

## ASSIGNMENT AGREEMENT

**THIS ASSIGNMENT AGREEMENT** (this “**Agreement**”) is made and entered into as of October 28, 2024, by and among Callisto Capital Corp. (the “**Assignor**”) and Decibel Cannabis Company Inc. (the “**Assignee**” and collectively with the Assignor, the “**Parties**”).

**WHEREAS** pursuant to the Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued June 20, 2024 (as amended and restated on July 2, 2024, July 5, 2024, July 9, 2024, and as may be further amended or amended and restated from time to time, the “**Initial Order**”), Atlas Global Brands Inc. (the “**Company**”), AgMedica Bioscience Inc. (“**AgMedica**”), Greenseal Nursery Ltd. (“**GreenSeal Nursery**”), 5047346 Ontario Inc., 8050678 Canada Inc., Wellworth Health Corp., and Tavivat Naturals Inc. (collectively, together with the Company, the “**Atlas Group**”), among others, were granted, among other things, creditor protection under the Companies’ Creditors Arrangement Act, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) and Ernst & Young Inc. was appointed as Monitor of the Atlas Group (in such capacity, the “**Monitor**”);

**AND WHEREAS** in connection with the proceedings initiated by the Initial Order (the “**CCAA Proceedings**”), the Atlas Group, in consultation with the Monitor, conducted a sale and investment solicitation process to solicit offers for all or a portion of the business and/or assets of the Atlas Group;

**AND WHEREAS** the Assignor, the Company, AgMedica, GreenSeal Nursery, and [*Redacted – Corporate Name*] have entered into a subscription agreement dated October 17, 2024 as attached hereto as Schedule A (the “**Subscription Agreement**”), whereby, *inter alia*, the Assignor has agreed to acquire all of the Purchased Entity Shares and the Retained Assets (other than the FacilityCo Shares and the Facility) (the “**Transaction**”);

**AND WHEREAS** pursuant to the Order of the Honourable Justice Black of the Ontario Superior Court of Justice pronounced October 4, 2024 (the “**ARVO**” and, together with the Subscription Agreement, the “**Proceedings Transaction Documents**”) the Transaction was approved and the execution of the Subscription Agreement by the Company, AgMedica and GreenSeal Nursery was authorized and approved, with such minor amendments as the parties thereto may deem necessary.

**AND WHEREAS** pursuant to Section 10.10 of the Subscription Agreement the Assignor may assign its rights under the Subscription Agreement prior to Closing (as defined in the Subscription Agreement), in whole or in part, without the prior written consent of the Company, ResidualCo or the Monitor provided that (i) the Assignor provides prior notice of such assignment to the Company and the Monitor; and (ii) such assignee agrees to be bound by the terms of the Subscription Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Assignor of its obligations thereunder;

**AND WHEREAS** in accordance with Section 10.10 of the Subscription Agreement, the Assignor wishes to assign all of its rights and obligations under the Subscription Agreement (the “**Assigned Rights**”);

**AND WHEREAS** the Assignee wishes to purchase the Assigned Rights pursuant to the terms of this Agreement;

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

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement (including the recitals), unless otherwise defined herein or the context otherwise requires, all capitalized terms shall have the respective meanings specified in the Subscription Agreement.

## **ARTICLE 2 ASSIGNMENT AND ASSUMPTION**

### **2.1 Assignment**

Effective as of the Effective Date, the Assignor hereby irrevocable sells, assigns, transfers, conveys and delivers to the Assignee all of the Assignors' right, title and interest in and to the Subscription Agreement and the Assigned Rights contained thereunder.

### **2.2 Assumption**

Effective as of the Effective Date, the Assignee hereby accepts the assignment of the Assigned Rights and assumes all of the Assignors' duties and obligations under the Assigned Rights and agrees to observe and perform such obligations, duties and liabilities of the Assignor in accordance with the provisions of the Subscription Agreement, subject only to (a) the terms and conditions set forth herein (b) the Initial Order; (c) the ARVO (d) any applicable provisions of the CCAA or any other applicable Federal or Provincial statute or regulation; or (e) any order of a Court of competent jurisdiction made in the CCAA Proceedings.

### **2.3 No Liabilities**

Other than the Assumed Liabilities and the obligations set forth in this Agreement, the Assignee shall not assume any liabilities or obligations of the Assignor of any kind, whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

## **ARTICLE 3 PURCHASE PRICE**

### **3.1 Purchase Price**

The amount payable by the Assignee for the Assigned Rights (the "**Purchase Price**"), inclusive of all applicable sales and transfer taxes, shall be the amount of \$6,300,000.00. The Assignee shall satisfy the Purchase Price by issuance of an unsecured convertible debenture (the "**Debenture**") in substantially the form, and on terms as set out in Schedule B attached hereto. In addition, in exchange for the assignment of the Assigned Rights by the Assignor, the Assignee shall cause AgMedica to enter into a Sale and Leaseback Agreement with the Assignor to be dated on or about October 28, 2024.

**ARTICLE 4  
REPRESENTATIONS AND WARRANTIES OF THE ASSIGNOR**

The Assignor represents and warrants to the Assignee that the statements contained in this Article 4 are true and correct as of the date hereof.

**4.1 Incorporation and Authorization; Enforceability**

The Assignor is a corporation incorporated and validly existing under the laws of the Bahamas and has not been discontinued or dissolved under such laws. The Assignor has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Assignor. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Assignor, and (assuming due authorization, execution and delivery by the Assignee), this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of the Assignor, enforceable against the Assignor in accordance with their respective terms.

**4.2 No Conflicts; Consents**

The execution, delivery and performance by the Assignor of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not:

- (a) violate or conflict with the articles of incorporation, by-laws or any unanimous shareholder agreement of Assignor;
- (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Assignor or the Assigned Rights;
- (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which the Assignor is a party or to which any of the Assigned Rights are subject; or
- (d) result in the creation or imposition of any encumbrance on the Assigned Rights.

No consent, approval, waiver or authorization is required to be obtained by the Assignor from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by the Assignor of this Agreement and the consummation of the transactions contemplated hereby.

**4.3 Subscription Agreement**

The Subscription Agreement is valid and binding on the Assignor in accordance with its terms and is in full force and effect. None of the Assignor or, to Assignor's knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under)

or has provided or received any notice of any intention to terminate the Subscription Agreement. To the knowledge of the Assignor, no event or circumstance has occurred that, with or without notice or lapse of time or both, would constitute an event of default under the Subscription Agreement or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation of the loss of benefit thereunder. A complete and correct copy of the Subscription Agreement is attached hereto as Schedule A. To the knowledge of the Assignor, there are no disputes pending or threatened under the Subscription Agreement.

