]
Email: [•]

Dear Sirs:

We refer to the Interim Financing Term Sheet dated [•], 2023 among [•], each as a borrower, [•] and [•], as the Interim Lenders (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Loan Agreement**"). Capitalized terms used herein have the same meaning as in the Loan Agreement. The undersigned is an officer of [•] and is authorized to make and deliver this notice on behalf of such Borrower pursuant to the Loan Agreement.

1. We hereby give notice of our request for a Interim Advance pursuant to Section 8 of the Loan Agreement, particulars of which are as follows:
 - (a) Drawdown Date: _____
 - (b) Amount: _____
 - (c) Payment Instructions (if any): _____
2. The undersigned hereby certifies that:
 - (a) the Interim Advance requested by this Interim Advance Request is consistent with the Cash Flow Budget and is within the Maximum Amount;
 - (b) each Borrower is in compliance with the Interim Financing Credit Documentation and all Restructuring Court Orders;
 - (c) the Charging Order is in full force and effect and has not been reversed, modified, stayed or amended; and
 - (d) since the date of the Charging Order there has been no payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or

modification of any of the terms thereof, except as permitted by the terms of the Charging Order or as otherwise provided for under the Interim Financing Term Sheet, and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget.

3. All of the representations and warranties of the Borrowers deemed to be made by such Borrowers pursuant to the Interim Financing Credit Documentation are true and correct in all respects on the date hereof.
4. There exists no Default or Event of Default on the date hereof and no Default or Event of Default will occur as a result of the Interim Advance requested by this Interim Advance Request.
5. No Material Adverse Change has occurred since the date of the issuance of the Charging Order or the Charging Order.
6. No Liens rank in priority to the Interim Lenders' Charge, other than Permitted Priority Liens.

Yours very truly,

[●], as Borrower

Per: _____
Name:
Title:

SCHEDULE "D"

Interim LENDERS' RESPECTIVE PRO RATA COMMITMENTS

Interim LENDER	COMMITMENT
•	\$●,000
•	\$●,000

INTERIM FINANCING TERM SHEET

Dated as of July 7, 2023

WHEREAS OGEN Holdings Ltd. and OGEN Ltd. wish to commence proceedings (the "**NOI Proceedings**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") before the Court of King's Bench of Alberta (the "**Court**");

AND WHEREAS OGEN Holdings Ltd. and OGEN Ltd. have requested that the Interim Lenders (as defined below) provide them with loans in order to, among other things, fund certain of their obligations during the pendency of the NOI Proceedings;

AND WHEREAS each Interim Lender (as defined below) has agreed to provide the requested loans in accordance with the terms set out herein.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **Borrowers** : OGEN Holdings Ltd. and OGEN Ltd., together the "**Borrowers**" and each a "**Borrower**", acting jointly and severally.

2. **Interim Lenders** : Hawksworth Holdings Ltd. and G. Edwards Holdings Ltd. (together with any other entity party hereto from time to time as a lender as successor or assignee thereof, collectively, the "**Interim Lenders**", and each, individually, a "**Interim Lender**").

The obligations of the Interim Lenders shall be several (and not joint and several). No Interim Lender shall be responsible for the obligations of any other Interim Lender under this Interim Financing Term Sheet, and the failure by any Interim Lender to perform its obligations under this Interim Financing Term Sheet shall not affect the obligations of any other Interim Lender hereunder.

3. **Defined Terms** : Capitalized terms used in this Interim Financing Term Sheet and not defined herein have the meanings given thereto in Schedule "A". Unless otherwise

noted herein, all references herein to "dollars" or to "\$" means Canadian dollars.

4. **Purpose:** To provide for the short-term liquidity needs of the Borrowers pursuant to the Cash Flow Budget and in accordance with the Charging Order while the Borrowers are under Court protection pursuant to the NOI Proceedings.
5. **Interim Loan Facility and Maximum Amount:** A super priority (debtor-in-possession), interim, revolving credit facility (the "**Interim Loan Facility**") up to a maximum principal amount of \$500,000 (as such amount may be reduced from time to time pursuant to Section 13 hereof, the "**Maximum Amount**"), subject to the terms and conditions contained herein.
6. **Pro Rata Advances, Interest Rate and Default Interest:** Advances under the Interim Loan Facility ("**Interim Advances**" and each an "**Interim Advance**") shall be made in equal amounts by the Interim Lenders and shall bear interest at a rate equal to 15% per annum. Interest shall accrue daily on the aggregate outstanding principal of the Interim Loan Facility and shall be calculated and payable in cash in arrears on the Maturity Date, to such account as directed in writing by each such Interim Lender to the Borrowers from time to time.

All interest will be calculated on the basis of a 365 day year and actual days lapsed, up to (but excluding) the date of actual payment from the funding date or the due date, as applicable; provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number

of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Any amounts which are not paid when due and payable by any Borrower hereunder or in respect of any other Interim Financing Credit Documentation shall accrue interest (after as well as before maturity and judgment) on a daily basis up to and including the date of actual payment from the due date, at a rate equal to 15% per annum, payable on demand by the Interim Lenders.

7.

Use of Proceeds:

The Borrowers are authorized to use Interim Advances only:

- (i) for working capital, including for restructuring costs in the NOI Proceedings and for other general corporate purposes of the Borrowers;
- (ii) to make payments necessary to comply with or as contemplated under the Charging Order;
- (iii) to pay the professional fees of the Interim Lenders in connection with the NOI Proceedings, whether incurred

before or after the granting of the Charging Order; and

- (iv) to pay the fees and expenses of the beneficiaries of the Administration Charge and professional fees of the Borrowers and Proposal Trustee (including the Borrower's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel and such other agents, advisors and consultants of the Borrowers retained in accordance with the Charging Order), incurred after the granting of the Charging Order;

and in each case of the foregoing paragraphs (i) to (iv), consistent with (and as specifically provided for in) the Cash Flow Budget; provided that no proceeds from the Interim Loan Facility or the Collateral shall be used other than in accordance with this Interim Financing Term Sheet unless otherwise agreed in writing by the Interim Lenders.

8.

