



To the Creditors of **OGEN Holdings Ltd.** and **OGEN Ltd.** (the “**Companies**”):

**A general meeting of creditors has been scheduled for:
10:00 AM (MDT) on September 20, 2023
to be held by way of video conference**

Please find enclosed the following documents:

- 1) a Notice of Proposal to Creditors;
- 2) a copy of the Proposal of the Companies dated September 1, 2023 (the “**Proposal**”);
- 3) the Report of Trustee on Proposal dated September 8, 2023 (the “**Proposal Trustee’s Report**”);
- 4) a condensed consolidated Statement of Assets and Liabilities for the Companies;
- 5) a Virtual First Meeting of Creditors Registration Form (the “**Registration Form**”);
- 6) a Proof of Claim & Proxy Form (with instructions);
- 7) a Convenience Election Form; and
- 8) a Voting Letter.

Capitalized terms not defined herein have the meanings ascribed to them in the Proposal.

Proposal

On June 26, 2023, the Companies each filed a Notice of Intention to Make a Proposal (collectively, the “**NOIs**” and individually, an “**NOI**”) with the Office of the Superintendent of Bankruptcy Canada (the “**OSB**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*. Upon filing the NOIs, KSV Restructuring Inc., was named as the Licensed Insolvency Trustee in each of the proceedings (in such capacity, the “**Proposal Trustee**”). The Companies filed the Proposal on September 1, 2023.

The purpose of the Proposal is to affect a proposal concerning the obligations of the Companies in order to enable the business of the Companies to continue, in the expectation that all stakeholders of the Companies, including their creditors, will derive a greater benefit from its continued operations than would result from deemed bankruptcies of the Companies and the discontinuance of their operations. The Proposal is made to both Secured Creditors and Unsecured Creditors. The Proposal provides for a full and final satisfaction of all Unsecured Creditor Claims in exchange for a cash payment as described in the Proposal. The Proposal to Secured Creditors includes a valuation of the Secured Claim and a Proposal condition that the Companies and the Secured Creditor agree to an Amending Agreement that will address the Secured Claim.

As further described in the Proposal Trustee's Report, if the Proposal is accepted by the Unsecured Creditors, the Proposal provides for Proposal proceeds of \$1,040,000 (the "**Proposal Proceeds**") to be distributed to the Unsecured Creditors. Using the form enclosed, Unsecured Creditors in the General Unsecured Creditor Class can make an election to be treated as a Convenience Claim to receive 100% of the first \$20,000 of their claim as full and final satisfaction of their claim. Those General Unsecured Creditor Class creditors who do not make a convenience class election are estimated to receive a dividend of approximately 10%. The CFCU Unsecured Creditor Class will receive proceeds of \$25,000. The OSB Levy will apply to all distributions.

If the Proposal is not accepted by the Statutory Majority, as defined below, the Companies will automatically be deemed bankrupt as of the date of the vote defeating the Proposal. As further described in the Proposal Trustee's Report, it is the Proposal Trustee's expectation that in the event of the bankruptcy of the Companies, there will be no distributions to Unsecured Creditors.

Meeting of Creditors

The primary purpose of the first meeting of creditors (the "**FMOC**") is to permit creditors to consider the acceptance or rejection of the Proposal. For the Proposal to be accepted, the BIA requires that for each class of Unsecured Creditor at least two thirds (66.67%) of creditors by dollar value and more than fifty percent (50%) of creditors by number of those who vote (the "**Statutory Majority**"), vote in favour of the Proposal at the meeting either by video conference (in person or by proxy) or by voting letter submitted by mail, email, or fax.

Attendance at the FMOC is optional and Creditors can have their vote registered by submitting duly completed copies of the enclosed proof of claim form and a voting letter.

If the Proposal is not accepted by the Statutory Majority, the Companies will automatically be deemed to have made assignments in bankruptcy as of the date of the vote defeating the Proposal.

If the Proposal is accepted by the Statutory Majority and the implementation conditions in article 7.4 of the Proposal are met, the Proposal Trustee will seek Court approval of the Proposal and notice of the application will be sent at such date. If the Court gives such approval, the Proposal, as approved, will be binding on all the creditors with proven claims pursuant to the provisions of the BIA.

The OSB issued guidance under Directive 22R2 to allow for flexibility in the administration of insolvency estates and encouraging every reasonable effort to be made to hold creditors' meetings by electronic or digital means of communication. Therefore, the Proposal Trustee will be holding the FMOC virtually.

Creditors wishing to have a representative virtually attend the FMOC must complete the Registration Form and submit to Andrew Basi (abasi@ksvadvisory.com) and Nisan Thurairatnam (nthurairatnam@ksvadvisory.com) to be provided with access instructions to the FMOC.

Pre-FMOC Requirements

To be eligible to vote, creditors must have filed with the Proposal Trustee before the FMOC, a Proof of Claim form, properly completed, signed, and witnessed as required, accompanied by supporting documentation.

The vote is based on the number of Creditors by class present and voting, in their respective class of creditor, at the meeting either by dialling-in (in person or by proxy) or by voting letter submitted by email. Blank proof of claim forms, proxy forms and voting letters are enclosed. Those Creditors who do not intend to have a representative dial-in to the FMOC, should complete and submit a voting letter, indicating their vote for or against the acceptance of the Proposal.

The Proposal Trustee strongly encourages Creditors to submit their proof of claim, voting letter, proxy form and Registration Form by 4:00 p.m. (MDT) on September 19, 2023, to allow for the administration of the virtual FMOC.

Proofs of Claim received after the commencement of the FMOC will not be eligible to vote. It is preferred for proofs of claim, proxies, and voting letters to be submitted as a scanned document via e-mail to Andrew Basi (abasi@ksvadvisory.com) and Nisan Thurairatnam (nthurairatnam@ksvadvisory.com).

Please ensure that the proof of claim is complete before submitting. The most common omissions on a proof of claim are:

- no supporting documentation attached (i.e., Schedule "A") to verify the claim amount;
- claim not signed or the signature not witnessed;
- voting letter not included or proxy not appointed (if unable to attend meeting); and/or
- contact information in case there is a problem with the claim.

Should you require further information, please contact:

Nisan Thurairatnam, Manager

T: 416.932.6023

E: nthurairatnam@ksvadvisory.com

Andrew Basi, Managing Director

T: 587.287.2670

E: abasi@ksvadvisory.com

Yours very truly,



KSV RESTRUCTURING INC.,

in its capacity as the Licensed Insolvency Trustee in the proposal proceedings of OGEN Holdings Ltd. and OGEN Ltd., and not in its personal capacity

TAB 1



**Estate File Nos: 25-2958977
25-2958981**

**IN THE MATTER OF THE PROPOSAL OF
OGEN HOLDINGS LTD. AND OGEN LTD.
OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA**

**NOTICE OF PROPOSAL TO CREDITORS
(Subsection 51)**

Take notice that:

1. OGEN Holdings Ltd. and OGEN Ltd. (collectively, the “**Companies**”) have lodged with KSV Restructuring Inc. (the “**Proposal Trustee**”) a Proposal pursuant to the *Bankruptcy and Insolvency Act*.
2. A general meeting of creditors to consider the Proposal will be held virtually on the 20th day of September, 2023 at 10:00 a.m. (MDT). Contact the Proposal Trustee for login details.
3. Enclosed are copies of:
 - The Certificate of Filing
 - The Proposal;
 - A proof of claim form, proxy, instruction letter and voting letter;
 - A condensed statement of the Companies’ assets and liabilities; and
 - A list of the creditors affected by the Proposal whose claims amount to \$250 or more.
4. To be entitled to vote at the meeting, proofs of claim, proxies (where necessary) and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.
5. Creditors must prove their claims against the Companies in order to share in any distribution of the proceeds realized from the estate.

DATED at Calgary, Alberta, this 8th day of September, 2023.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
LICENSED INSOLVENCY TRUSTEE**



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, 25-2958981
Estate No. 25-2958977, 25-2958981

In the Matter of the Proposal of:

OGEN Holdings Ltd.

OGEN Ltd.

Debtor

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of Proposal:	September 01, 2023	Security:	\$
Meeting of Creditors:	September 20, 2023, 10:00 Meeting ID:97561330975 Passcode: 554882 1165, 324 8th Avenue SW Calgary, Alberta Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: September 05, 2023, 12:43

E-File/Dépôt Electronique

Official Receiver

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

Canada

TAB 2

Court No.: 25-5958977

Estate Nos.:25-5958977

**COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE

CALGARY, ALBERTA

APPLICANTS

OGEN HOLDINGS LTD. and OGEN LTD.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
UNDER SECTION 50.4 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC
1985, C. B-3, AS AMENDED, OF OGEN HOLDINGS LTD. and OGEN LTD.**

PROPOSAL

OGEN Holdings Ltd. and Ogen Ltd. (collectively the "**Debtors**") submit the following proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, C. B-3 (the "**BIA**").