#### **4.4 Securities and Exchange Matters**

- (a) The Assignor is an “accredited investor” pursuant to Section 1.1(m) of National Instrument 45-106 *Prospectus Exemptions*.
- (b) The Assignor acknowledges that the Convertible Debenture and the share certificates or Direct Registration Statement representing any common shares of the Assignee issued upon conversion of the Convertible Debenture shall bear the following legends in accordance with applicable securities laws and the policies of the TSX Venture Exchange (the “Exchange”):

**“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH 1, 2025”**; and

**“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UNDER THE CONVERSION OF THIS SECURITY OR INTEREST PAYABLE UNDER THIS SECURITY MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL MARCH 1, 2025”**.

- (c) it is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction in which it is resident (the “**International Jurisdiction**”) and which would apply to the acquisition of the Convertible Debenture;
- (d) it is acquiring the Convertible Debenture pursuant to exemptions from prospectus and/or registration requirements or equivalent requirements under applicable securities laws or, if such is not applicable, it is permitted to acquire the Convertible Debenture under the applicable securities laws of the International Jurisdiction without the need to rely on any exemptions;
- (e) the applicable securities laws of the International Jurisdiction do not require the Assignee to make any filings or seek any approvals of any kind whatsoever from any securities regulator of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the Convertible Debenture (or common shares issuable upon the conversion thereof);

- (f) the acquisition of the Convertible Debenture does not trigger:
  - (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction; or
  - (ii) any continuous disclosure reporting obligation or registration obligation of the Assignee in the International Jurisdiction;
- (g) the Assignor will, if requested by the Assignee, deliver to the Assignee a certificate which will confirm the matters referred to in subsections (ii), (iii) and (iv) above to the satisfaction of the Assignee, acting reasonably;
- (h) if required in accordance with applicable securities laws, the Assignor hereby expressly consents to the Assignee disclosing the existence of this Agreement and the Subscription Agreement in any press release or other public disclosure document and acknowledges that a copy of this Agreement and the Subscription Agreement shall be filed on SEDAR+ on or following the date hereof, provided that the Assignor shall be provided with a copy of any such press release in advance and a reasonable opportunity to comment thereon;
- (i) the Parties acknowledge that the conversion of the Debenture will be subject to the Assignor being approved as a “Control Person” (as such term is defined in the policies of the TSX Venture Exchange (the “**TSXV**”)) by each of:
  - (i) the TSXV; and
  - (ii) the disinterested shareholders of the Assignee; and
- (j) in connection with the TSXV approval provided for in Section 4.4(i)(ii) hereof, the Assignor:
  - (i) acknowledges that it will need to provide certain information to the Assignee to complete the application under Policy 4.1 of the TSXV;
  - (ii) agrees to provide any information, as soon as is commercially reasonable to do so, that is required for inclusion in the management information circular of the Assignee pursuant to the policies of the TSXV in connection with such application; and
  - (iii) consents to the Assignee providing any such information to the TSXV.

Notwithstanding anything else contained herein, the Assignee acknowledges, agrees and confirms that, at the Effective Date, the Assigned Rights shall be sold and delivered to the Assignee on an “as is, where is” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever in connection with the Assigned Rights.

## ARTICLE 5

### REPRESENTATIONS AND WARRANTIES OF THE ASSIGNEE

#### 5.1 Incorporation and Authorization; Enforceability

The Assignee is a corporation incorporated and validly existing under the laws of the Province of Alberta and has not been discontinued or dissolved under such laws. The Assignee has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Assignee. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Assignee, and (assuming due authorization, execution and delivery by the Assignor), this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of the Assignee, enforceable against the Assignee in accordance with their respective terms. The Corporation has reserved the common shares issuable to the Assignor under the Convertible Debenture and upon conversion of such Convertible Debenture in accordance with its terms, the common shares will be valid and authorized shares of the Assignee.

#### 5.2 No Conflicts; Consents

The execution, delivery and performance by the Assignee of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not:

- (a) violate or conflict with the articles of incorporation, by-laws or any unanimous shareholder agreement of Assignee;
- (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Assignee or the Convertible Debenture; or
- (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which the Assignee is a party.

No consent, approval, waiver or authorization is required to be obtained by the Assignor from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by the Assignor of this Agreement and the consummation of the transactions contemplated hereby.

## ARTICLE 6

### EFFECTIVENESS OF ASSIGNMENT; CLOSING

#### 6.1 Place and Time of Closing

The Parties agree that the transactions contemplated by this Agreement shall become effective and will be completed as of the date of this Agreement (the "**Effective Date**") and agree that this Agreement shall act as a conveyance of the Assigned Rights as of such date.

## **6.2 Status of Subscription Agreement**

The Subscription Agreement shall remain in valid and binding on the Assignor in accordance with its terms and in full force and effect until the Effective Date.

## **6.3 Decibel Shareholders' Meeting**

The Assignee shall use commercially reasonable efforts to hold a special meeting of the disinterested shareholders of the Assignee to consider, with or without variation, approving the addition of the Assignor as a "Control Person" (as such term is defined in the Policies of the TSXV) of the Assignee, within 45 days of the Effective Date or such other date as may be agreed by the Parties in writing.

## **6.4 Voting Support Agreements**

The Assignee shall use commercially reasonable efforts to obtain voting support agreements from existing shareholders holding no less than 20% of the issued and outstanding shares of the Assignee, or such other percentage as may be agreed by the Parties in writing, prior to the Effective Date.

# **ARTICLE 7 SURVIVAL & INDEMNIFICATION**

## **7.1 Survival of Representations and Warranties**

The representations and warranties set out in Article 4 shall survive the closing of the purchase and sale of the Assigned Rights herein provided for, and notwithstanding such closing, shall continue in full force and effect for the benefit of the of the Assignee without limitation of time.

## **7.2 Indemnification**

- (a) The Assignor shall indemnify and save harmless the Assignee and its directors, officers, employees and agents (the "**Assignee Indemnitees**") from and against: (i) all actual, threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of any kind asserted against, and (ii) all damages, fines, penalties, deficiencies, losses, liabilities (whether accrued, actual, contingent, latent or otherwise), costs, fees and expenses (including interest, court costs, and reasonable fees and expense of lawyers, accountants and other experts and professionals) incurred or suffered by, any of the Assignee Indemnitees directly or indirectly arising out of or resulting from any breach, inaccuracy or misrepresentation in any representation, warranty or covenant of the Assignor contained in this Agreement or in any certificate, document, writing, agreement or instrument delivered by the Assignor pursuant to this Agreement.