Availability Under Interim Loan Facility:

For an Interim Advance, the applicable Borrower shall deliver a written request for such Interim Advance (a "**Interim Advance Request**") to the Interim Lenders, and the Interim Lenders shall, within two (2) Business Days of

receipt thereof, advise the Borrowers of the satisfaction or non-satisfaction of the Funding Conditions, as determined by the Interim Lenders in their sole discretion. Each Interim Advance shall be made by the Interim Lenders on a pro rata basis, giving effect to the proportionate and aggregate Commitments of the Interim Lenders as set out in **Schedule "D"** hereto (such pro rata allotment herein referred to as "**Pro Rata Basis**") to the Borrowers on the same day on which the Interim Lenders confirm to the Borrowers the satisfaction of the Funding Conditions. For greater certainty, each Interim Lender shall fund on a Pro Rata Basis each Interim Advance made pursuant to this Interim Financing Term Sheet by depositing the amount required to be funded by such Interim Lender in the Borrowers Account on or before the dates otherwise required herein.

Interim Advances shall be available in Canadian dollars and shall be made on a Pro Rata Basis by the Interim Lenders.

9.

**Conditions
Precedent
To
Effectiveness:**

The effectiveness of this Interim Financing Term Sheet is subject to the satisfaction of the following conditions precedent as determined by the Interim Lenders in their sole discretion:

- (a) the Court shall have pronounced an order (the "**Charging Order**") (as part of the NOI Proceedings) in a form satisfactory to the Interim Lenders approving this Interim Financing Term Sheet and the Interim Loan Facility and granting

the Interim Lenders a superpriority charge (the "**Interim Lenders' Charge**") in favour of the Interim Lenders (collectively, the "**Interim Secured Parties**") on the Collateral of the Borrowers, securing all obligations, covenants and liabilities owing by the Borrowers to the Interim Secured Parties hereunder or under any other related agreement, including, without limitation, all principal, interest, indemnities and the Interim Financing Expenses (collectively, the "**Interim Financing Obligations**"); the Charging Order shall provide that the Interim Lenders' Charge shall have priority over all Liens, except for the Permitted Priority Liens; and the Charging Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interests of the Interim Lenders in a material manner, without the consent of the Interim Lenders;

- (b) the Interim Lenders shall be satisfied that (i) the entering into of this Interim Financing Term Sheet and the other Interim Financing Credit Documentation, the granting of the Interim Lenders' Charge and the consummation of the

transactions contemplated hereby has been approved by the Borrowers and (ii) service has been effected on a list of parties acceptable to the Interim Lenders;

- (c) the Interim Financing Credit Documentation shall be satisfactory to the Interim Lenders, and shall have been executed by the Borrowers;
- (d) upon entry of the Charging Order, the Borrowers shall have obtained all governmental, regulatory and third party approvals required to be obtained to permit it to enter into the transactions contemplated by the terms hereof;
- (e) the Interim Lenders shall have received the Cash Flow Budget in accordance with the terms of this Interim Financing Term Sheet (which shall be satisfactory to the Interim Lenders);
- (f) there shall be no material damage or destruction to any of the Collateral, nor any material depreciation in the value thereof and the Borrowers' operations shall comply, in all material respects, with all applicable health and safety, environmental, labour and other applicable laws and regulations;
- (g) all expenses (including all legal fees and expenses) of

the Borrowers incurred in connection with the Interim Loan Facility shall have been paid in full as and to the extent required under Section 13 (which expenses may be deducted from the Interim Advances, as applicable);

- (h) the Interim Secured Parties shall have received all "know your client" information they may require;
- (i) all of the representations and warranties of the Borrowers as set forth herein and in any other Interim Financing Credit Documentation shall be true and correct in all respects; and
- (j) there shall be no Liens ranking in priority to the Interim Lenders' Charge, other than the Permitted Priority Liens.

10.

**Conditions
Precedent
To Interim
Advances:**

The Interim Lenders' obligation to make Interim Advances to the Borrowers is subject to the satisfaction of the following conditions precedent as determined by the Interim Lenders) in its sole discretion (collectively, the "**Funding Conditions**"):

- (a) this Interim Financing Term Sheet shall have become effective and all conditions precedent set out in Section 9 shall have been fulfilled;
- (b) the Borrowers shall have received from the Borrowers an Interim

Advance Request, substantially in the form attached hereto as Schedule "C", which shall be executed by an officer of the Borrowers, and shall certify, *inter alia*, that the Interim Advance Request is within the Maximum Amount, is consistent with the Cash Flow Budget, and that the Borrowers are in compliance with the Interim Financing Credit Documentation and the Restructuring Court Orders (as defined below);

- (c) prior to the making of any Interim Advance in the NOI Proceedings, the Borrowers and the Interim Lenders (or their respective counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of, as applicable:
 - (i) the Charging Order; and
 - (ii) any other Order sought by the Borrowers in the NOI Proceedings ("**Other NOI Orders**").
- (d) the Interim Lenders shall be satisfied, acting reasonably, with the form and content of the court orders made in the NOI Proceedings applicable to the Borrowers (collectively, the

"Restructuring Court Orders" and each a **"Restructuring Court Order"**, which shall include but are not limited to the Charging Order and the Other NOI Orders);

- (e) the Interim Lenders shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business other than (i) as may be permitted under the Restructuring Court Orders or (ii) as to which any enforcement in respect of noncompliance is stayed by a Restructuring Court Order, provided the issuance of such Restructuring Court Order (in each case) does not result in the occurrence of an Event of Default;
- (f) the requested Interim Advance shall not, if advanced to either Borrower, cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the total Interim Advances projected to be required in the Cash Flow Budget, unless otherwise specifically approved by the Interim Lenders;
- (g) all Interim Financing Expenses shall have been paid, or will be paid from

the proceeds of the requested Interim Advance, as applicable, within such period of time as is acceptable to the Interim Lenders in their absolute discretion;

- (h) all of the representations and warranties of the Borrowers as set forth herein and in any other Interim Financing Credit Documentation shall be true and correct in all respects;
- (i) no Default or Event of Default shall have occurred or will occur as a result of the requested Interim Advance;
- (j) the Interim Lenders are satisfied that no Material Adverse Change shall have occurred after the date of the issuance of the Charging Order or the Charging Order;
- (k) the Interim Secured Parties shall have valid and perfected superpriority Liens on the Collateral of the Borrowers pursuant to the Charging Order and there are no Liens ranking in priority to the Interim Lenders' Charge, other than the Permitted Priority Liens;
- (l) since the date of the Charging Order there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or

amendment or modification of any of the terms thereof, except as permitted by the terms of the Charging Order or as otherwise provided for hereunder and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget; and

- (m) the Charging Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed in a manner adverse to the interests of the Interim Lenders.