On June 26, 2023, the Debtors filed notices of intention to make a proposal to their creditors under section 50.4 of the BIA and thereby commenced proceedings to restructure their financial affairs under Division I of the BIA.

On July 24, 2023, Justice E.J. Sidnell of the Alberta Court of King's Bench ordered, amongst other things, that the proceedings related to OGEN Holdings Ltd. and Ogen Ltd. be consolidated into a single proceeding under Court File Number 25-2958977 (the "**Order**").

KSV Restructuring Inc., of Calgary, Alberta is a licensed trustee under the BIA, which has consented to act as a Proposal Trustee under the Proposal filed by the Debtors.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) "**Administrative Charge**" means the priority Administration Charge over the Property in favour of the Debtors' counsel, Proposal Trustee's counsel and the Proposal Trustee in the maximum amount of \$250,000.00 as granted by the Court of King's Bench of Alberta pursuant to the Order dated July 24, 2023;

- (b) **“Administrative Fees and Expenses”** means the proper fees, expenses, including legal fees and disbursements, of the Proposal Trustee and the Debtors, including the fees and disbursements of Bennett Jones LLP, counsel to the Debtors, and MLT Aikins LLP, counsel to the Proposal Trustee, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) **"Affected Creditors"** includes the Secured Creditor and the Unsecured Creditors;
- (d) **"Amending Agreement"** means the agreement between CFCU and the Debtors to amend the Secured Loans;
- (e) **“Approval”** means:
 - (i) Acceptance of this Proposal by the statutory majority of Creditors in the Unsecured Creditor Classes entitled to vote thereon in accordance with the relevant provisions of the BIA; and
 - (ii) The approval of this Proposal by the Court by the granting of the Approval Order, which is a Final Order;
- (f) **“Approval Order”** means an Order of the Court approving the Proposal;
- (g) **"Assessed Secured Claim"** has the meaning given to it in Section 3.4;
- (h) **"Assessed Unsecured Claim"** has the meaning given to it in Section 3.4;
- (i) **“Bennett Jones LLP”** means Bennett Jones LLP, counsel for the Debtors;
- (j) **“BIA”** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Filing Date;
- (k) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Calgary, Alberta;
- (l) **“Canada Pension Plan”** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (m) **"CFCU"** means Connect First Credit Union;
- (n) **"CFCU Secured Creditor Class"** means a class comprised of CFCU for all amounts deemed as the Assessed Secured Claim pursuant to Article 3 hereof;
- (o) **CFCU Unsecured Creditor Class"** means a class comprised of CFCU for all amounts deemed as the Assessed Unsecured Claim pursuant to Article 3 hereof;
- (p) **“Claim”** means a claim provable in bankruptcy against the Debtors or the Directors or Officers and includes any indebtedness, liability, action, cause of action, suit, debt, account, bond covenant, counterclaim, demand, claim, right and obligation of any kind of the Debtors to any Person, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect

to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or as of the Filing Date and a reference to a "Claim" or "Claims" shall include, as the case may be, Preferred Claims; Convenience Claims; D&O Claims; Unsecured Claims, Secured Claims, and Restructuring Claims;

- (q) "**Claims Deadline**" has the meaning given to it in Section 6.4;
- (r) "**Convenience Claim**" has the meaning given to it in Section 6.5;
- (s) "**Court**" means the Alberta Court of King's Bench (in Bankruptcy and Insolvency);
- (t) "**CRA**" means the Canada Revenue Agency;
- (u) "**CRA Cannabis License**" means cannabis license 8 1004 6599 RD0001 issued to OGEN Ltd. under the *Excise Tax Act*, RSC, 1985, c. E-15;
- (v) "**Creditor**" means any Person, having a Claim and may, if the context requires, means a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (w) "**Creditors' Meeting**" means the meeting of the Secured Creditor and Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (x) "**Creditors' Meeting Date**" means the date and time as may be called by the Proposal Trustee for the meeting of creditors to consider this Proposal, but in any event will be no later than twenty-one (21) days following the Proposal Date;
- (y) "**Disputed Claim**" means any Claim that has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Proposal Trustee, or any other Person entitled to do so and has not been resolved by agreement of by Order of the Court;
- (z) "**Disputed Creditor**" means a Person holding a Disputed Claim to the extent of its Disputed Claim;
- (aa) "**D&O Claim**" means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;
- (bb) "**Directors**" means all current and former directors (or their estates) of the Debtors, in such capacity, and "Director" means any one of them;
- (cc) "**Employee Creditors**" means employees and former employees of the Debtors, if any, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtors became bankrupt on the Filing Date, as well as wages, salaries, commissions

or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtors' business during the same period;

- (dd) "**Employment Insurance Act**" means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (ee) "**Filing Date**" means June 26, 2023 (the date the Debtors filed a Notice of Intention to Make a Proposal);
- (ff) "**General Unsecured Creditor Class**" means a class comprised of all Unsecured Creditors not included in the CFCU Unsecured Creditor Class;
- (gg) "**Health Canada Cannabis License**" means license number – LIC-W8RLZBPK1C-2021 issued to OGEN Ltd. pursuant to the *Cannabis Act*, SC 2018, c. 16 and associated regulations;
- (hh) "**Implementation Date**" means the date upon which the conditions set forth in **Section 7.4** have been satisfied or, if applicable, waived;
- (ii) "**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (jj) "**Interim Lenders**" means Hawksworth Holdings Ltd. and G. Edwards Holdings Ltd.;
- (kk) "**MLT Aikins LLP**" means MLT Aikins LLP, counsel for the Proposal Trustee;
- (ll) "**Officer**" means all current and former officers (or their estates) of the Debtors, in such capacity, and "Officer" means any one of them;
- (mm) "**Official Receiver**" will have the meaning ascribed thereto in the BIA;
- (nn) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (oo) "**Post-Filing Claim**" means any Claims arising in respect of services rendered, goods supplied or other consideration given to the Debtors after the Filing Date;
- (pp) "**Preferred Claim**" means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Creditor to receive payment in priority to other Creditors as provided in section 136 of the BIA;
- (qq) "**Preferred Creditors**" means holders of Preferred Claims and includes Employee Creditors;
- (rr) "**Proof of Claim**" will mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (ss) "**Property**" means all of the Debtors' current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (tt) "**Proposal**" means this proposal together with any amendments or additions thereto;
- (uu) "**Proposal Date**" means the date of the filing of the Proposal with the Official Receiver;

- (vv) **"Proposal Proceeds"** has the meaning ascribed in Section 5.1;
- (ww) **"Proposal Trustee"** means KSV Restructuring Inc, in its capacity as the proposal trustee of the Debtors, or its duly appointed successor or successors;
- (xx) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (yy) **"Restructuring Claims"** mean claims arising as a result of the restructuring including the claims of terminated employees for severance and termination and claims arising as a result of the Debtor's repudiation or disclaimer of a contract after the Filing Date pursuant to **section 65.11** of the BIA;
- (zz) **"Secured Claim"** means the amount of the Secured Creditor's Claim, as determined under Article 3;
- (aaa) **"Secured Creditor"** means Connect First Credit Union;
- (bbb) **"Secured Loans"** means all the secured loans between CFCU and the Debtors, including the overdraft lending agreement dated August 17, 2021 as account number 120012990737 and the loans advanced pursuant to the commitment letter dated December 18, 2020 as loan numbers 955012704336 and 723111520729;
- (ccc) **"Source Deduction Creditors"** means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of the Filing Date and are of a kind that could be subject to a demand under:
- (i) **subsection 224(1.2)** of the *Income Tax Act*;
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to **subsection 224(1.2)** of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to **subsection 224(1.2)** of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
 - (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in **subsection 3(1)** of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (ddd) **"Unaffected Creditors"** means the Interim Lenders;

- (eee) **“Unsecured Claim”** means the amount of an Unsecured Creditor’s Claim, as determined under Article 3, and includes any Preferred Claim, Convenience Claim, D&O Claim, Assessed Unsecured Claim and Restructuring Claim;
- (fff) **“Unsecured Creditors”** means Creditors with Unsecured Claims;
- (ggg) **“Voting Letter”** will mean the voting letter required by **section 51(1)** of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

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

1.5 Time

All times expressed herein are local times in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time will be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

PURPOSE AND EFFECT OF PROPOSAL

2.1 Purpose

The purpose of this Proposal is to effect a proposal concerning the obligations of the Debtors in order to enable the business of the Debtors to continue, in the expectation that all stakeholders of the Debtors including their Affected Creditors will derive a greater benefit from their continued operations than would result from the discontinuance of their operations and the forced liquidation of the Debtors. This Proposal will also provide for a full and final satisfaction of all Unsecured Claims in exchange for a cash payment as described in this Proposal.