- (b) The Assignee shall indemnify and save harmless the Assignor and its directors, officers, employees and agents (the “**Assignor Indemnitees**”) from and against: (i) all actual, threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of any kind asserted against, and (ii) all damages, fines, penalties, deficiencies, losses, liabilities (whether accrued, actual, contingent, latent or otherwise), costs, fees and expenses (including interest, court costs, and reasonable fees and expense of lawyers, accountants and other experts and professionals) incurred or suffered by, any of the Assignor Indemnitees directly or indirectly arising out of or resulting from any breach, inaccuracy or misrepresentation in any representation, warranty or covenant of the Assignee contained in this Agreement or in any certificate, document, writing, agreement or instrument delivered by the Assignee pursuant to this Agreement.

## **ARTICLE 8 GENERAL**

### **8.1 Statutes**

Unless specified otherwise, reference in this Agreement to a statute or statutory provision refers to that statute or statutory provision as it may be amended, or to any restated or successor statute or statutory provision of comparable effect. A reference to a statute includes any statutory instruments, rules and regulations made under such statute.

### **8.2 Expenses**

Except as otherwise provided in this Agreement each Party shall pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.

### **8.3 Amendment**

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be bound thereby.

### **8.4 Headings and References**

The division of this Agreement into articles, sections, subsections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The article, section, subsection and schedule headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement. All uses of the words “**hereto**”, “**herein**”, “**hereof**”, “**hereby**” and “**hereunder**” and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it. References to an Article, Section, Subsection or Schedule refer to the applicable article, section, subsection or schedule of this Agreement unless otherwise specifically provided.

## **8.5 Governing Law**

This Agreement will be governed by, and construed, interpreted and enforced in accordance with, the laws in force in the Province of Alberta (excluding any rule or principle of the conflict of laws which might refer such construction or interpretation to the laws of another jurisdiction) and the federal laws of Canada applicable therein. Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of Alberta with respect to any matter arising hereunder or related hereto.

## **8.6 Currency**

Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to Canadian dollars.

## **8.7 Enurement**

This Agreement enures to the benefit of and is binding upon the Parties and, as applicable, their respective successors (including any successor by reason of amalgamation of any Party), heirs, attorneys, guardians, estate trustees, executors, trustees and permitted assigns.

## **8.8 Further Assurances**

Each Party shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within its power in order to give full effect to the provisions of this Agreement. Further, each Party shall, each acting reasonably and at all times in good faith, use its best efforts to cooperate in respect of all acts and reasonable requests in order to effect the transactions contemplated by the Proceedings Transaction Documents (including any amendments thereto) and the matters related thereto or arising therefrom.

## **8.9 Counterparts; Execution**

This Agreement may be executed in any number of counterparts. Each executed counterpart will be deemed to be an original. All executed counterparts taken together will constitute one agreement. To evidence the fact that a Party has executed this Agreement, such Party may send a copy of its executed counterpart to the other Party by electronic transmission and, if sent by email, in Portable Document File (PDF) format. That Party will be deemed to have executed this Agreement on the date it sent such electronic transmission. In such event, such sending Party shall forthwith deliver to the other Party the counterpart of this Agreement originally executed by such Party.

**[Remainder of page intentionally left blank.]**

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

**CALLISTO CAPITAL CORPORATION**

Per: /s/ Gary J. Drummond  
Authorized Signatory

**DECIBEL CANNABIS COMPANY INC.**

Per: /s/ Benjamin Sze  
Authorized Signatory

**SCHEDULE "A"**  
**SUBSCRIPTION AGREEMENT**

**SUBSCRIPTION AGREEMENT**

This Agreement is made as of the 28<sup>th</sup> day of October, 2024 (the “**Effective Date**”)

**BETWEEN:**

**ATLAS GLOBAL BRANDS INC.**, a corporation incorporated pursuant to the laws of the Province of British Columbia (the “**Company**”)

– and –

**AGMEDICA BIOSCIENCE INC.**, a corporation incorporated pursuant to the federal laws of Canada (“**AgMedica**”)

– and –

**GREENSEAL NURSERY, LTD.**, a corporation incorporated pursuant to the federal laws of Canada (“**GreenSeal Nursery**”)

– and –

**CALLISTO CAPITAL CORP.**, a corporation incorporated pursuant to the laws of the Commonwealth of The Bahamas, or its nominee (“**LP Purchaser**”)

– and –

[*Redacted – Corporate Name*], a corporation incorporated pursuant to the laws of the Province of Ontario, or its nominee (the “**Facility Purchaser**” and together with LP Purchaser, collectively, the “**Purchasers**”)

**WHEREAS:**

- A. Pursuant to the Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued June 20, 2024 (as amended and restated on July 2, 2024, July 5, 2024, July 9, 2024, and as may be further amended or amended and restated from time to time, the “**Initial Order**”), the Company, GreenSeal Cannabis Company, Ltd. (“**GreenSeal**”), AgMedica, 5047346 Ontario Inc., 8050678 Canada Inc., Wellworth Health Corp., and Tavivat Naturals Inc. (collectively, together with the Company, the “**Atlas Group**”), among others, were granted, among other things, creditor protection under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”) and Ernst & Young Inc. was appointed as Monitor of the Atlas Group (in such capacity, the “**Monitor**”).
- B. In connection with the proceedings initiated by the Initial Order (the “**CCAA Proceedings**”), the Atlas Group, in consultation with the Monitor, conducted a sale and investment solicitation process (“**SISP**”) to solicit offers for all or a portion of the business and/or assets of the Atlas Group.
- C. In accordance with the terms of the SISP, the Purchasers submitted a joint offer for the purchase, directly or indirectly (at its election) of all of the equity and assets of the Atlas Group pursuant to a binding letter of intent dated September 18, 2024 (the “**LOI**”). The LOI was selected as the Successful Bid (as defined herein) in the SISP on September 20, 2024.
- D. The Company and the Purchasers wish to enter into this Agreement to formalize the terms and conditions contained in the LOI, and to set out the terms and conditions pursuant to which: (i) the Facility Purchaser will acquire the Purchased FacilityCo Shares (as defined herein) and the Facility

(as defined herein); and (ii) the LP Purchaser will acquire the Purchased Entity Shares (as defined herein) and the Retained Assets (as defined herein) (other than the FacilityCo Shares and the Facility).

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

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

“**Administrative Wind-down Amount**” means cash in the amount of [*Redacted – Commercially Sensitive Information*] to be used to satisfy the costs incurred by the Monitor and its professional advisors to administer ResidualCo, the Company, 8050678 Canada Inc., Tavivat Naturals Inc. and Wellworth Health Corp. and the Excluded Assets and Excluded Liabilities, and to wind-down and/or dissolve and/or bankrupt ResidualCo.