11.

Repayment:

The Interim Loan Facility shall be repayable in full (including all accrued and unpaid interest thereon and all costs and any other amounts due and payable in connection therewith) on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured; (ii) the implementation of a Proposal to the Borrower's creditors within the NOI Proceedings (a "**Proposal**") which has been approved by the requisite majorities of the Borrowers' creditors and sanctioned by an order of the Court; (iii) conversion of the NOI Proceedings into a liquidation or receivership proceeding under the BIA; (iv) the sale of all or substantially all of the Collateral; and (v) December 31, 2023 (the earliest of such dates being the "**Maturity Date**"). For greater certainty, all payments on account of principal and interest to be made by the Borrowers to the Interim Lenders in accordance with this Interim Financing Term

Sheet shall be made to the Borrowers Account for distribution by the Borrowers to each Interim Lender, on a Pro Rata Basis, to such account as directed in writing by the Interim Lenders to the Borrowers from time to time.

Subject to the terms above with respect to extensions of the Maturity Date, the Commitment shall expire on the Maturity Date and all amounts outstanding under the Interim Loan Facility shall be repaid in full no later than the Maturity Date, without the Interim Lenders being required to make demand upon the Borrowers or to give notice that the Interim Loan Facility has expired and the obligations are due and payable. The order of the Court sanctioning any Proposal shall not discharge or otherwise affect in any way any of the obligations of the Borrowers to the Borrowers and the Interim Lenders under the Interim Loan Facility, other than after the permanent and indefeasible payment in cash to the Interim Lenders of all obligations under the Interim Loan Facility on or before the date the Proposal is implemented.

12.

Prepayment:

Upon 5 days prior written notice to the Borrowers, the Borrowers may prepay any amounts outstanding under the Interim Loan Facility at any time prior to the Maturity Date, without any prepayment fee or penalty. In no event shall the Interim Lenders be obligated to accept any amount that would be contrary to any applicable law respecting interest to be charged. If the minimum interest payable under this Interim Financing Term Sheet is determined to be in excess of the maximum amount permitted

by applicable law, then the minimum interest shall be reduced to the maximum amount that would be permitted by applicable law.

The Borrowers may borrow, repay and re-borrow Interim Advances, subject to the terms and conditions herein. Any amount repaid or prepaid under the Interim Loan Facility (including those repaid in accordance with Section 13) shall be applied against amounts outstanding hereunder and in connection herewith by the Borrowers in its sole and absolute discretion.

13.

**Mandator
y
Repaymen
ts:**

Unless otherwise consented to in writing by the Interim Lenders), Interim Advances to the Borrowers shall be forthwith repaid and the Maximum Amount shall be permanently reduced: (i) upon a sale, transfer, lease or other disposition of any of the Collateral out of the ordinary course of business, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable costs and closing adjustments); (ii) upon receipt by any Borrowers of insurance proceeds with respect to the Collateral owned by it, (iii) upon receipt by any Borrower of a refund or payment on account of Taxes from any Governmental Entity, excluding refunds or payments on account of sales taxes, and (iv) upon receipt by any Borrower (or any of its advisors or agents on such Borrower's behalf) of any amounts related to any avoidance actions or avoidance transactions (including, without limitation, in connection with any acts of fraudulent preference, acts of fraudulent conveyance and/or transfers at under value).

14. **Evidence of Indebtedness:** The Interim Lenders' accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the Interim Lenders pursuant to the Interim Loan Facility.
15. **Costs and Expenses:** The Borrowers shall pay all of the Borrowers' out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the Interim Loan Facility, the Interim Lenders' Charge, the other Interim Financing Credit Documentation and the NOI Proceedings (collectively, the "**Interim Financing Expenses**").
16. **Documentation and Interim Financing Security:** The Interim Financing Obligations shall be secured by:
- (a) the Interim Lenders' Charge;
 - (b) such other documents as the Interim Lenders) may request (which will include a fixed and floating charge debenture granted by each Borrower in favour of the Interim Lenders; including those documents required in order to register or otherwise perfect the security interests comprising the Interim Lenders' Charge
- ((a) and (b) collectively, the "**Interim Financing Security**").
- The Interim Financing Security shall be in priority to all Liens pursuant to the Restructuring Court Orders, including but not limited to the Charging Order, and subordinate only to the Permitted

Priority Liens. The Interim Financing Obligations shall also be secured by a general security agreement and mortgage charging all of the personal and real property of the Borrowers and such other documents as the Interim Lenders may request including those documents required in order to register or otherwise perfect the security interests granted under any such documents (collectively, the "**Other Security**").

The Interim Financing Security, the Other Security and the charges created hereby and in the Restructuring Court Orders (including but not limited to the Charging Order) shall be deemed to be valid and perfected by the granting of the Restructuring Court Orders (including but not limited to the Charging Order). The Interim Lenders shall not be required to file any financing statement, mortgage, security notice, or similar instrument or take any other action to validate or perfect the security charges granted hereunder and in the Restructuring Court Orders (including but not limited to the Charging Order), however the Interim Lenders may register the Interim Financing Security and the Other Security (and/or any notice, certificate, instrument or other agreement associated therewith) in jurisdictions and at registries or public offices as the Interim Lenders may determine necessary or beneficial to protect their interests under the Interim Financing Security and the Other Security.

17.

**Permitted
Liens and**

All Collateral will be free and clear of all other Liens, except for

18.

Priority: the Permitted Liens.

Cash Flow Budget: Attached hereto as Schedule "B" is the Cash Flow Budget as in effect on the date hereof, which is in form and substance satisfactory to the Interim Lenders.

By 12:00 noon Mountain time of every Thursday of each week following the granting of the Charging Order, the Borrowers shall provide the Interim Lenders with an updated Cash Flow Budget in form and substance satisfactory to and approved by the Interim Lenders, together with (A) a comparison of the previous week's forecast to actual cash receipts and expenditures for each line item in the Cash Flow Budget (i.e. a week in arrears) and (B) an explanation of the differences (the "**Variance Report**"), or such other reporting as the Borrowers and the Interim Lenders may agree.