This Proposal applies to all Affected Creditors.

This Proposal does not apply to the Unaffected Creditors, including any amounts advanced pursuant to the Interim Loan Facility (as defined in the Order).

For the purpose of voting on the Proposal, the Secured Creditor will comprise a single class of creditors (the CFCU Secured Creditor Class) for the amount of security as valued by the Proposal Trustee under Article 3 hereof.

Unsecured Creditors of the Debtors shall be comprised of – and vote in – two separate classes of Unsecured Creditors, as identified under article 4.5 hereof.

The Proposal to the CFCU Secured Creditor Class is pursuant to the Amending Agreement to be negotiated with the Secured Creditor.

The Proposal requires that the Debtors and the Secured Creditors execute the Amending Agreement, pursuant to which CFCU and the Debtors shall agree to amend the Secured Loans to, amongst other things, revise the value owing pursuant to the Secured Loans and the repayment terms of the Secured Loans in accordance with this Proposal and the Amending Agreement

2.2 Effect of Proposal

This Proposal will be binding on the Debtors and the Affected Creditors, and effective on the Implementation Date, all Unsecured Claims shall be discharged and the Debtors shall thereon be released from all Unsecured Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal.

2.3 Secured Creditors

The Claim of the Secured Creditor will be valued in accordance with Article 3.4 hereof. Other than the value of the security, all agreements between the Secured Creditor and the Debtors shall otherwise remain in effect and be unchanged unless otherwise agreed between the Secured Creditor and the Debtors.

2.4 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtors from operational revenue, and the Administrative Charge acts as security for such fees and expenses, in accordance with the terms of the July 24, 2023 Order.

2.5 Preferred Creditors

The Proven Claims of the Preferred Creditors (excluding the Employee Claims) of the Debtors will be paid in full in priority to the Proven Claims of other Unsecured Creditors in accordance with the BIA and the Proposal.

2.6 Employee Creditors

The Proven Claims of the Employee Creditors, if any, will be satisfied or paid as provided by Article 6.

2.7 Unsecured Creditors

The Proven Claims of the Unsecured Creditors of the Debtors will be satisfied or paid as provided by Article 6.

2.8 Post-Filing Claims

Post-Filing Claims will be paid in full by the Debtors in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.

ARTICLE 3

PROCEDURE FOR VALIDATION AND VALUATION OF CLAIMS

3.1 Filing of Proofs of Claim

In order to vote on, or to receive a distribution under this Proposal, each Affected Creditor must file a Proof of Claim with the Proposal Trustee as required by the BIA. Unsecured Creditors who have filed a Proof of Claim will receive a distribution in accordance with Article 6 based on their Proven Claims and filed elections.

3.2 Allowance of Claims

Upon receipt of a completed Proof of Claim, the Proposal Trustee will examine the Proof of Claim and will, in consultation with the Debtors, allow, disallow or revise each Proof of Claim in accordance with the provisions of the BIA.

3.3 Procedure for the Valuation of Unsecured Claims

The procedure for (a) determining and valuing Claims of the Unsecured Creditors that are contingent or unliquidated; and (b) disallowing and resolving disputes with respect to Claims, will be as set forth in **Section 135** of the BIA.

The Proposal Trustee reserves the right to seek the assistance of the Court in valuing the claim of any Unsecured Creditor, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Creditor under this Proposal, as the case may be.

3.4 Procedure for Valuation of Secured Claims

CFCU is the only Secured Creditor of the Debtors. CFCU may file with the Proposal Trustee a proof of secured claim in the prescribed form in accordance with Article 3 hereof and may vote in accordance with Article 4.6 hereof and section 50.1(2)-(3) of the BIA.

For the purpose of this Proposal, pursuant to section 50.1(2) of the BIA the Proposal Trustee has assessed CFCU's Claim with the following proposed assessed value (the "**Assessed Value**"):

- a) Assessed Secured Claim of \$15,290,968; and
- b) Assessed Unsecured Claim of the CFCU Proven Claim less the Assessed Secured Claim amount.

Whether or not CFCU files a Proof of Claim, and unless CFCU contests the Assessed Value pursuant to section 50.1 of the BIA, the Assessed Unsecured Claim shall be deemed to be correctly assessed by the Proposal Trustee, a separate creditor class related to CFCU's Assessed Unsecured Claim shall be established pursuant to Article 4.5 hereof, and CFCU may vote in favour of or against the Proposal as an Unsecured Creditor based upon its Assessed Unsecured Claim.

ARTICLE 4

MEETING OF CREDITORS

4.1 Creditors' Meeting

On the Creditors' Meeting Date, the Proposal Trustee will hold a Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

4.2 Time and Place of Meeting

The Creditors Meeting will be held on the Creditors' Meeting Date. Due to location of the Proposal Trustee and the Unsecured Creditors, the Creditors Meeting will be held virtually, on such terms and parameters as the Proposal Trustee considers appropriate, with video and teleconference access for any Creditors who wish to virtually attend. The Proposal Trustee may engage a third-party service provider to virtually host the Creditors Meeting. The Proposal Trustee shall make available to all known Creditors the necessary connection, dial-in and other information about the Creditors Meeting. Unless otherwise ordered by the Court, the Creditors' Meeting will be held at a time to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

4.3 Conduct of Meetings

The Official Receiver or the nominee thereof, will preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtors, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with sections 52 and/or 106 of the BIA.

4.5 Classes of Creditors

For the purposes of considering, voting on and receiving distributions under this Proposal, the Creditors shall constitute a single secured creditor class comprised of the Secured Creditor, which is the CFCU Secured Creditor Class, and two (2) unsecured creditor classes as follows:

- a) the CFCU Unsecured Creditor Class; and
- b) the General Unsecured Creditor Class.

4.6 Voting by Creditors

Persons virtually in attendance at the Creditors Meeting by video or teleconference who are eligible to vote shall cast their vote in the manner prescribed by the Proposal Trustee. All votes will be recorded and tabulated by the Proposal Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. Any Proof of Claim in respect of a Claim of an Unsecured Creditor that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with **section 108(3)** of the BIA.

4.7 Approval by Creditors

In order that the Proposal be binding on the Secured Creditors of the Debtors in accordance with the BIA, it must first be accepted by the both the Secured Creditors and each class of Unsecured Creditors of the Debtors by a majority in number of the Creditors with Proven Claims who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, which represent two-thirds in value of the Proven Claims of the Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

In order that the Proposal be binding on the Unsecured Creditors of the Debtors in accordance with the BIA, it must first be accepted by each class of Unsecured Creditors of the Debtors by a majority in number of the Creditors with Proven Claims who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, which represent two-thirds in value of the Proven Claims of the Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Voting Letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Creditor wishes to cast its vote in favour of or against the Proposal.

4.8 Appointment of Inspectors

At the Meeting of Creditors, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to: (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity or valuation of Claims; and (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them. Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just. The authority and term of office of the Inspectors will terminate upon the discharge of the Proposal Trustee.

ARTICLE 5

FUNDING OF PROPOSAL

5.1 Funding of the Proposal

Conditional only on Article 7.4, the Debtors shall make the following Proposal payments (the "**Proposal Proceeds**"):

- (a) Not later than 6 months following the Implementation Date, pay or cause to pay the amount payable to satisfy the Claims of the Source Deduction Creditors, the Claims of the

Employee Creditors, Preferred Claims and Convenience Claims to the Proposal Trustee;
and

- (b) Not later than 6 months following the Implementation Date, pay or cause to pay \$1,040,000 less the amounts paid in Article 5.1 (a) to the Proposal Trustee;

for distribution to the Source Deduction Creditors, Employee Creditors, Preferred Creditors, Convenience Creditors, and Unsecured Creditors of the Debtors with Proven Claims in accordance with Article 6.

5.2 Division of Proposal Proceeds

The Proposal Proceeds shall be divided into two separate categories as follows:

- (a) proceeds for all amounts payable to the CFCU Unsecured Creditor Class in the total amount of \$25,000 (the "**CFCU Unsecured Proceeds**"); and
- (b) proceeds for all amounts payable to the General Unsecured Creditor Class in the total amount of \$1,015,000 (the "**General Unsecured Proceeds**").

5.3 Holding of Proposal Proceeds

The Proposal Proceeds will be held by the Proposal Trustee for distribution to the Unsecured Creditors of the Debtors in accordance with **Section 6.5**.

ARTICLE 6

DISTRIBUTION

6.1 Payment of Administrative Fees and Expenses

The unpaid Administrative Fees and Expenses up to and including the making of the Approval Order will be paid in full by the Debtors on or before the Business Date that is ten (10) Business Days after the Approval Order is made. The Debtors will continue to pay any professional fees and disbursements to be incurred subsequent to the making of the Approval Order. Any amount of the retainer paid to the Proposal Trustee that is unused will be returned to the Debtors. The Proposal Trustee is authorized to pay Administrative Fees and Expenses prior to final taxation of its accounts.