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

“**AgMedica**” means AgMedica Bioscience Inc.

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

“**AgriRoots**” means [*Redacted – Corporate Name*].

“**AgriRoots Mortgage**” means the charge and/or mortgage on the Facility in favour of AgriRoots, registered on title to the Facility as Instrument No. CK192825.

“**AgriRoots Mortgage Agreement**” means, collectively: (i) the Mortgage Commitment between AgriRoots and AgMedica dated September 28, 2020; (ii) the Mortgage Amendment Loan Commitment dated November 21, 2022; (iii) the promissory note granted by AgMedica in favour of AgriRoots, dated November 29, 2022; and (iv) the Mortgage Amendment Loan Commitment Letter dated July 17, 2024; in each case, as amended or otherwise modified from time to time.

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

“**Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchasers, acting reasonably, substantially in the form of Schedule “G”.

**“AgMedica Articles of Reorganization”** means articles of reorganization, or an equivalent amendment to constating documents, in respect of the authorized and issued capital of AgMedica to (i) create a new class of shares of AgMedica, being the Class “A” Common Shares; and (ii) provide for the redemption or cancellation of all of the Existing Shares of AgMedica, for no consideration at Closing; such articles of reorganization to be in a form and substance satisfactory to the LP Purchaser and the Monitor, acting reasonably.

**“Assumed Contracts”** means the Contracts listed in Schedule “F”, as the same may be modified by the Purchasers no later than two (2) days before the Closing Date in accordance with the terms hereof (and including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time).

**“Assumed Liabilities”** means: (a) Liabilities specifically and expressly designated by the Purchasers as assumed Liabilities in Schedule “E”, as the same may be modified by the Purchasers no later than two (2) Business Days before the Closing Date, provided that consent of the Company and the Monitor is required for the removal of any Assumed Liabilities in accordance with the terms hereof; (b) all obligations existing under or in connection with the DIP Lender’s Charge; (c) all obligations existing under or in connection with the AgriRoots Mortgage; (d) all Liabilities which relate to the Permits and Licenses and the Business under any Assumed Contracts, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

**“Atlas Group”** has the meaning set out in the recitals hereto.

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

**“Books and Records”** means: (i) all of the Purchased Entities’ files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records; and (ii) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including financial, Tax and accounting books and records used or intended for use by, or in the possession of the Purchased Entities, including information, documents and records relating to the Assumed Contracts, the Employees, customer lists, customer information and account records, sales records, computer files, data processing records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

**“Business”** means the business historically conducted by the Purchased Entities, being a licensed producer and distributor of cannabis, engaged in the cultivation, processing and sale of cannabis and cannabis products.

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

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

“**CCAA Charges**” means the charges granted by the Court in the CCAA Proceedings.

“**CCAA Charge Amount**” means cash in an amount sufficient to satisfy the amounts owing in respect of the obligation secured by the CCAA Charges which rank in priority to the DIP Lender’s Charge, and the AgriRoots Mortgage at the Closing Time, including for certainty the Administration Wind-down Amount.

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

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

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

“**Closing Date**” means the date that is not less than five (5) Business Days after the date upon which the conditions set forth in ARTICLE 8 have been satisfied or waived, other than any conditions set forth in ARTICLE 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

“**Closing Payment**” has the meaning set out in Section 3.1(d).

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

“**Company**” means Atlas Global Brands Inc.

“**Continuing Employees**” has the meaning set out in Section 6.7(a).

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

“**Company**” means Atlas Global Brands Inc.

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

“**Deposit**” has the meaning set out in Section 3.1(d).

“**DIP Lender’s Charge**” has the meaning set out in the Initial Order.

“**DIP Term Sheet**” means the amended and restated debtor-in-possession term sheet dated July 3, 2024, whereby Shalcor Management Inc., as lender, established a credit facility in favour of the Atlas Group in the maximum aggregate principal amount of \$5,000,000.

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

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

“**Employee**” means any individual who is employed by the Company or a Purchased Entity as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 8.2(e).

“**Employee Termination Costs**” has the meaning set out in Section 6.7(b).

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

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

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

“**Excluded Assets**” means: (a) the Excluded Entity Shares, together with all of the business, property and assets of the Excluded Entities; and (ii) the properties, rights, assets and undertakings of the Purchased Entities listed as ‘Excluded Assets’ on Schedule “A”, as the same may be modified by the Purchasers no later than two (2) days before the Closing Date in accordance with the terms hereof.

“**Excluded Contracts**” means those contracts and other agreements of the Purchased Entities that are not Assumed Contracts and for greater certainty, includes those contracts and agreements which are listed on Schedule “B”, as the same may be modified by the Purchasers no later than five (5) Business Days before the Closing Date in accordance with the terms hereof.

“**Excluded AgMedica Entities**” means Wellworth Health Corp., 8050678 Canada Inc., Tavivat Naturals Inc.

“**Excluded AgMedica Entity Shares**” means the issued and outstanding shares of the Excluded AgMedica Entities.

“**Excluded Entities**” means the Company, Atlas Biotechnologies Inc., Atlas Growers Ltd., GreenSeal Cannabis Company, Ltd., Cambrosia Ltd., Wellworth Health Corp., 8050678 Canada Inc., Tavivat Naturals Inc., Tlalim Pap Ltd., Pharmacy Baron Ltd. and R.J. Regavim Ventures Ltd.

“**Excluded Entity Shares**” means all of the issued and outstanding shares of the Excluded Entities.

“**Excluded Liabilities**” has the meaning set out in Section 4.2.

“**Existing Shares**” means: (i) all of the common shares of AgMedica that are issued and outstanding immediately prior to the Closing Time; (ii) all of the common shares of GreenSeal Nursery that are issued and outstanding immediately prior to the Closing Time and (iii) any other equity interests of any nature or kind of AgMedica and GreenSeal Nursery, whether voting or non-voting, whether preferred, common or otherwise, whether convertible or otherwise, including any Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents

or instruments governing and/or having been created or granted in connection with any such equity interests. For greater certainty, Existing Shares do not include the Purchased Shares.

“**Facility**” means the building and fixtures located at 510 and 566 Riverview Drive, Chatham-Kent, Ontario, and the real property thereunder.

“**Facility Purchaser**” means [Redacted – Corporate Name].

“**FacilityCo**” means 5047346 Ontario Inc.

“**FacilityCo Shares**” means all of the issued and outstanding shares of FacilityCo.