The Borrowers shall use commercially reasonable efforts, if requested by the Interim Lenders, to cause its non-legal advisors to participate on weekly conference calls with the Interim Lenders and their respective advisors, agents and employees to discuss the revised Cash Flow Budget, the Variance Report, the Borrowers' current and projected operational performance, and any related financial matters.

19.

Proposal Proposal Trustee: The proposal (the "**Proposal Trustee**") in the NOI Proceedings shall be KSV Restructuring Inc. The Proposal Trustee shall be authorized to have direct discussions with the Interim Lenders, and the Interim Lenders shall be entitled to receive information from the Proposal Trustee as may be requested by

them from time to time.

20.

Representations and Warranties:

Each Borrower represents and warrants to the Interim Lenders, upon which Interim Lender is relying in entering into this Interim Financing Term Sheet and the other Interim Financing Credit Documentation, as follows:

- (a) the Interim Financing Term Sheet and the other Interim Financing Credit Documentation and the transactions contemplated hereby and thereby:
 - (i) are within the powers of each Borrower;
 - (ii) have been duly executed and delivered by or on behalf the Borrowers pursuant to the Charging Order;
 - (iii) do not conflict with or result in a breach of (a) any of the terms or conditions of the constating documents of the Borrowers or (b) any applicable law, any contractual restrictions binding on or affecting the Borrowers' material properties or any judgement, injunction, determination or award which is binding on the applicable

Borrower unless in the case of subparagraph (b) such conflict or breach could not reasonably be expected to cause a Material Adverse Change;

- (iv) upon the granting of the Charging Order, constitute legal, valid and binding obligations of the Borrowers; and
 - (v) other than those already obtained (including the Charging Order), do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party, other than filings which may be made, but are not required, to register or otherwise record the Interim Lenders' Charge, the Interim Financing Security and the Other Security;
- (b) the Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the Charging Order, the Interim Lenders' Charge;
 - (c) none of the reports,

financial statements, certificates or other written information furnished by or on behalf of the Borrowers to the Interim Lenders or their advisors in connection with the negotiation of this Interim Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading; *provided that* to the extent any such reports, financial statements, certificates or other written information therein was based upon or constitutes a forecast or projection, each Borrower represents only that it has acted in good faith and utilized assumptions believed by it to be reasonable at the time made;

- (d) each Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable or that are being diligently contested

in good faith by the applicable Borrower and for which sufficient reserves have been set aside, other than such amounts as have been specifically disclosed to the Interim Lenders;

- (e) each Borrower, since January 1, 2023, has maintained its obligations for payroll, source deductions, current normal cost pension liabilities, retail sales tax, goods and services tax and harmonized sales tax, as applicable, and is not in arrears in respect of payment of these obligations;
- (f) all representations and warranties made by the Borrowers in all other Interim Financing Credit Documentation are true and correct in all respects;
- (g) no Default or Event of Default has occurred and is continuing;
- (h) each Borrower has been duly formed and is validly existing under the law of its jurisdiction of incorporation;
- (i) each Borrower maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type,

in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

- (j) no Borrower is aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a material adverse effect on such Borrower or its businesses;
- (k) no Borrower has entered into any material transaction or other written contractual relationship with any related party except as disclosed to the Borrowers in writing prior to the effective date of this Interim Financing Term Sheet;
- (l) other than as stayed pursuant to the Charging Order, the commencement of the NOI Proceedings will not trigger any contractual provision that would entitle any officer or director of any Borrower to claim additional compensation, bonus or severance;
- (m) all material payments to shareholders, directors and senior executives of the Borrowers and any related party, whether under contract or otherwise, including bonus payments,

transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow Budget (which, for certainty, do not include payments to any senior executive of any Borrower related to salary deferral arrangements);

(n) other than as stayed pursuant to any Restructuring Court Order, there is not now pending or, to the knowledge of any of the senior officers or directors of any Borrower, threatened against such Borrower, nor has any Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;

(o) all material contracts to which the Borrowers are a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and no Borrower has any knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the

commencement of the NOI Proceedings);

- (p) no Borrower has any defined benefit pension plans or similar plans;
- (q) each Borrower is and remains in compliance with the Restructuring Court Orders; and
- (r) no Borrower is liable for any indebtedness for borrowed money, except as disclosed in the NOI Proceedings.

21.

Affirmative Covenants
:

In addition to all of the other covenants and obligations contained herein, each Borrower covenants and agrees to perform and do each of the following until the Interim Loan Facility is permanently and indefeasibly repaid in full and terminated:

- (a) allow the Interim Lenders and any of their agents and advisors, on reasonable notice during regular business hours, to enter on and inspect any Borrower's assets and properties, and provide the Interim Lenders and their respective agents or advisors, on reasonable notice and during normal business hours, full access to all Borrower's books and records (including all sales contracts pertaining to the Borrowers' assets and properties), financial information and electronic data rooms of or maintained by any Borrower and cause management and employees thereof to fully

co-operate with the Interim Lenders and their agents and advisors;

- (b) cause management, the financial advisor and legal counsel of the Borrowers, to cooperate with reasonable requests for information by the Interim Lenders and their advisors, in each case subject to solicitor-client privilege, all Restructuring Court Orders and applicable privacy laws and the Borrowers' confidentiality obligations to third parties, in connection with matters reasonably related to the Interim Loan Facility or compliance of the Borrowers with their obligations pursuant to this Interim Financing Term Sheet and the other Interim Financing Credit Documentation;
- (c) provide to the Interim Lenders regular updates regarding the status of the NOI Proceedings including, without limitation, reports on the progress of any Proposal, which may otherwise be confidential, subject to same being maintained as confidential by the Interim Lenders;
- (d) provide the Interim Lenders with draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file within the NOI Proceedings as

soon as practically possible prior to any such filing;

- (e) use reasonable efforts to keep the Interim Lenders apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers;
- (f) deliver to the Interim Lenders the updated Cash Flow Budget and the Variance Reports as and when set out herein, and such other reporting and other information from time to time reasonably requested by the Interim Lenders. Without limiting the foregoing, the Borrowers shall use commercially reasonable efforts to deliver to the Interim Lenders copies of any financial reporting provided to the Proposal Trustee in a timely manner and forthwith provide to the Interim Lenders any reports or commentary received from the Proposal Trustee regarding the financial position of the Borrowers;
- (g) conduct all activities in a manner consistent with the Cash Flow Budget;
- (h) promptly provide notice to the Interim Lenders and their counsel, and keep them otherwise apprised, of any material developments in respect of any material contract and of any material notices, orders, decisions, letters,

or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrowers;