6.2 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors with Proven Claims will be paid or satisfied immediately after the making of the Approval Order in the ordinary course using proceeds from the General Unsecured Proceeds as required under section 60(1.3) of the BIA.

6.3 Payment of Source Deduction Creditors

Unless His Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors will be paid within six (6) months after the making of the Approval Order using the Proposal Proceeds.

6.4 Requirement to File Proofs of Claim

On or before the Implementation Date, the Proposal Trustee will deliver notice pursuant to **section 149(1)** of the BIA requiring that any of the Debtors' Unsecured Creditors that have not filed a Proof of Claim to file a Proof of Claim within thirty (30) days ("**Claims Deadline**").

6.5 Distribution to Unsecured Creditors

Following the Claim Deadline, the determination of Proven Claims, and in any event, not sooner than the payment of the Proposal Proceeds to the Proposal Trustee, the Proposal Proceeds will be distributed by the Proposal Trustee to the General Unsecured Creditor Class as follows:

- (a) First, to each Preferred Creditor of the Debtors in respect of its Proven Claim in the priority established by the BIA, payable from the General Unsecured Proceeds;
- (b) Second, to each Unsecured Creditor that has elected to file its Unsecured Claim as a Convenience Claim its proof of claim form, the following amounts:
 - (i) 100% of the Unsecured Claims to a maximum amount of \$20,000.00 per Unsecured Creditor (collectively, the "**Convenience Claims**") payable from the General Unsecured Proceeds; and
- (c) Third, to each Unsecured Creditor that has elected not to file its Unsecured Claim as a Convenience Claim, payable on a pro-rata basis from amounts remaining in the General Unsecured Proceeds; and
- (d) CFCU as the only Creditor in the CFCU Unsecured Creditor Class will receive the CFCU Unsecured Proceeds of \$25,000.00.

6.6 Levy

Payments to each Creditor in respect of Proven Claims will be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Proposal Trustee will remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Unsecured Creditors.

6.7 Discharge of Proposal Trustee

Upon the payment and distribution by the Proposal Trustee of the amounts contemplated in this **Article 6**, the Proposal Trustee will have discharged its duties as Proposal Trustee and the Proposal Trustee will be entitled to apply for its discharge as Proposal Trustee. For greater certainty, the Proposal Trustee will not be responsible or liable for any obligations of the Debtors and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Creditor, their heirs, executors, administrators, successors and assigns, for all purposes.

7.2 Modification of Proposal

The Debtors may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal. After the Creditors Meeting (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Proposal Trustee, the Debtors may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation,

amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Secured Creditor and Unsecured Creditor will be deemed:

- (a) to have executed and delivered to the Debtors all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtors in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtors that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtors as at the Implementation Date (other than those entered into by the Debtors on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal will take precedence and priority and the provisions of such agreement or other arrangement will be amended accordingly;
- (d) to have released the Debtors, the Proposal Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein; and
- (e) to have released the Directors of the Debtors of all D&O Claims, and any claims pursuant to section 50(13) of the BIA;

provided that nothing herein will release the Debtors of their obligation to make the payments contemplated in this Proposal or to comply with any of their obligations thereunder.

7.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtors will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by the Unsecured Creditors of the Debtors in accordance with Article 4.6 hereof;
- (b) The CRA shall confirm in writing that notwithstanding the Proposal, the CRA Cannabis License shall remain in effect up to and including April 14, 2024, at which time it will be subject to renewal in the ordinary course (the "**CRA License Renewal Condition**"), which License Renewal Condition may be unilaterally waived by the Debtors upon written notice to the CRA. Following April 14, 2024, the CRA Cannabis License will be subject to renewal

in the ordinary course without consideration of the Proposal or any CRA Unsecured Claims that are compromised pursuant to the Proposal for the purposes of determining whether OGEN has sufficient financial resources or whether it is in the public interest to revoke or not renew the CRA Cannabis License at such time;

- (c) Health Canada shall confirm in writing that notwithstanding the Proposal, the Health Canada Cannabis License shall remain in good standing and in full effect up to and including April 14, 2024, at which time it will be subject to renewal in the ordinary course (the "**Health Canada License Renewal Condition**"), which Health Canada License Renewal Condition may be unilaterally waived by the Debtors upon written notice to Health Canada. Following April 14, 2024, the Health Canada Cannabis License will be subject to renewal in the ordinary course without consideration of the Proposal or any Health Canada Unsecured Claims that are compromised pursuant to the Proposal for the purposes of determining whether OGEN has sufficient financial resources or whether it is in the public interest to revoke or not renew the Health Canada Cannabis License at such time;
- (d) The execution of the Amending Agreement between CFCU and the Debtors on or before September 30, 2023; and
- (e) The making of an Approval Order in respect of the Debtors and the expiry of all appeal periods, provided that the Debtors may agree to waive the expiry of the appeal period in respect of the Approval Order.

7.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date:

- (a) The treatment of all Claims under the Proposal will be final and binding on the Debtors and all Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) The Proposal will constitute: (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtors of or in respect of said Claims;

provided that nothing herein will release the Debtors of their obligation to make the payments contemplated in this Proposal or to comply with any of their obligations thereunder.

7.6 Conduct of Debtors' Business

Subject to any Order made by the Court, the Debtors will remain in possession and control of their property and assets at all times, both before and after implementation of this Proposal.

ARTICLE 8

AVOIDANCE OF TRANSACTION

8.1 Avoidance Proceedings

Sections 95 to 101 of the BIA will not apply in respect of the Debtors or this Proposal.

ARTICLE 9

GENERAL

9.1 Notices

Any notices or communication to be made or given hereunder will be in writing and will refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail, telecopier or by email addressed to the respective parties as follows:

- (a) if to the Debtors

Ogen Holdings Ltd. and Ogen Ltd.
c/o Bennett Jones LLP
Attention Michael W. Selnes
4500 855 2nd Street SW
Calgary, Alberta
T2G 0K2
selnesm@bennettjones.com

- (b) if to an Unsecured Creditor, to the address, telecopier number or email address for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address, telecopier number or email address at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted;

- (c) if to the Secured Creditor to the address, telecopier number or email address for such Unsecured Creditor specified in the Proof of Claim filed by the Secured Creditor or, if no Proof of Claim has been filed, to such other address, telecopier number or email address at which the notifying party may reasonably believe that the Secured Creditor may be contacted; and

- (d) if to the Proposal Trustee:

KSV Restructuring Inc.
Attention: Jason Knight / Nisan Thurairatnam
220 Bay St. Suite 1300
Toronto, ON
M5J 2W4
jknight@ksvadvisory.com / nthurairatnam@ksvadvisory.com

or to such other address, telecopier number or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by telecopier or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

9.2 Notice of Presentation of Approval Application

Each of the Creditors and the Official Receiver (as defined by and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the Creditors in accordance with the relevant provisions of the BIA, the Debtors will present an application to the Court seeking the Approval Order at such date and time that may be fixed following the Creditors' Meeting.

9.3 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

9.4 Applicable Law

This Proposal will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and will be treated in all respects as an Alberta contract.

9.5 Non Severability

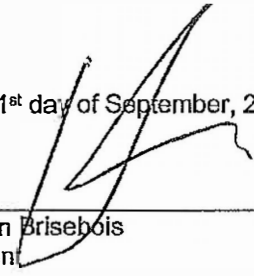
It is intended that all provisions of this Proposal will be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions will be void and of no force or effect.

9.6 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

DATED at the City of Calgary, in the Province of Alberta, this 1st day of September, 2023.

Per: 
Name: Darren Brisebois
Title: President

I have authority to bind the corporation.

Per: _____
Name: Allan Morrison
Title: Director

I have authority to bind the corporation.

Per: 
Name: Gary Edwards
Title: Director

I have authority to bind the corporation.

DATED at the City of Calgary, in the Province of Alberta, this 1st day of September, 2023.

Per: _____
Name: Darren Brisebois
Title: President

I have authority to bind the corporation.

Per:  _____
Name: Allan Morrison
Title: Director

I have authority to bind the corporation.

Per: _____
Name: Gary Edwards
Title: Director

I have authority to bind the corporation.