“**Filing Date**” means June 20, 2024.

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

“**GreenSeal**” has the meaning set out in the recitals hereto.

“**GreenSeal Nursery**” means GreenSeal Nursery, Ltd.

“**GreenSeal Nursery Articles of Reorganization**” means articles of reorganization, or an equivalent amendment to constating documents, in respect of the authorized and issued capital of GreenSeal Nursery to (i) create a new class of shares of GreenSeal Nursery, being the Class “A” Common Shares; and (ii) provide for the redemption or cancellation of all of the Existing Shares of GreenSeal Nursery for no consideration at Closing; such articles of reorganization to be in a form and substance satisfactory to the LP Purchaser and the Monitor, acting reasonably.

“**GreenSeal Nursery Shares**” means all of the issued and outstanding shares of GreenSeal Nursery.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under the Sales Tax Legislation.

“**Implementation Steps**” means the transactions, acts and events described in Exhibit “A”, as the same may be modified in accordance with Section 7.2 and the Approval and Vesting Order, which are to occur in the sequence described therein.

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

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

“**Intellectual Property**” means all intellectual property of any nature and kind including all domestic and foreign trademarks, business names, trade names, domain names, trading styles, patents, trade secrets, software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques and know how.

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

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or

unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**LP Purchaser**” means Callisto Capital Corp.

“**Material Adverse Change**” means any one or more changes, effects, facts, developments, events or occurrences that, individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the Business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Purchased Entities, but excluding any such changes, effects, facts, developments, events or occurrences that result from or arise out of: (A) changes in general economic conditions; (B) changes affecting the industries and markets in which the Business operates; (C) changes in macroeconomic factors, interest rates, currency exchange rates or general financial or credit market conditions, (D) acts of God, war, terrorism, civil unrest or hostilities; (E) the COVID-19 pandemic or other epidemic or pandemic outbreaks including any continuation or escalation thereof; (F) any change in law or its interpretation, administration or application or non-application by any Governmental Authority or in generally acceptable accounting principles; (G) any failure to meet any internal or publicly disclosed projections, forecasts, estimates or budgets of, or guidance relating to, revenue, cash flow, earnings or other financial metrics for any period; (H) any action taken (or omitted to be taken) by the Company that is permitted under this Agreement or consented to by the Purchasers; (I) any change or development in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts; (J) the pendency of the CCAA Proceedings and any action approved by, or motion made before, the Court; or (K) any announcement of the Transaction, the identity of the Purchasers or any action or inaction of the Purchasers or its affiliates.

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

“**Monitor’s Certificate**” has the meaning set out in Section **Error! Reference source not found.**

“**NI 45-106**” means National Instrument 45-106 – *Prospectus and Registration Exemptions*.

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

“**Outside Date**” means 11:59 pm (Toronto time) on November 30, 2024, or such later date and time as the Parties may agree to in writing.

“**Parties**” means the Company and the Purchasers, and “**Party**” means any one of them.

“**Permits and Licenses**” means the permits, licenses, authorizations, approvals or other evidence of Authority related to the Business and issued to, granted to, conferred upon, or otherwise created for any of the Purchased Entities including, without limitation: (a) Cannabis Licence No. LIC-DYYUPRUYDP-2024 issued to AgMedica by Health Canada pursuant to the *Cannabis Act* and the *Cannabis Regulations*; (b) Excise Licence No. 83782 7179 RD0001 issued to AgMedica by the Canada Revenue Agency pursuant to the *Excise Act*; (c) Cannabis Licence No. LIC-UI0HK6C7KC-2022 issued to GreenSeal Nursery by Health Canada pursuant to the *Cannabis Act* and the *Cannabis Regulations*; and (d) Excise Licence No. 78552 7938 RD0001 issued to GreenSeal Nursery by the Canada Revenue Agency pursuant to the *Excise Act*.

“**Permitted Encumbrances**” means those Encumbrances related to the Retained Assets as set forth in Schedule “D”, as the same may be modified by the Purchasers no later than five (5) Business Days before the Closing Date in accordance with the terms hereof.

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

“**Priority Payments**” means those payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA.

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

“**Purchased AgMedica Shares**” has the meaning set out in Section 2.1(a).

“**Purchased Entity Shares**” has the meaning set out in Section 2.1(a).

“**Purchased Entities**” means AgMedica, GreenSeal Nursery, and FacilityCo.

“**Purchased FacilityCo Shares**” has the meaning set out in Section 2.1(c).

“**Purchased Nursery Shares**” has the meaning set out in Section 2.1(a).

“**Purchased Shares**” collectively the Purchased FacilityCo Shares and the Purchased Entity Shares.

“**Purchasers**” means, together, the LP Purchaser and the Facility Purchaser.

“**Recapitalization Documents**” means, collectively, the AgMedica Articles of Reorganization and the GreenSeal Nursery Articles of Reorganization, and (ii) resolutions of the directors and the Company as sole shareholder of AgMedica and GreenSeal Nursery (if applicable) authorizing the redemption by AgMedica and GreenSeal Nursery of all of the Existing Shares other than the Purchased Shares, for no consideration at Closing, in form and substance satisfactory to LP Purchaser, acting reasonably.

“**ResidualCo**” means a corporation incorporated or to be incorporated under the laws of Canada or a province thereof in advance of the Closing Date, to which the Excluded Assets and Excluded Liabilities will be transferred pursuant to the Approval and Vesting Order and in accordance with the Implementation Steps, and which shall have no issued and outstanding shares.

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

“**Sales Tax Legislation**” means Part IX of the *Excise Tax Act* (Canada).

“**Successful Bid**” has the meaning set out in the SISP.

“**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, documentary taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, registration charges, land transfer taxes, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges, transfer taxes and fees, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes,

occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, or any other Tax arising from, or relating to, or in respect of the consummation of the Transaction, including in connection with the sale, transfer or registration of the transfer of the Facility, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employees**” has the meaning set out in Section 6.7(b).

“**Transaction**” means all of the transactions contemplated by this Agreement, including the transactions whereby the Facility Purchaser will acquire the Purchased FacilityCo Shares and the LP Purchaser will acquire the Purchased Entity Shares.

“**Transaction Regulatory Approvals**” means any material licenses, permits, grants, or approvals required from any Governmental Authority or under any Applicable Laws relating to the business and operations of the members of the Atlas Group that would be required to be obtained in order to permit the members of the Atlas Group and Purchaser to complete the Transaction, including, for greater certainty, Health Canada approvals, assignments or contractual arrangements.