- (i) comply in all material respects with applicable law, except to the extent not required to do so pursuant to the Charging Order or any Restructuring Court Order;
- (j) take all actions necessary or available to defend the Charging Order and any other Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the Interim Lenders;
- (k) use the proceeds of the Interim Loan Facility only for the purposes described in Section 7 hereof, and in a manner consistent with the restrictions set out herein;
- (l) pay all of the Interim Lenders' costs and expenses no less frequently than every month following the delivery of an invoice to the Borrowers, provided that the Interim Secured Parties shall provide reasonable estimates of such expenses for purposes of the Cash Flow Budget;

- (m) comply with the provisions of the Restructuring Court Orders; provided that if any Restructuring Court Order contravenes this Interim Financing Term Sheet or any of the Interim Financing Credit Documentation so as to adversely impact the rights or interests of the Interim Lenders in a material manner, the same shall be an Event of Default hereunder;
- (n) preserve, renew and keep in full force its respective corporate existence and its respective material licenses, permits, approvals, etc. required in respect of its business, properties, assets or any activities or operations carried out therein, unless otherwise agreed by the Interim Lenders in their sole discretion;
- (o) upon request of the Interim Lenders, complete all necessary Lien and other customary searches against the Borrowers, together with all registrations, filings and recordings wherever the Interim Lenders deem appropriate to satisfy the Interim Lenders that there are no Liens affecting the Collateral, except Permitted Liens;
- (p) use commercially reasonable efforts consistent with the Cash Flow Budget to (i) maintain the insurance in

existence as at the date hereof with respect to the Collateral owned by it, or (ii) obtain insurance over such Collateral where none exists or has expired, on terms acceptable to the Interim Lenders; and

- (q) forthwith notify the Interim Lenders of (i) the occurrence of any Default or Event of Default, (ii) any event or circumstance that may negatively impact the Cash Flow Budget, including any material change in its contractual arrangements or with relationships with third parties, (iii) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, Governmental Entity or regulatory body, which could be reasonably likely to result, individually or in the aggregate, in a judgment in excess of \$25,000, to the extent not stayed by the Restructuring Court Orders, (iv) any default or dispute with respect to any of its material contracts, to the extent enforcement thereof is not stayed by the Restructuring Court Orders; and (v) the discovery: (i) of any title defect in respect of any properties of any Borrower, other than a minor title defect; and (ii)

that any material portion of the Collateral has been damaged or destroyed; and (vi) any event that could reasonably be expected to cause a Material Adverse Change.

22.

Negative Covenants
:

Each Borrower covenants and agrees not to do the following, other than with the prior written consent of the Interim Lenders:

- (a) transfer, sell, lease or otherwise dispose of all or any part of its property, assets or undertaking after the date hereof (excluding dispositions of obsolete assets or dispositions in the ordinary course of business), except such transfers, sales, leases or other dispositions as are permitted pursuant to the Restructuring Court Orders. For greater certainty, in the case of any transfer, lease, sale or other disposition of any Collateral, all proceeds of such transfer, lease, sale or other disposition shall be subject to Section 13;
- (b) other than as provided for hereunder, make any payment of principal, interest or fees in respect of existing (pre-filing) debt or obligations other than as may be permitted by the Charging Order or a Restructuring Court Order that does not result in an Event of Default, and is provided for in the Cash Flow Budget;
- (c) create or permit to exist indebtedness (including

guarantees thereof or indemnities) other than (pre-filing) debt existing as of the date hereof, debt contemplated by this Interim Financing Term Sheet and post-filing trade payables;

- (d) make any payments not consistent with the Cash Flow Budget;
- (e) enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred;
- (f) after the date hereof, enter into any hedging agreement;
- (g) acquire, create or cause to exist any subsidiary;
- (h) make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise), unless permitted by the Charging Order or any Restructuring Court Order;
- (i) make any loans, advances,

financial assistance or assurances (in the form of bonds, letters of credit, financial guarantees or otherwise), capital contribution, investments or acquisitions whether direct or indirect, other than as reflected in the Cash Flow Budget;

(j) (i) enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than in accordance with the Cash Flow Budget;

(k) pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of legal, financial or other advisor of any party unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the Interim Lenders, except for (i) fees, expenses and disbursements of the Proposal Trustee and its legal counsel and (ii) fees, expenses and disbursements of the respective legal, financial and other advisors of the Borrowers and the Interim Secured Parties;

(l) create or permit to exist any Liens on any of its properties or assets other

than the Permitted Liens;

- (m) challenge or fail to support the Liens and claims of the Interim Secured Parties;
- (n) seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any transaction other than as part of a Restructuring Option;
- (o) terminate any material contract or amend any material contract in any material manner except with the prior consent of the Interim Lenders;
- (p) change its name or locations of business, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity except as part of a transaction under the SISF, and on terms and conditions satisfactory to the Interim Lenders;
- (q) seek, obtain, support, make or permit to be made any court order or any material change, amendment or modification to any Restructuring Court Order affecting the Interim Lenders, except with the prior written consent of the Interim Lenders;
- (r) enter into any material settlement agreement or agree to any material settlement arrangements

with any Governmental Entity or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the Interim Lenders, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the Cash Flow Budget;

- (s) without the approval of the Court or the prior written consent of the Interim Lenders in their sole discretion, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;
- (t) seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;
- (u) after the date hereof, purchase any additional insurance in respect of any director or officer of any Borrower, including any "tail" insurance, without the prior written consent of the Interim Lenders;
- (v) change any of its organizational documents,

its name, fiscal year end or accounting standards;

- (w) implement any key employee retention program, or seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any charge in respect of any key employee retention program;
- (x) execute any documents that would materially adversely affect the rights of the Interim Secured Parties; and
- (y) make any payment in respect of post-employment benefit payments.

23.

**Indemnity
and
Release:**

Each Borrower agrees to indemnify and hold harmless the Interim Lenders and their respective directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to or resulting from the Interim Loan Facility, this Interim Financing Term Sheet or any other Interim Financing Credit Documentation (regardless of

whether such Claim is made in the NOI Proceedings or any other proceeding, including a bankruptcy or insolvency proceeding) and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, no Borrower shall be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this Interim Financing Term Sheet shall survive any termination of the Interim Loan Facility.