TAB 3



**Report to Creditors of
Ogen Ltd. and Ogen Holdings Ltd.
by KSV Restructuring Inc. as
Proposal Trustee**

September 8, 2023

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COURT FILE / ESTATE NOS.: 25-2958977 & 25-2958981

COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OGEN HOLDINGS LTD. AND OGEN LTD.
OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA

PROPOSAL TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

SEPTEMBER 8, 2023

1.0 Introduction

1. This report ("**Report**") has been prepared by KSV Restructuring Inc. ("**KSV**") in its capacity as proposal trustee ("**Proposal Trustee**") in connection with Notices of Intention to Make a Proposal ("**NOI**") filed on June 26, 2023 by OGEN Holdings Ltd. ("**OHL**") and OGEN Ltd. ("**OL**") (collectively the "**Companies**" or "**OGEN**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**").
2. The principal purpose of the proposal proceedings is to allow the Companies to restructure their balance sheets to reduce their debt obligations to allow the Companies to continue to operate on a going-concern basis and exit the NOI proceedings with a capital structure the Companies can support going forward.
3. On July 21, 2023, the Court of King's Bench of Alberta ("**Court**") granted an Order ("**Extension Order**") which, among other things:
 - a) permitted the Companies to consolidate the proceedings in the estates of OHL and OL and to file a joint proposal to creditors;
 - b) extended the stay of proceedings and time to file a joint proposal for 45 days to September 5, 2023;
 - c) authorized the Companies to enter into an interim credit facility in the maximum amount of \$500,000 (the "**Interim Loan**"); and
 - d) granted the following charges on the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively, the "**Property**") (listed in order of priority):

- i. a super priority charge in the amount of \$250,000 (the “**Administration Charge**”) on the Property for the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee, and the Companies’ counsel;
 - ii. a super priority charge in the amount of \$50,000 on the Property in favour of the Companies’ directors and officers (collectively, the “**Directors and Officers**”) for possible liabilities that may be incurred by the Directors and Officers after the NOI filing date (the “**D&O Charge**”); and
 - iii. a super-priority charge on the Property in respect of amounts borrowed from the Interim Lenders (as defined herein) under the Interim Loan (the “**Interim Lenders’ Charge**”).
4. On September 1, 2023, the Companies filed a proposal (the “**Proposal**”) with the Official Receiver in accordance with Section 62(1) of the BIA and a Certificate of Filing a Proposal (“**Certificate**”) was issued by the Office of the Superintendent of Bankruptcy Canada (“**OSB**”) on that date. A copy of the Certificate and Proposal is included in the creditors package.

1.1 Meeting to Consider the Proposal

1. The details of the creditors’ meeting to consider and vote on the Proposal to be held pursuant to Section 51(1) of the BIA (the “**Meeting**”) are as follows:

Date: September 20, 2023

Time: 10:00 a.m. (MDT)

Location: to be convened virtually via Zoom – instructions will be provided upon submitting the Virtual Meeting Registration Form
2. As described in greater detail below, to vote on the Proposal, a creditor of the Companies must file a proof of claim with the Proposal Trustee prior to the Meeting. Creditors can vote at the Meeting by attending virtually or by submitting voting letters to the Proposal Trustee prior to the Meeting. Creditors can also vote by way of proxy and can identify the Proposal Trustee as its proxy. A proof of claim form, proxy, voting letter, virtual meeting registration form, convenience creditor election form and instruction letter are provided in the creditor package containing this report (the “**Report**”). Creditors should read the instruction letter to understand the voting procedures, including the procedure to register claims with the Proposal Trustee.
3. The Proposal Trustee’s Notice of Proposal to Creditors, a summary of the Companies’ Statement of Affairs, and a list of creditors are included in the creditor package.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and the cause of the Companies’ financial difficulties;

- b) summarize the terms of the Proposal;
- c) discuss the Companies' ability to fulfill the terms of the Proposal;
- d) provide the Proposal Trustee's opinion as to the reasonableness of the provision in the Proposal that sections 95 to 101 do not apply in respect of the Proposal, as required pursuant to Section 50(10)(b) of the BIA;
- e) compare the result for creditors under the Proposal to the result if the Proposal is not accepted and the Companies are deemed to have assignments in bankruptcy; and
- f) provide the Proposal Trustee's recommendation on the Proposal.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.4 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies' representatives, the books and records of the Companies and discussions with representatives of the Companies. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever. The Proposal Trustee accepts no reliance to any party based on the information in this Report.

2.0 Background and Causes of Financial Difficulty

1. OL was incorporated pursuant to the laws of Alberta as "Bloom Cultivation Ltd." on April 26, 2013. On June 9, 2020, OL changed its name from Bloom Cultivation Ltd. to OGEN Ltd.
2. OHL was incorporated pursuant to the laws of Alberta as "Bloom Cultivation Holdings Ltd." on January 12, 2017. On January 24, 2020, OHL changed its name from Bloom Cultivation Holdings Ltd. to OGEN Holdings Ltd.
3. OHL is the sole shareholder of OL. OHL has approximately 15 shareholders. Its two largest shareholders are G. Edwards Holdings Ltd. ("**GEHL**") and Hawksworth Holdings Ltd. ("**HHL**") who respectively hold 40.67% and 46.31% of the voting common shares of OHL.

4. OGEN cultivates, processes, and sells cannabis flower products under the OGEN brand in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick. The Companies also sell bulk flower to other cannabis producers. OGEN operates a purpose-built indoor production facility located in Calgary, Alberta (the “**OGEN Facility**”). The OGEN Facility is 57,387 sq. ft. and the total site is 2.32 acres. OHL owns the OGEN Facility and related production equipment, which it leases to OL. OHL does not conduct any active business operations nor have any employees.
5. As of the filing date, OL had approximately 78 employees.
6. The Companies’ financial difficulties are caused by a number of industry wide factors. Competition, over supply, regulatory complexity, inflation, a strong black market, and high levels of excise tax have all 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 OGEN’s ability to be profitable in the future, albeit with a lowered debt burden.
7. Much like the rest of the industry, the Companies have been impacted by higher than anticipated excise taxes for cannabis products. This issue was compounded by price compression of cannabis products as new producers entered the growing market. The Proposal Trustee understands that excise taxes are not proportionally impacted by the lower prices and so have an outsized impact on the Companies bottom line.
8. A cannabis excise tax white paper issued by Stand for Craft (the “**White Paper**”)¹ indicates that excise tax arrears are a widespread industry issue that often extracts over 30% of top line revenue and it is estimated that over 60% of Canadian cannabis production square footage could be on the path to insolvency in the next 12 months. The White Paper also states that by September 2022, 172 of 276 reporting firms had unpaid tax bills with a total amount owing of over \$97.5 million. A further report² indicates that cannabis companies remain unprofitable and on the verge of insolvency and concludes that government tax and regulatory burdens hinder full realization of the objectives of the *Cannabis Act* and threaten the industry’s survival.
9. Additional information regarding the Companies is included in the Proposal Trustee’s First Report to Court dated July 12, 2023 and the Affidavit of Darren Brisebois, the President of OL and OHL, sworn July 10, 2023 both of which have been posted at <https://www.ksvadvisory.com/expereince/case/ogen>.

¹ Short Form Excise Tax Whitepaper: Call for Emergency Cannabis Excise Relief, October 2022: (<https://drive.google.com/drive/u/0/folders/1i5hq4X76bRnSgz9P2GyzQCXWqcOiECF9>).

² Economic Analysis of Cannabis Excise Duties, Mark-Ups and Regulatory Fees, Phase 1 Report, June 2022: (<https://stratcann.com/wp-content/uploads/2022/05/Cannabis-Council-of-Canada-Economic-Analysis-of-Cannabis-Excise-Duties-Mark-Ups-and-Regulatory-Fees.pdf>).

2.1 Historical Operating Results

1. The Companies' combined internal financial information³ for the seven (7) months ended July 31, 2023 and the financial performance for fiscal 2022 and 2021, have been summarized below.

(\$000s)	7 months ended July 31, 2023 (unaudited)	Fiscal 2022 (unaudited)	Fiscal 2021 (unaudited)
Net revenue	4,715	7,274	11,772
Cost of sales	(3,634)	(4,091)	(10,273)
Gross margin	1,081	3,183	1,499
Expenses	(2,802)	(5,185)	(2,962)
Net Loss	(1,721)	(2,002)	(1,463)

2. As reflected above, the Companies have incurred significant and recurring losses.
3. The Companies assets listed at book value as at July 31, 2023 are listed below.

Description	Book Value (\$000s)
Accounts receivable	1,370
Inventory	8,052
Prepaid expenses and other current assets	679
Property and equipment, net of depreciation	28,205
Total	38,306

4. The book value of the Companies' liabilities as at July 31, 2023 are listed below.

Description	Book Value (\$000s)
Overdraft Account	581
Accounts Payable	7,000
GST Payable	270
CFCU Term Loans	20,649
Total	28,500

³ The 7 months ended July 31, 2023, and fiscal 2022 do not included amortization expense which is a year-end adjustment.