## **1.2 Interpretation Not Affected by Headings, etc.**

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

## **1.3 General Construction**

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

## **1.4 Extended Meanings**

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

## **1.5 Currency**

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

## **1.6 Interpretation if Closing Does Not Occur**

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchasers have acquired the Purchased Entity Shares or the Purchased FacilityCo Shares hereunder shall be construed as having been contingent upon Closing having occurred.

## 1.7 Statutes

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

## 1.8 Schedules & Amendments to Schedules

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

### EXHIBITS

Exhibit A - Implementation Steps

### SCHEDULES

Schedule A - Excluded Assets  
Schedule B - Excluded Contracts  
Schedule C - Excluded Liabilities  
Schedule D - Permitted Encumbrances  
Schedule E - Assumed Liabilities  
Schedule F - Assumed Contracts  
Schedule G - Approval and Vesting Order

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

## ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

### 2.1 Purchase and Sale of the Purchased Entity Shares; Transfer of Purchased FacilityCo Shares

- (a) Subject to the terms and conditions of this Agreement, in accordance with the Implementation Steps and effective as of the Closing Time, AgMedica and GreenSeal Nursery shall issue to the LP Purchaser, and the LP Purchaser shall subscribe for and purchase from AgMedica and GreenSeal Nursery, free and clear of all Encumbrances (other than any Permitted Encumbrances), 100 newly issued common shares of AgMedica (the “**Purchased AgMedica Shares**”) and 100 newly issued common shares of GreenSeal Nursery (the “**Purchased Nursery Shares**” and together with the “**Purchased AgMedica Shares**”) (together the “**Purchased Entity Shares**”)
- (b) Pursuant to the Approval and Vesting Order and the Recapitalization Documents, and in accordance with the Implementation Steps, all of the Existing Shares will be cancelled, without consideration, and the Purchased Entity Shares issued to the LP Purchaser shall represent 100% of the issued and outstanding common shares of the Purchased Entities following such cancellation and issuance.

- (c) Pursuant to the Approval and Vesting Order in accordance with the Implementation Steps, all of the FacilityCo Shares (the “**Purchased FacilityCo Shares**”) shall be transferred to and vest in the Facility Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances).
- (d) For the avoidance of doubt, upon the Closing, following the issuance of the Purchased Shares, the cancellation of the Existing Shares, the transfer of the Purchased FacilityCo Shares, and the completion of the Implementation Steps, AgMedica and GreenSeal Nursery shall be wholly owned directly by the LP Purchaser, and FacilityCo shall be wholly owned by the Facility Purchaser. For certainty, the Purchasers shall not acquire the Excluded Entity Shares, or the business, property or assets of the Excluded Entities.

## 2.2 Assumed Liabilities

The Assumed Liabilities of any of the Purchased Entities shall continue to be Liabilities of the applicable Purchased Entity as of the Closing.

# ARTICLE 3 PURCHASE PRICE

## 3.1 Purchase Price

The total aggregate consideration payable by the Purchasers for the Purchased Shares and the FacilityCo Shares (the “**Purchase Price**”) shall be equal to the following:

- (a) [Redacted – Commercially Sensitive Information]
- (b) [Redacted – Commercially Sensitive Information]
- (c) [Redacted – Commercially Sensitive Information]
- (d) [Redacted – Commercially Sensitive Information]

## 3.2 Deposit

The Purchaser has paid to the Monitor the sum of [Redacted – Commercially Sensitive Information] (the “**Deposit**”), which Deposit is being held in escrow by the Monitor in an interest-bearing account on behalf of the Company. If the Closing does not occur for any reason and the Agreement is terminated, the Deposit will be forthwith refunded in full to the LP Purchaser, on behalf of the Purchasers (without interest, offset or deduction) except if this Agreement is terminated by the Company pursuant to Section 9.1(b) or this Agreement is terminated and at the time of such termination the Company would have had the right to terminate this Agreement under Section 9.1(b), in which case the Deposit plus all accrued interest shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transaction. The Parties agree that the amount of the Deposit plus all accrued interest constitutes their genuine estimate of all damages.

If Closing occurs, the Deposit plus all accrued interest shall be paid to the Monitor at Closing in satisfaction of the Closing Payment, to be utilized by the Monitor in accordance with Section 3.3.

## 3.3 Closing Payment

- (a) At Closing, the Purchasers shall pay to the Monitor an amount equal to the sum of: (i) the Priority Payments; (ii) the CCAA Charge Amount; and (iii) the Administrative Wind-down Amount, less the amount of the Deposit (collectively the “**Closing Payment**”), provided, however, that such amount shall not exceed [Redacted – Commercially Sensitive

*Information*]. The Monitor shall hold the Closing Payment in trust for the benefit of Persons entitled to be paid from the Closing Payment.

- (b) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchasers acknowledges and agrees that: (i) the Monitor’s obligations hereunder are and shall remain limited to those specifically set out in this Section 3.3; and (ii) the Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Atlas Group pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor’s gross negligence or intentional misconduct. The Parties further acknowledge and agree that the Monitor may rely upon the provisions of this Section 3.3 notwithstanding that the Monitor is not a party to this Agreement.

#### **ARTICLE 4**

### **TRANSFER OF EXCLUDED AGMEDICA ENTITIES, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES**

#### **4.1 Transfer of Excluded AgMedica Entities and Excluded Contracts to ResidualCo**

At Closing, each of the Purchased Entities shall retain all of the assets owned by it on the Effective Date and any assets acquired by it up to and including Closing, including, without limitation, the FacilityCo Shares, the Facility, the Purchased Entities’ equipment, Assumed Contracts, Permits and Licenses, Books and Records, Business and undertakings (collectively, the “**Retained Assets**”). The Retained Assets shall not include: (i) the Excluded Assets (including the Excluded Entity Shares and the business, property and assets of the Excluded Entities); or (ii) the Excluded Contracts. The Excluded AgMedica Entities (including the Excluded AgMedica Entity Shares and the business, property and assets of the Excluded AgMedica Entities), together with the Excluded Contracts shall be transferred to ResidualCo in accordance with the Implementation Steps, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order.

#### **4.2 Transfer of Excluded Liabilities to ResidualCo**

In accordance with the Implementation Steps and the Approval and Vesting Order, save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Purchased Entities, the Purchased Shares, or against, relating to or affecting any of the Retained Assets, including, inter alia, the non-exhaustive list of Liabilities set forth in Schedule “C” as the same may be modified by the Purchasers no later than two (2) days before the Closing Date (provided that no additions shall be made without the consent of the Company and the Monitor) (collectively, the “**Excluded Liabilities**”), shall be excluded and will no longer be binding on the Purchased Entities, Purchased Shares (or the holders thereof), Retained Shares, Retained Assets, Employees, Permits and Licenses or Books and Records following the Closing Time and shall be transferred to, vested in and assumed by ResidualCo. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo only and the Excluded Assets, if any, shall be available to satisfy such Claims.