24.

Events of Default:

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Interim Financing Term Sheet:

- (a) the failure of the Borrowers to pay any principal amount owing under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation when due;
- (b) the failure of the Borrowers to pay any

interest or costs any portion thereof owing under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation when due;

(c) the issuance of an order of the Court (including any Restructuring Court Order) or any other court of competent jurisdiction:

(i) dismissing the NOI Proceedings or lifting the stay in the NOI Proceedings to permit (A) the enforcement of any Lien against any Borrower, or a material portion of its property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim-receiver or similar official or the making of a bankruptcy order against any Borrower;

(ii) granting any Lien which is senior to or *pari passu* with the Interim Lenders' Charge, other than the Permitted Priority Liens;

(iii) staying, reversing, vacating or otherwise modifying the

Charging Order or
the Charging
Order or any
Restructuring
Court Order in a
manner materially
adverse to the
interests of the
Interim Lenders;
or

- (iv) adversely
impacting the
rights and
interests of the
Interim Lenders in
a material manner,
without the prior
written consent of
the Interim
Lenders;
- (d) the filing of any pleading
by any Borrower seeking
any of the matters set forth
in clause (c) above or
failure of any Borrower to
diligently oppose any
party that brings an
application or motion for
the relief set out in
paragraph (c) above and/or
failure to secure the
dismissal of such motion
or application within thirty
(30) days from the date
such application or motion
is brought;
- (e) unless consented to in
writing by the Interim
lenders, the expiry without
further extension of the
stay of proceedings
extended initially in the
Charging Order;
- (f) the failure of any
Borrower to comply with
any negative covenants in
this Interim Financing

Term Sheet, which default has not been remedied or cured within three (3) Business Days;

- (g) a Restructuring Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions (financial or otherwise), of any Borrower, that will in the Interim Lenders' judgment materially further impair the Borrowers' financial condition or ability to comply with its obligations under this Interim Financing Term Sheet, any other Interim Financing Credit Documentation, or any Restructuring Court Order or carry out a Proposal acceptable to the Interim Lenders (a "**Material Adverse Change**");
- (h) there exists a net negative variance (excluding advisor fees and expenses) from the Cash Flow Budget in excess of 10% (or \$20,000, if 10% would equal an amount less than \$20,000) on a line item basis and on a cumulative basis since the beginning of the period covered by the first Cash Flow Budget issued hereunder;
- (i) the Cash Flow Budget or any update thereof contemplates or forecasts an adverse change or changes from the then existing Cash Flow Budget and such change(s) constitute(s) a

Material Adverse Change, or any updated Cash Flow Budget forecasts that borrowings under the Interim Loan Facility will exceed the Maximum Amount at any time (unless and until the Interim Lenders consent to increase the Maximum Amount, which shall be in the Interim Lenders' sole and absolute discretion);

- (j) any representation or warranty by any Borrower herein or in any Interim Financing Credit Documentation shall be incorrect or misleading in any material respect when made;
- (k) borrowings under the Interim Loan Facility exceed the Maximum Amount at any time without the prior consent of the Interim Lenders);
- (l) a material violation or breach of any Restructuring Court Order upon receipt by the Borrowers of notice from the Interim Lenders of such violation or breach;
- (m) an event of default has occurred and is ongoing under any of the Interim Financing Credit Documentation;
- (n) any proceeding, motion or application is commenced or filed by the Borrowers, or if commenced by another party, supported or otherwise consented to by the Borrowers, seeking

the invalidation, subordination or otherwise challenging of the terms of the Interim Loan Facility, the Interim Lenders' Charge, this Interim Financing Term Sheet, or any of the other Interim Financing Credit Documentation or, unless the Proposal provides for repayment in full of the Interim Loan Facility, the approval of any Proposal which does not have the prior written consent of the Interim Lenders;

- (o) any Proposal is proposed by the Borrowers that contravenes any provision of this Interim Financing Term Sheet or other Interim Financing Credit Documentation, unless the Interim Lenders have consented thereto;
- (p) except as set out in the Cash Flow Budget, or as otherwise agreed to in writing by the Interim Lenders, the Borrowers are required by any Governmental Entity to make expenditures or pay damages, fines, claims, costs or expenses to remediate, or in respect of, any environmental liabilities, and such requirement is not stayed by a Restructuring Court Order;
- (q) if any of the Borrowers pays or agrees to pay any of the legal, consulting or other professional fees and/or disbursements incurred by any other

party in the NOI Proceedings without the prior consent of the Interim Lenders, other than the Interim Financing Expenses, the professional fees and disbursements of Interim Lenders' legal counsel and the professional fees and disbursements of the beneficiaries to the Administration Charge;

- (r) the Interim Lenders' Charge ceases to be a valid, perfected and enforceable superpriority Lien senior to all other Liens other than Permitted Priority Liens;
- (s) the denial or repudiation by any Borrower of the legality, validity, binding nature or enforceability of this Interim Financing Term Sheet, any other Interim Financing Credit Documentation or the Interim Lenders' Charge;
- (t) failure of the Borrowers to perform or comply with any other term or covenant under this Interim Financing Term Sheet or any other Interim Financing Credit Documentation (other than as specified in subparagraphs (a), (b) and (f) above), and such default shall continue unremedied for a period of three (3) Business Days; and
- (u) if any Borrower commences an action or takes any other proceeding

to obtain any form of relief against the Interim Lenders or any affiliate thereof.

25.

Remedies: Upon the occurrence of an Event of Default that is continuing, and subject to the Restructuring Court Orders, the Interim Lenders may elect to terminate the Commitments and declare the obligations in respect of the Interim Financing Credit Documentation to be immediately due and payable and cease making any further Interim Advances. Without limiting the foregoing remedies, upon the occurrence of an Event of Default that is continuing, the Interim Lenders may elect to permanently reduce the Maximum Amount. In addition, upon the occurrence of an Event of Default that is continuing, the Interim Lenders may, subject to any Restructuring Court Order:

- (a) apply to a court for the appointment of a receiver, interim receiver or a receiver and manager over any of the Collateral, or for a bankruptcy order against the Borrowers or any one of them and for the appointment of a trustee in bankruptcy of the Borrowers or any one of them;
- (b) set-off or consolidate any amounts then owing by the Interim Lenders to the Borrowers against the obligations of the Borrowers to the Interim Lenders (in their capacities as such) hereunder;

- (c) exercise its unqualified right to credit bid up to the full amount of the outstanding Interim Financing Obligations (including, for certainty, all accrued interest) in any sale of the Collateral (or any part thereof);
- (d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Alberta) or any legislation of similar effect; and
- (e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under the Interim Financing Credit Documentation, the Restructuring Court Orders and applicable law.