3.0 The Proposal⁴

1. This section provides an overview of the terms of the Proposal. Review of this section is not a substitute for reading the Proposal. Creditors are strongly encouraged to read the Proposal in its entirety prior to voting on the Proposal. Creditors are encouraged to discuss the terms of the Proposal with their legal counsel. A copy of the Proposal is included in this creditors package.

3.1 Purpose and Implications

1. The overall purpose of the Proposal is to effect a restructuring of the Companies' balance sheet in order to reduce their liabilities to a level that is appropriate for the forecasted profitability of the Companies; allowing them to continue as going concerns.
2. The Proposal applies to the Secured and Unsecured Creditors of the Companies. The classes of creditors in the Proposal are as follows:
 - a. CFCU Secured Creditor Class;
 - b. CFCU Unsecured Creditor Class; and
 - c. General Unsecured Creditor Class.
3. Affected Creditors are all creditors having a Claim, generally being amounts owed by the Companies which existed or occurred on or before the Filing Date.
4. Source Deduction Creditors, as defined in the Proposal, are to be paid in full from operational cash flows of the Companies on such date as agreed to by CRA, provided it is no later than six (6) months following approval of the Proposal by the Court. The Proposal Trustee understands that there are no amounts due or owing to Source Deduction Creditors.
5. The Claims, if any, of the Employee Creditors with Proven Claims will be paid or satisfied immediately after the making of the Approval Order in the ordinary course using the General Unsecured Proceeds.
6. The Preferred Claims will be distributed in priority from the General Unsecured Proceeds pursuant to the priority established by the BIA.

3.2 Dividend Amount

1. In the event that each class of Unsecured Creditors, as defined in the Proposal, vote to accept the Proposal, and the Proposal subsequently receives approval from the Court and the Conditions to Proposal Implementation are met, the Companies will pay to the Proposal Trustee for the benefit of creditors the amount of \$1,040,000 (the "**Proposal Proceeds**"). The Proposal Proceeds will be paid to the Proposal Trustee by the Companies by no later than 6 months following the Implementation Date.

⁴ Defined terms in this section of the Report have the meanings provided to them in the Proposal.

2. Pursuant to Section 147 of the BIA, payments under the Proposal are subject to the statutory levy of 5% payable to the OSB, up to a maximum of \$62,500.
3. As at the date the NOI was filed, General Unsecured Creditor Class Claims are estimated to be approximately \$6,238,290. The CFCU Unsecured Creditor Class Claims are estimated to be approximately \$6,853,677.
4. Pursuant to the terms of the Proposal, the Proposal Proceeds shall consist of the amount of \$1,040,000 separate in the following two categories:
 - a. \$25,000 payable to the CFCU Unsecured Creditor Class; and
 - b. \$1,015,000, net of any amounts payable to satisfy Preferred Claims and claims of Employee Creditors, payable to the General Unsecured Creditor Class.

3.3 Proposal Conditions

1. The Proposal is conditional upon:
 - a) acceptance of the Proposal by the statutory majority of the Creditors as required under the BIA (described in Section 3.5 of this Report);
 - b) the CRA License Renewal Condition outlined in Article 7.4(b) of the Proposal;
 - c) the Health Canada License Renewal Condition outlined in Article 7.4(c) of the Proposal;
 - d) the execution of an Amending Agreement between CFCU and the Companies on or before September 30, 2023 pursuant to Article 7.4(d) of the Proposal; and
 - e) the making of an Approval Order in respect of the Companies and the expiry of all appeal periods pursuant to Article 7.4(e) of the Proposal.
2. Should any of the above conditions not be met or waived by the Companies, where applicable, the Proposal will not be effective and the payments due under the Proposal will not be made.

3.4 Other Proposal Terms

1. Other key Proposal terms are summarized below:
 - a) The Proposal Trustee shall be entitled to apply for its discharge upon completing the distribution as contemplated in Article Section 6.7 of the Proposal;
 - b) Sections 95 to 101 of the BIA do not apply to the Proposal or the proceedings related to the Proposal and may not be invoked or relied upon by any Affected Creditor or the Proposal Trustee. Additional details regarding this provision are provided in Section 4 of this Report;

- c) **“Assessed Secured Claim”** refers to the claim of Connect First Credit Union Ltd. (“CFCU”) that has an assessed value pursuant to section 50.1 of the BIA in the amount of \$15,290,968. The Assessed Value is for Proposal purposes only in establishing the Companies’ Proposal that reflects current outstanding loan facilities, potential realizations on guarantees available to CFCU, and the assessment by the Companies on a reasonable Proposal to its creditors.
- d) At the Meeting, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to:
 - i. advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims; and
 - ii. advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

3.5 Acceptance and Approval of the Proposal

1. In order for the Proposal to be accepted, two-thirds in dollar value and over 50% in number of the Unsecured Creditors in each class present and voting, in person or by proxy, must vote in favour of the Proposal.
2. Rejection of the Proposal by the creditors would result in the Companies being deemed to have made an assignment in bankruptcy.
3. Upon being accepted by creditors, the Proposal must be approved by the Court. If the Court fails to approve the Proposal, the Companies are deemed to have made an assignment in bankruptcy.

4.0 Preferences and Transfers at Undervalue

1. As part of its statutory duties under the BIA, the Proposal Trustee is required to conduct a review of the Companies’ transactions immediately preceding the commencement of the NOI proceedings to identify transactions that could be considered preferences or transfers at undervalue.
2. As of the date of this Report, the Proposal Trustee has initiated a review of reviewable or preference transactions. As described in Section 3.4 above, Section 8 of the Proposal provides that Sections 95 to 101 of the BIA, being the relevant sections under the BIA dealing with transactions that may be challenged by a trustee, do not apply to the Proposal. The Proposal Trustee believes this to be reasonable based on its initial review and the Proposal Trustee will complete its review and comment on its findings at the Meeting.
3. The Proposal Trustee is not aware of any offences under the BIA being committed in relation to the Companies or the proceedings.

5.0 Estimated Distribution in the Event of a Bankruptcy

- The Companies have provided the Proposal Trustee with unaudited financial information available as at July 31, 2023. This information is disclosed and discussed in the following section and forms the basis for the statement of estimated realizations (“SER”), calculated on the basis that, in the event that the Proposal is not accepted by either the creditors or the Court, the Companies are deemed bankrupt.

(\$000s)	Note	Book Value	Proposal Scenario	Bankruptcy Scenario Estimated	
				Net Realizable Value	
				Low	High
Assets					
Accounts Receivable	1	899		500	899
Inventory	2	8,052		-	-
Prepaid Expenses	3	679		-	-
OGEN Facility	4	28,205		3,500	5,000
Facility/Office Equipment	5	-		75	238
		<u>37,835</u>		<u>4,075</u>	<u>6,137</u>
Estimated Priority Claims and Costs					
Administration Charge	6			(250)	-
Interim Financing	7			(225)	-
Liquidation Costs	8			(1,941)	(1,066)
CRA- Source Deductions	9				
Property Taxes	10				
Employee Claims	11			(156)	-
				<u>(2,572)</u>	<u>(1,066)</u>
Net Realizations available after priority Claims and Costs				1,503	5,072
Secured Creditor Debt					
Connect First Credit Union	12			<u>22,144</u>	<u>22,144</u>
Available to General Unsecured Class Creditors			1,015	(20,641)	(17,073)

- As calculated above, the SER estimates that in either a high or low bankruptcy scenario, the realizable asset value will result in insufficient recoveries to satisfy the Companies’ obligations to its secured creditors. As such, no amount would be available for the Unsecured Creditors of the Companies and CFCU would incur a significant shortfall on its outstanding indebtedness.
- Notes to the SER are as follows:
 - Accounts receivable consist of amounts due from current customers as of August 31, 2023, the most recent accounts receivable listing available from the Companies. The analysis assumes that all accounts receivable will be collected in the high realization estimate and that percentage will be uncollectible in the low realization estimate including aged receivables. The analysis also attempts to reflect any possible setoff by government authorities.
 - The book value of inventory is based on July 31, 2023 figures. In discussions with the Companies, the inventory book values will be adjusted based on the year end audit, which has not occurred. The Proposal Trustee has been advised that the actual value of inventory is significantly less than the recorded book value. In the event of bankruptcy of the Companies, it is assumed that all inventory will be required to be destroyed pursuant to government regulations and therefor will have a realizable value of \$nil.
 - Prepaid expenses consist largely of excise tax deposits. The analysis assumes no potential recoveries of these amounts.