#### **4.3 Tax Matters**

Pursuant to the Implementation Steps and the Approval and Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the Purchased Entities in respect of the period prior to the Filing Date shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Filing Date, regardless upon

when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **5.1 Representations and Warranties of the Purchased Entities**

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

- (a) Incorporation and Status. The Company and each Purchased Entity is a corporation incorporated and existing under the *Business Corporations Act* (British Columbia) and the *Canada Business Corporations Act*, respectively, is in good standing under such acts and, subject to the granting of the Approval and Vesting Order, has the power and authority to enter into, deliver and perform their obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining of the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchased Entities or, subject to the receipt of any Transaction Regulatory Approvals, any Applicable Law applicable to the Purchased Entities, the Retained Assets or the Purchased Shares.
- (d) Title to Facility. FacilityCo is the legal and beneficial owner of the Facility.
- (e) No Employees. FacilityCo has no Employees.
- (f) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (g) Proceedings. There are no proceedings pending against the Purchased Entities or, to the knowledge of the Company, threatened, which would reasonably be expected to enjoin, delay, restrict or prohibit the Company from fulfilling any of its obligations set forth in this Agreement, and no event has occurred or circumstance exists which would reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding.
- (h) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order and the Transaction Regulatory Approvals, the Company and the other Purchased Entities do not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the completion of the Transaction.
- (i) Residency. The Purchased Entities are not non-residents of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

## 5.2 Representations and Warranties of the Purchaser

Each Purchaser severally, and not jointly, represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time as follows, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. Such Purchaser is a corporation incorporated and existing under the laws of its jurisdiction of incorporation, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by such Purchaser of this Agreement has been authorized by all necessary corporate action on the part of such Purchaser.
- (c) No Conflict. The execution, delivery and performance by such Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of such Purchaser or, to the knowledge of such Purchaser, any Applicable Law.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by such Purchaser and constitutes a legal, valid and binding obligation of such Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

## 5.3 As is, Where is

The Purchasers acknowledge, agree and confirm that, at the Closing Time, the Purchased Entity Shares and Purchased FacilityCo Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchasers on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever. For greater certainty, the Retained Assets shall be retained by the Purchased Entities on an “*as is, where is*” basis.

THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 5: (A) THE PURCHASERS ARE ACQUIRING THE PURCHASED ENTITY SHARES AND PURCHASED FACILITYCO SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE COMPANY, OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASERS ARE NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING, THE BUSINESS, THE PURCHASED ENTITY SHARES, THE PURCHASED FACILITYCO SHARES, THE ASSUMED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASERS OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING

WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASERS CONFIRM DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASERS.

## **ARTICLE 6 COVENANTS**

### **6.1 Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

### **6.2 Motion for Approval and Vesting Order**

As soon as practicable following the Effective Date, the Company shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order. The Company shall use its commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchasers shall cooperate with the Company in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

### **6.3 Interim Period**

- (a) During the Interim Period, except as otherwise expressly contemplated or permitted by (i) this Agreement (including the Approval and Vesting Order and the Implementation Steps), (ii) as necessary in connection with the CCAA Proceedings, (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time, or (iv) as consented to by the Purchasers and the Company, such consent not to be unreasonably withheld, conditioned or delayed, the Purchased Entities shall:
  - (i) continue to conduct and maintain the Business and the Retained Assets in substantially the same manner as conducted and maintained on the date of this Agreement;
  - (ii) remain in material compliance with all Applicable Laws and Permits and Licenses; and
  - (iii) notify the Purchaser of the occurrence of any Material Adverse Change.
- (b) During the Interim Period, except pursuant to the CCAA Proceedings, without the written consent of the Purchasers, which is not to be unreasonably withheld, conditioned or delayed, the Purchased Entities shall not:
  - (i) enter into any Contract or obtain any Authorization or terminate, disclaim, amend, restate, supplement, extend, assign, or waive (partially or completely) any rights under any Contract or Authorization, except in the ordinary course of Business;
  - (ii) sell, lease, exchange, transfer or otherwise dispose of, or agree to sell, lease, exchange, transfer or otherwise dispose of, any asset (including Intellectual Property), except in the ordinary course of Business;
  - (iii) settle or compromise any litigation or claims relating to the Business or that would impose any restrictions or liabilities on the Business or the Purchased Entities' use of the Retained Assets after the Closing;

- (iv) permit, allow or suffer any of the Retained Assets to be subjected to any new Encumbrance;
- (v) cancel or compromise any account receivable or other amount owing to any of the Purchased Entities or release any material claim or right of the Purchased Entities;
- (vi) terminate other than in connection with a for-cause termination or hire any executive officers, members of senior management or other Employees or contractors or consultants;
- (vii) enter into or adopt any new collective agreement or enter into negotiations in connection therewith;
- (viii) grant any increase in the compensation or benefits of any Employee or former Employee or any dependent or other Person claiming through an Employee or former Employee, including the grant, increase or acceleration in any severance, change in control, termination or similar compensation or benefits payable to any Employee;
- (ix) enter into, adopt, amend, modify or terminate any Employee Plan other than as required pursuant to Applicable Law or the terms of the Employee Plan in effect as of the date hereof;
- (x) take any action that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Transaction contemplated hereunder;
- (xi) amend or terminate the CCAA Proceedings;
- (xii) make, revoke or change any election relating to Taxes, file any amended tax return, request, enter into or obtain any Tax ruling with or from a Governmental Authority, or execute or file, or agree to execute or file, with any Governmental Authority any agreement or other document extending, or having the effect of extending, the period of assessment or collection of any Taxes which are Assumed Liabilities; or
- (xiii) agree to do any of the foregoing.

#### **6.4 Access During Interim Period**

During the Interim Period, the Company shall give, or cause to be given, to the Purchasers, and their representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets, as the Purchasers reasonably deem necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor: (a) the Purchasers and their representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchasers and their representatives shall be permitted to contact and discuss the Transaction with Governmental Authorities and the Purchased Entities' customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchasers' sole and exclusive risk and cost, during normal business hours, and without undue interference with the Purchased Entities' operations and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably

requested by or on behalf of the Purchasers. Purchaser shall indemnify and save harmless the Company and the Atlas Group for any and all losses arising out of its access to the Retained Assets.