26.

Taxes:

All payments by the Borrowers under this Interim Financing Term Sheet and the other Interim Financing Credit Documentation to the Interim Lenders, including any payments required to be made from and after the exercise of any remedies available to the Interim Lenders upon an Event of Default that is continuing, shall be made free and clear of and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision or any country

(collectively "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any amount payable to the Interim Lenders under any Interim Financing Credit Documentation, the amount so payable to the Interim Lenders shall be increased to the extent necessary to yield to the Interim Lenders on a net basis after payment of all Withholding Taxes the amount payable under such Interim Financing Credit Documentation at the rate or in the amount specified in such Interim Financing Credit Documentation, and the Borrowers shall provide evidence satisfactory to the Interim Lenders that the Taxes have been so withheld and remedied.

27.

Further Assurance s:

The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Interim Lenders may reasonably request for the purpose of giving effect to this Interim Financing Term Sheet.

28.

Amendments, Waivers, Etc.:

No amendment of any provision of any Interim Financing Credit Documentation shall be effective unless agreed to by the applicable Borrower and the Interim Lenders and, in the case of any material amendment, the Proposal Trustee.

No waiver or delay on the part of the Interim Lenders in exercising any right or privilege hereunder or under any other Interim Financing Credit Documentation will operate as a waiver hereof or thereof

unless made in writing by the Interim Lenders and delivered in accordance with the terms of this Interim Financing Term Sheet or the other applicable Interim Financing Credit Documentation and then such waiver shall be effective only in the specific instance and for the specific purpose given.

29. **Entire Agreement Conflict:** This Interim Financing Term Sheet, including the schedules hereto and the Interim Financing Credit Documentation, constitute the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Interim Financing Term Sheet and any of the other Interim financing Credit Documentation, this Interim Financing Term Sheet shall govern.
30. **Assignment:** Each Interim Lender may assign this Interim Financing Term Sheet and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder, with the prior consent of the Borrowers, acting reasonably. Neither this Interim Financing Term Sheet nor any right hereunder may be assigned by the Borrowers.
31. **Severability:** Any provision in this Interim Financing Term Sheet or any other Interim Financing Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

32. **No Third Party Beneficiary:** No Person, other than the Borrowers, the Borrowers and each Interim Lender, is entitled to rely upon this Interim Financing Term Sheet and the parties expressly agree that this Interim Financing Term Sheet does not confer rights upon any party not a signatory hereto.
33. **Counterpart and Facsimile Signatures :** This Interim Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission (including .pdf), each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
34. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by fax or electronic mail to the attention of the Person as set forth below:
- In the case of the Interim Lenders, to:
- Hawksworth Holdings Ltd.
300, 2912 Memorial Drive, SE
Calgary, Alberta, T2A 6R1
Attention: Al Morrison
Telephone: 403.540.1125
Email:
al.morrison@morrisonhomes.ca
- G. Edwards Holdings Ltd.
306062 - 17 Street West
Foothills, Alberta, T1S 5E8
Attention: Gary Edwards
Telephone: 403.660.6570
Email:
gary@bodhitreeyogaresort.com

In the case of the Borrowers to:

OGEN Ltd.
 5430 30 Street SE
 Calgary, Alberta, T2C 1G2
 Attention: Darren Brisebois
 Telephone: 587.896.2963
 Email:
dbrisebois@ogencannabis.com

In either case, with a copy to the
 Proposal Trustee:

KSV Advisory Inc.
 220 Bay St. Suite 1300
 Toronto, ON M5J 2W4
 Attention: Jason Knight
 Email: jknight@ksvadvisory.com

Any such notice shall be deemed to be given and received when received, unless received after 5:00 pm Mountain time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

35.

**Governing
 Law and
 Jurisdiction:**

This Interim Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Interim Lenders to enforce this Interim Financing Term Sheet in any other proper jurisdiction, each Borrower irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of Alberta, and further acknowledge and agree that any disputes arising in respect of the Interim Financing Credit Documentation shall be heard by the Court.

IN WITNESS HEREOF, the parties hereby execute this Interim Financing Term Sheet as at the date first above mentioned.

Borrower:

OGEN HOLDINGS LTD.

DocuSigned by:
Per: Darren Brisebois
Name: Darren Brisebois
Title: President

Borrower:

OGEN LTD.

DocuSigned by:
Per: Darren Brisebois
Name: Darren Brisebois
Title: President

Commitment: \$250,000

Interim Lender:

HAWKSWORTH HOLDINGS LTD.

DocuSigned by:
Per: Al Morrison
Name: Al Morrison
Title: Director

Commitment: \$250,000

Interim Lender:

G. EDWARDS HOLDINGS LTD.

DocuSigned by:
Per: Gary Edwards
Name: Gary Edwards
Title: Director

SCHEDULE "A"**DEFINED TERMS**

"**Administration Charge**" means the administration charge on the Collateral of the Borrowers in an aggregate amount not to exceed \$250,000 and as provided for in the Charging Order.

"**Borrower**" and "**Borrowers**" has the meaning given thereto in Section 1.

"**Borrowers Account**" means such account of the Borrowers as designated in writing by the Borrowers to the Interim Lenders from time to time.

"**Business Day**" means any day other than a Saturday, Sunday or any other day in which banks in Calgary, Alberta are not open for business.

"**Cash Flow Budget**" means a 13-week cash flow budget of expected weekly receipts and all of the operating and capital expenditures to be made during each calendar week and in the aggregate for the period of time covered by the Cash Flow Budget, prepared by the Borrowers with the assistance of the Proposal Trustee, which is attached as Schedule "B" to this Interim Financing Term Sheet, together with any subsequent detailed cash flow budget prepared by the Borrowers, with the assistance of the Proposal Trustee, as applicable, and submitted by the Borrowers to the Borrowers and approved by the Interim Lenders.