4. The OGEN Facility is the listed book value less accumulated depreciation. The realization values are based on an Avison Young appraisal dated January 6, 2023. The appraised value was estimated to be \$4.875 million with a market exposure period of 12-24 months. The Companies do not believe that there have been any material changes to the market to impact the OGEN Facility valuation since the date of the appraisal.
5. Facility/office equipment was listed at book value less accumulated depreciation. The Companies obtained an appraisal dated August 25, 2023, which indicated the facility / office equipment has a forced liquidation value of \$238,000.
6. For the purposes of the SER, it is assumed that in the low scenario, the full amount of the Administration Charge will have a priority claim to the assets of the Companies and in the high scenario, the Companies will continue to pay professional fees in the normal course and there will be no outstanding obligations to the professionals involved in this restructuring and as a result, the Administration Charge will be \$nil.
7. Interim Financing amounts reflect advances that may be required in accordance with the Companies' filed cash flow forecast dated September 1, 2023.
8. Liquidations costs in a bankruptcy scenario are based on the experience of the Proposal Trustee and assumed timeframe of 12-24 months to realize upon the OGEN Facility. Liquidation costs are comprised of these key costs. Additional costs may also be incurred that are not factored into the analysis.

Estimated Liquidation Costs (\$000s)	Realization period	
	12 months	24 months
Property Tax @34,000 month	408	816
Utilities @25,000 month	300	600
Listing Agent @ 4.5% commission	158	225
Professional Costs	200	300
	<u>1,066</u>	<u>1,941</u>

9. The Companies' records indicate that source deduction amounts are paid.
 10. The Companies' records indicate no amounts due for property taxes. The Companies are on a monthly payment plan with the City of Calgary.
 11. The Companies do not have any amounts owing to employees that are not currently paid in the normal course. Subject to the timing of a possible bankruptcy, employees may have a claim under the *Wage Earners Protection Program Act*.
 12. The CFCU balance was provided by CFCU as of the NOI filing date.
4. As calculated above, if the Proposal is voted down and the Companies are deemed to make assignments in bankruptcy, it is estimated that the net realizations would result in no funds available for distribution to Unsecured Creditors. In comparison, \$1,015,000 would be available to the General Unsecured Class Creditors under the Proposal.

6.0 Remuneration of the Proposal Trustee

1. The Proposal Trustee's fees will be based on the time spent by the Proposal Trustee and the various members of its staff at their respective regular billing rates plus any direct out of pocket expenses incurred. All administrative fees and expenses of the Proposal Trustee will be assessed by the Court.
2. Section 6.1 of the Proposal provides that, should the Proposal be accepted by the Unsecured Creditors and the Court, the Companies will pay any fees and disbursements incurred in the administration of the Proposal within 10 business days of the Approval Order. The Companies will continue to pay fees and disbursements incurred subsequent to the Approval Order.
3. The Companies have paid the Proposal Trustee a retainer of \$30,000 as security for the Proposal Trustee's fees, costs and disbursements. As of the date of this Report, the retainer remains held in trust by the Proposal Trustee. Any unused portion of the retainer will be repaid to the Companies upon the Proposal Trustee's discharge.

7.0 Conclusion and Recommendation

1. Unsecured Creditors will not have any opportunity for recovery should the Proposal not be accepted and approved by the Court. Payments under the Proposal could result in a recovery of up to 100% of Convenience Claims, up to the maximum of \$20,000, and approximately 10% for General Unsecured Creditor Claims who have elected not to file as a Convenience Claim versus the alternative, which is a \$nil recovery if the Proposal is rejected and the Companies become bankrupt. **Accordingly, the Proposal Trustee recommends that the Companies' creditors vote in favour of the Proposal.**
2. If the Proposal is accepted by the Affected Creditors at the Meeting, the Companies will work to satisfy the Proposal Implementation Conditions and the Proposal Trustee will seek the Court's approval shortly thereafter.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
OGEN HOLDINGS LTD. AND OGEN LTD.
AND NOT IN ITS PERSONAL CAPACITY**

TAB 4

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

Original

Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 OGEN Holdings Ltd. and OGEN Ltd.
 of the City of Calgary, in the Province of Alberta


To the debtor:


You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 29th day of August 2023. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A"	1. Inventory
6,189,052.61	0.00
Balance of secured claims as per list "B"	2. Trade fixtures, etc.
16,132,167.23	0.00
Total unsecured creditors	3. Accounts receivable and other receivables, as per list "E"
22,321,219.84	Good
2. Secured creditors as per list "B"	899,467.77
6,012,467.77	Doubtful
3. Preferred creditors as per list "C"	0.00
0.00	Bad
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for	Estimated to produce
0.00	899,467.77
Total liabilities	4. Bills of exchange, promissory note, etc., as per list "F"
28,333,687.61	0.00
Surplus	5. Deposits in financial institutions
NIL	0.00
	6. Cash
	0.00
	7. Livestock
	0.00
	8. Machinery, equipment and plant
	238,000.00
	9. Real property or immovable as per list "G"
	4,875,000.00
	10. Furniture
	0.00
	11. RRSPs, RRIFs, life insurance, etc.
	0.00
	12. Securities (shares, bonds, debentures, etc.)
	0.00
	13. Interests under wills
	0.00
	14. Vehicles
	0.00
	15. Other property, as per list "H"
	0.00
	If debtor is a corporation, add:
	Amount of subscribed capital
	0.00
	Amount paid on capital
	0.00
	Balance subscribed and unpaid
	0.00
	Estimated to produce
	0.00
	Total assets
	6,012,467.77
	Deficiency
	22,321,219.84

I, Darren Brisebois, of the City of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 1st day of September 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Calgary in the Province of Alberta, on this 1st day of September 2023.

DocuSigned by:

 87E48B2D2D52481...
 Jason Knight, Commissioner of Oaths
 For the Province of Alberta
 Expires September 15, 2025

DocuSigned by:

 EC210CA54F10473...
 Darren Brisebois

**In the Matter of the Proposal of
OGEN Holdins Ltd. and OGEN Ltd.
of the City of Calgary, in the Province of Alberta**

Secured creditors

connectFirst Credit Union	6,012,467.77
Secured creditors	6,012,467.77

Unsecured creditors

310-Dump	5,990.32
420 Premium Markets Ltd.	2,310.00
About Staffing Ltd - Office	1,237.81
AIR LIQUIDE CANADA INC	179.34
Alberta Elevating Devices	328.65
BC Liquor Distribution Branch	2,260.95
Best Shredding Ltd.	258.72
BGE Indoor Air Quality Solutions	5,248.15
Bio-Chem Consulting Services (1980)	2,727.40
BioFloral Inc	213.20
Black Diamond Limited Partnership	1,923.60
Bradbosh Landscaping & Snow removal	2,551.50
Calyx Containers	18,633.69
Canada Revenue Agency (Excise Tax)	4,749,165.18
Canada Revenue Agency (GST)	209,993.28
Canadian Bank Note Company Ltd.	4,678.61
Canadian Water Technologies Ltd.	7,811.21
Cannabis Council of Canada	2,625.00
Cannabis Xpress	23.85
Cannabolic Marketing Corp	13,560.00
Cannaco - The Cannabis Company	5,640.00
Carscallen LLP	3,877.97
CCR Cleanroom Products	1,976.46
City of Calgary	1.00
Coffee Connection	649.40
connectFirst Credit Union	16,132,167.23
Convergint Technologies LTD	17,584.67
Craft Depot	15,950.23
Daikin Applied Canada Inc.	1,820.22
dBm Telecom Solutions Inc	165.38
DCM (Data Communications Management)	12,432.69
Direct Energy	1,571.59
Dupre Solutions	4,163.60
Ecolab	521.65
Employees (Various)	84,802.71

Endless Heights Culture Shop	200.00
Enmax	5,714.35
Enviro Print	1,050.00
Environmental Diagnostics Inc.	3,995.25
Fabco Plastics	628.11
Gateworks Inc	267.75
GF Inc - A Bunzl Company	1,610.84
Global Industrial Canada	3,159.63
Grodan	19,906.63
Health Canada	493,610.67
Hifyre Inc.	40,803.50
High North Laboratories, Inc.	610.20
In Front Marketing Inc	2,047.50
Johnson Controls	2,355.93
Konica Minolta Business Solutions	1,841.54
Labs-Mart Inc.	12,718.56
Lucid Cannabis SK Inc.	1,954.54
MBM Intellectual Property Law LLP	3,643.64
Modern Metal Products Ltd.	17,510.85
Modern Niagara Building Services	4,499.25
Mountain View Printing	46,765.70
NexTec Consulting Canada Inc.	1,617.00
Orbis Express Ltd.	19,155.06
Pathogenia Inc.	18,054.75
Plantlife Cannabis	14,364.00
Polar Promotions & Sportswear	19,135.40
Purolator Inc.	16,062.43
Quality Analytical Services	659.40
Reding Instruments	3,346.88
RSM Alberta LLP	13,147.31
Ryan ULC	33,775.44
Select Delivery Systems Inc.	804.38
Sterigenics Radiation Technologies	12,777.83
Stratus Electrical Instrumentation	3,398.42
Sunbelt Rentals Inc.	385.16
Tango Cannabis	443.04
TerraLink Horticulture Inc.	7,939.30
The Bureau	7,400.00
ThyssenKrupp Elevator (Canada) Ltd.	1,578.50
Trane Services	2,910.60
Transalta	171,574.15
ULine	14,317.26
UniFirst Canada Ltd.	13,905.70

We Share Supply Inc.	11,227.95
Workers' Compensation Board (Alberta)	1.00
Unsecured creditors	<u>22,321,219.84</u>
Grand Total:	28,333,687.61

TAB 5

VIRTUAL MEETING REGISTRATION FORM

FIRST MEETING OF CREDITORS (“FMOC”)

**IN THE MATTER OF THE PROPOSAL (the “Proposal”) OF
OGEN HOLDINGS LTD. and OGEN LTD. (the “Companies”)**

The FMOC will be held virtually on **Wednesday, September 20th, 2023 at 10:00AM (MDT)**.