"**Charging Order**" has the meaning given thereto in Section 9(a).

"**Claims**" has the meaning given thereto in Section 23.

"**Collateral**" means all now owned or hereafter acquired property and assets of the Borrowers, real and personal, tangible or intangible.

"**Commitment**" means (a) \$500,000, as such amount may be reduced from time to time in accordance with the terms of this Interim Financing Term Sheet or (b) with respect to a Interim Lender, the relevant amount designated as such opposite such Interim Lender's name on the signature pages hereto with respect to the Interim Loan Facility.

"**Court**" has the meaning given thereto in the Recitals.

"**Default**" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"**D&O Charge**" means the directors' and officers' charge on the Collateral of the Borrowers in an aggregate amount not to exceed \$50,000, and as provided for in the Charging Order and the Charging Order.

"**Event of Default**" has the meaning given thereto in Section 24.

"**Funding Conditions**" has the meaning given thereto in Section 10.

"**Governmental Entity**" means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

"**Interim Advance**" and "**Interim Advances**" has the meanings given thereto in Section 6.

"**Interim Advance Request**" has the meaning given thereto in Section 8.

"**Interim Financing Credit Documentation**" means this Interim Financing Term Sheet, any other documentation in respect of the Interim Loan Facility that is requested by the Interim Lenders, which shall be in form and substance satisfactory to the Borrowers), including the Interim Financing Security and the Other Security.

"**Interim Financing Expenses**" has the meaning given thereto in Section 15.

"**Interim Financing Obligations**" has the meaning given thereto in Section 9(a).

"**Interim Financing Security**" has the meaning given thereto in Section 16.

"**Interim Lenders**" and "**Interim Lender**" has the meaning given thereto in Section 2.

"**Interim Lenders' Charge**" has the meaning given thereto in Section 9(a).

"**Interim Loan Facility**" has the meaning given thereto in Section 5.

"**Interim Secured Parties**" has the meaning given thereto in Section 9(a).

"**Indemnified Persons**" has the meaning given thereto in Section 23.

"**Liens**" means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever granted by the Borrowers or against the Collateral.

"**Material Adverse Change**" has the meaning given thereto in Section 24(g).

"**Maturity Date**" has the meaning given thereto in Section 11.

"**Maximum Amount**" has the meaning given thereto in Section 5.

"**NOI**" has the meaning given thereto in the Recitals.

"**NOI Proceedings**" has the meaning given thereto in the Recitals.

"**Proposal Trustee**" has the meaning given thereto in Section 19.

"**Permitted Liens**" means (i) the Interim Lenders' Charge, the Interim Financing Security and the Other Security; (ii) any charges created under the Charging Order or other Restructuring Court Order in each case subsequent in priority to the Interim Lenders' Charge, the limit and priority of each of which shall be acceptable to the Interim Lenders) in the Borrowers's discretion; (iii) validly perfected Liens existing prior to the date hereof (which for greater clarity rank subordinate to the Interim Lenders' Charge); (iv) inchoate statutory Liens arising after the date of the Charging Order in respect of any accounts payable arising after the date of the Charging Order in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (v) Permitted Priority Liens.

"**Permitted Priority Liens**" means: (a) the Administration Charge in an amount not to exceed \$250,00; (b) statutory super-priority Liens for unpaid employee source deductions or liabilities related to GST/HST

payment obligations; (c) the D&O Charge in an amount not to exceed \$50,000; and (d) such other Liens as may be agreed to in writing by the Interim Lenders.

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Entity or other entity of whatever nature.

"**Proposal**" has the meaning given thereto in Section 13.

"**Pro Rata Basis**" has the meaning given thereto in Section 8.

"**Restructuring Court Order**" and "**Restructuring Court Orders**" have the meanings given thereto in Section 10(d).

"**Taxes**" has the meaning given thereto in Section 26.

"**Variance Report**" has the meaning given thereto in Section 18.

"**Withholding Taxes**" has the meaning given thereto in Section 26.

SCHEDULE "B"

CASH FLOW BUDGET

See attached.

SCHEDULE "C"

FORM OF Interim ADVANCE REQUEST

Date: _____

•

Attention: [●]
Telephone: [●]
Telecopier: [●]
Email: [●]

•

Attention: [●]
Telephone: [●]
Telecopier: [●]
Email: [●]

Dear Sirs:

We refer to the Interim Financing Term Sheet dated [●], 2023 among [●], each as a borrower, [●] and [●], as the Interim Lenders (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Loan Agreement**"). Capitalized terms used herein have the same meaning as in the Loan Agreement. The undersigned is an officer of [●] and is authorized to make and deliver this notice on behalf of such Borrower pursuant to the Loan Agreement.

1. We hereby give notice of our request for a Interim Advance pursuant to Section 8 of the Loan Agreement, particulars of which are as follows:
 - (a) Drawdown Date: _____
 - (b) Amount: _____
 - (c) Payment Instructions (if any): _____
2. The undersigned hereby certifies that:
 - (a) the Interim Advance requested by this Interim Advance Request is consistent with the Cash Flow Budget and is within the Maximum Amount;
 - (b) each Borrower is in compliance with the Interim Financing Credit Documentation and all Restructuring Court Orders;
 - (c) the Charging Order is in full force and effect and has not been reversed, modified, stayed or amended; and
 - (d) since the date of the Charging Order there has been no payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or

modification of any of the terms thereof, except as permitted by the terms of the Charging Order or as otherwise provided for under the Interim Financing Term Sheet, and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget.

3. All of the representations and warranties of the Borrowers deemed to be made by such Borrowers pursuant to the Interim Financing Credit Documentation are true and correct in all respects on the date hereof.
4. There exists no Default or Event of Default on the date hereof and no Default or Event of Default will occur as a result of the Interim Advance requested by this Interim Advance Request.
5. No Material Adverse Change has occurred since the date of the issuance of the Charging Order or the Charging Order.
6. No Liens rank in priority to the Interim Lenders' Charge, other than Permitted Priority Liens.

Yours very truly,

[●], as Borrower

Per: _____
Name:
Title:

SCHEDULE "D"

Interim LENDERS' RESPECTIVE PRO RATA COMMITMENTS

Interim LENDER	COMMITMENT
•	\$●,000
•	\$●,000