Attendance at the FMOC is not compulsory. Creditors can register their vote for or against the Proposal by submitting the enclosed proof of claim form and voting letter to the Proposal Trustee prior to the FMOC.

Should you wish to attend the FMOC, you **must** complete the following registration details and return this form **no later than 4:00PM (MDT) September 19th, 2023** to abasi@ksvadvisory.com

Name of Creditor:

Name and position of
Proxy (if applicable):

Email Address:

Phone Number:

Signature of Creditor (or authorized signatory)

Name:

Once you have returned this completed form, you will be emailed with log-in details to attend the virtual FMOC.

Please see the following checklist of paperwork to be lodged with the Proposal Trustee with this form:

Proof of claim form
 (“**POC**”)

Voting Letter

Proxy section of POC
 (where applicable)

Convenience election form
 (where applicable)

Please ensure that the above are sent to abasi@ksvadvisory.com by **no later than 4:00PM (MDT) September 19th, 2023.**

Conduct at virtual FMOC

Attendees are asked to join the FMOC by 9:45 AM (MDT).

A roll call of attendees will be conducted by the chair of the meeting in advance of the commencement of the FMOC.

Attendees will be asked to confirm:

- the attendee's name; and
- the name of any other person on the attendee's phone line.

Attendees will be asked to leave their mics on mute to prevent background noise interfering with the FMOC. There will be opportunities for attendees to ask questions via general call outs from the chair of the meeting.

For the purposes of voting at the meeting, attendees will be called upon in turn to state the vote of the creditor(s) for or against the acceptance of the Proposal if a voting letter was not previously provided.

An attendee representing a creditor that submitted a voting letter prior to the FMOC may:

- vote at the FMOC, thereby revoking the voting letter; or
- decline to vote at the FMOC and have the vote stand as in the voting letter.

For an attendee that is not personally an Affected Creditor to be able to vote at the FMOC, a properly completed proxy form naming the attendee as proxy must have been submitted.

All attendees are responsible for their own connection and the Proposal Trustee is unable to assist with any technical requirements for the virtual FMOC.

Should you require further information, please contact Andrew Basi at 587-287-2670 or at abasi@ksvadvisory.com

TAB 6



Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

Creditor Name: _____	Telephone: _____
Address: _____	Fax: _____
Account No.: _____	Email: _____

In the matter of the bankruptcy (or the proposal, or the receivership) of _____ (name of debtor) of _____ (city and province) and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

- That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor)).
- That I have knowledge of all the circumstances connected with the claim referred to below.
- That the debtor was, at the date of bankruptcy, (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, *if no notice of intention was filed*), namely the _____ day of _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. *(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)*
- (Check and complete appropriate category.)*
 - A. UNSECURED CLAIM OF \$ _____**
(other than as a customer contemplated by Section 262 of the Act)
That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)
 - Regarding the amount of \$ _____, I do not claim a right to a priority.
 - Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.
(Set out on an attached sheet details to support priority claim.)
 - B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____**
That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)
 - C. SECURED CLAIM OF \$ _____**
That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
 - D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____**
That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$ _____ *(Attach a copy of sales agreement and delivery receipts.)*
 - E. CLAIM BY WAGE EARNER OF \$ _____**
 - That I hereby make a claim under Subsection 81.3(8) of the Act in the amount of \$ _____
 - That I hereby make a claim under Subsection 81.4(8) of the Act in the amount of \$ _____
 - F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____**
 - That I hereby make a claim under Subsection 81.5 of the Act in the amount of \$ _____
 - That I hereby make a claim under Subsection 81.6 of the Act in the amount of \$ _____
 - G. CLAIM AGAINST DIRECTOR \$ _____**
(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under Subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s). *(Give full particulars of the claim, including the calculations upon which the claim is based.)*
 - H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____**
That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on the attached sheet(s).
(Give full particulars of the claim, including the calculations upon which the claim is based.)

Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

- 5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of Subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)
7. (Applicable only in the case of the bankruptcy of an individual.)
[] Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under Section 68 of the Act, I request to be informed, pursuant to Paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
[] I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to Subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____

Witness

Creditor

NOTE:

If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS:

A trustee may, pursuant to Subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

GENERAL PROXY

(Paragraphs 51(1)(e) and 66.15(3)(b) and Subsection 102(2))

In the matter of the bankruptcy) (or proposal) of _____ a bankrupt (or an insolvent)

I (or We), _____ (name of creditor), of _____ (name of city, town or village), a creditor in the above matter, hereby appoint _____, of _____, to be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT _____ this _____ day of _____, _____

Witness

Individual Creditor OR Name of Corporate Creditor

Witness

Per:

Name and Title of Signing Officer

CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- The signature of a witness is required;
- The claim must be signed personally by the individual completing this declaration;
- Provide the complete address where all notices or correspondence are to be forwarded;
- The amount of the statement of account must correspond to the amount indicated on the proof of claim.

Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors consists of at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote through an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

Paragraph 1

- Creditor must state full and complete legal name of company or firm;
- If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

Paragraph 3

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- **Paragraph A** applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to Section 136 of the Act.
- **Paragraph B** applies to lessor claims in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- **Paragraph C** applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- **Paragraph D** applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- **Paragraph E** applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.
- **Paragraph F** applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- **Paragraph G** applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- **Paragraph H** applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

Paragraph 5

- All claimants must indicate whether or not they are related to the debtor, as defined in Section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

Paragraph 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor are not related;
 - b) Within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor were not dealing at arm's length.

APPOINTING PROXY

Note: The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

General

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

Notes:

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

TAB 7

District of: Alberta
Judicial Centre: Calgary
Court No.: 25-2958977 & 25-2958981
Estate No.: 25-2958977 & 25-2958981

CONVENIENCE CREDITOR ELECTION FORM

**IN THE MATTER OF THE PROPOSAL OF
OGEN HOLDINGS LTD. AND OGEN LTD.
IN THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA**

I, _____, creditor (or I, , representative of _____, creditor) (the “**Creditor**”), of _____ (name of city, town, or village), a creditor in the above matter for the sum of \$ _____, hereby elect to receive, pursuant to paragraph 6.5 (b) of the Proposal of OGEN Holdings Ltd. and OGEN LTD. filed on September 1, 2023, the following convenience distribution:

100% of the Creditor’s proven claim to the maximum amount of \$20,000.

Such distribution is to be in full and final satisfaction of the Creditor’s claim against OGEN Holdings Ltd. and OGEN Ltd., pursuant to the Proposal filed on the 1st day of September 2023.

Dated at _____, this ____ day of _____, 2023.

Signature of Witness

Signature of Creditor

Name of Witness

Name of Creditor

Per _____
Name and Title of Signing Officer
(if Corporate Creditor)

Return To:
KSV Restructuring Inc. – Licensed Insolvency Trustee
Suite 1165, 324 – 8th Avenue SW
Calgary, Alberta T2P 2Z2
Phone: (587) 287-2670 | Fax: (416) 932-6266
Email: abasi@ksvadvisory.com

TAB 8

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2958977, 25-2958981
Estate No. 25-2958977, 25-2958981

Proxy / Voting letter

In the Matter of the Proposal of
OGEN Holdings Ltd. and OGEN Ltd.
of the City of Calgary, in the Province of Alberta

I, _____, of _____, a creditor in the above matter, hereby appoint
_____, of _____, to be my proxyholder in
the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another
proxyholder in his or her place.

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for the sum of \$
_____, hereby request the trustee acting with respect to the proposal of OGEN Holdings Ltd. and OGEN Ltd.,
to record my vote _____ (for or against) the acceptance of the proposal as made on the
_____ day of _____, _____.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____

Name and Title of Signing Officer

Return To:

KSV Restructuring Inc.
324-8th Avenue S.W., Suite 1165
Calgary, Alberta T2P 2Z2
Fax: (416) 932-6266
E-mail: Info@ksvadvisory.com