## 6.5 Insurance Matters

During the Interim Period, the Company shall cause the other Purchased Entities to keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of Business.

## 6.6 Regulatory Approvals and Consents

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the *Cannabis Act*, S.C. 2018, c. 16 and the regulations thereto.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.6.

## 6.7 Employee Matters

- (a) Subject to Section 6.7(b), the LP Purchaser agrees that (i) the Purchased Entities will continue to employ those Employees not terminated pursuant to Section 6.7(b) and certain Employees of the Company (together, the “**Continuing Employees**”) from and after Closing on the same terms and conditions as they currently enjoy (such that no Employee Termination Costs are triggered) provided such terms and conditions (and any written agreement related to same) are as set forth in the virtual data room of the Company for the Transactions as of September 18, 2024.
- (b) On the date that is two (2) days prior to the Closing Date, the LP Purchaser shall identify all Employees of the Purchased Entities and the Company that the LP Purchaser does not wish to continue to employ after the completion of the Transaction (the “**Terminated Employees**”). The Purchased Entities and the Company shall terminate the employment of the Terminated Employees, as requested by the LP Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, other than those which are Assumed Liabilities (collectively, the “**Employee Termination Costs**”), all of which Liabilities shall be Excluded Liabilities and shall be Discharged by the Approval and Vesting Order.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

### **7.1 Closing**

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

### **7.2 Implementation Steps**

On the Closing Date, subject to the terms of the Approval and Vesting Order, Closing shall take place in accordance with the Implementation Steps. The Purchaser may, with the prior consent of the Company and the Monitor, acting reasonably, amend the Implementation Steps provided that such amendment does not materially alter or impact the Transaction or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transaction.

### **7.3 Company's Closing Deliveries**

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchasers the following:

- (a) a copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) share certificates representing the Purchased Entity Shares, issued to the LP Purchaser;
- (c) share certificates representing the Purchased FacilityCo Shares, issued to the Facility Purchaser;
- (d) a certificate of an officer of the Company, dated as of the Closing Date, confirming that all of the representations and warranties contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Company has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (e) the Organizational Documents of the Purchased Entities, and the corporate Books and Records; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchasers to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### **7.4 Purchaser's Closing Deliveries**

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

- (a) the Closing Payment (less the amount of the Deposit and any accrued interest);
- (b) certificates of an officer of each of the Purchasers dated as of the Closing Date confirming that all of the representations and warranties of the Purchasers contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchasers have performed in all material respects the covenants to be performed by them prior to the Closing Time; and

- (c) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

## **ARTICLE 8 CONDITIONS OF CLOSING**

### **8.1 Conditions Precedent in favour of the Parties**

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

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise be in effect that restrains or prohibits the completion of the Transaction.
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by the Purchasers and the Company, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchasers or the Company only if made in writing; provided that if the Purchasers or the Company do not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchasers or Company, as the case may be. If any condition set out in Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

### **8.2 Conditions Precedent in favour of the Purchaser**

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

- (a) Implementation Steps. The Implementation Steps shall have been completed in the order and in the timeframes contemplated hereunder.
- (b) Company's Deliverables. The Company and the other Purchased Entities, as applicable, shall have executed and delivered or caused to have been executed and delivered to the Purchasers at the Closing all the documents contemplated in Section 7.3.
- (c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Vesting Order), each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (d) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by it on or before the Closing Date.
- (e) Employees. The Purchased Entities shall have terminated the employment of the Terminated Employees
- (f) Partial Termination of CCAA Proceeding. Upon Closing, the CCAA Proceeding shall have been terminated in respect of the Purchased Entities and their Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo.
- (g) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied.
- (h) Material Adverse Change. After the date of this Agreement and before the Closing Time, there will not have occurred any Material Adverse Change.

The foregoing conditions are for the exclusive benefit of the Purchasers. Any condition in this Section 8.2 may be waived by the Purchasers in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchasers only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchasers may elect on written notice to the Company and the Monitor to terminate this Agreement.

### **8.3 Conditions Precedent in favour of the Company**

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchasers shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 7.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchasers shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchasers on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 8.3 may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchasers to terminate this Agreement.

### **8.4 Simultaneous Transactions**

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Implementation Steps and the Approval and Vesting Order (subject

to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

## **ARTICLE 9 TERMINATION**

### **9.1 Grounds for Termination**

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

- (a) by the mutual written agreement of the Company (with the consent of the Monitor) and the Purchasers; or
- (b) by the Company (with the consent of the Monitor) or either of the Purchasers, if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in ARTICLE 8 by the Outside Date, and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party; or
- (c) by the Company (with the consent of the Monitor) or the Purchasers upon written notice to the other Parties if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

### **9.2 Effect of Termination.**

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder.

## **ARTICLE 10 GENERAL**

### **10.1 Access to Books and Records**

For a period of six (6) years from the Closing Date or for such longer period as may be required to comply with Applicable Law, the Purchasers will retain all original Books and Records that are transferred to the Purchasers under this Agreement, but the Purchasers are not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchasers pursuant to this Agreement, the Purchasers shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and the Company (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Company) at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchasers.

## 10.2 Notice

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

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

**Callisto Capital Corp.**

[Redacted – Address]

Attention: [Redacted – Name]

Email: [Redacted – Email Address]

with a copy to:

**Miller Thomson LLP**

40 King Street West, Suite 5800

Toronto, ON M5H 4A9

Attention: Larry Ellis / Sam Massie

Email: [lellis@millერთhompson.com](mailto:lellis@millერთhompson.com) / [smassie@millერთhompson.com](mailto:smassie@millერთhompson.com)

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

[Redacted – Corporate Name]

[Redacted – Address]

Attention: [Redacted – Names]

Email: [Redacted – Email Addresses]

with a copy to:

**Siskinds LLP**

275 Dundas Street, Unit 1

London, ON N6B 3L1

Attention: Stacey Bothwell

Email: [stacey.bothwell@siskinds.com](mailto:stacey.bothwell@siskinds.com)

- (c) in the case of the Company, as follows:

**Atlas Global Brands Inc.**

566 Riverview Drive, Unit 104

Chatham, ON N7M 0N2

Attention: [Redacted – Name]

Email: [Redacted – Email Address]

with a copy to:

**Osler, Hoskin & Harcourt LLP**

1 First Canadian Place  
100 King Street West, Suite 6200  
Toronto, ON M5X 1B8

Attention: Joanna Cameron / Justin Kanji  
Email: [jcameron@osler.com](mailto:jcameron@osler.com) / [jkanji@osler.com](mailto:jkanji@osler.com)

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

**Ernst & Young Inc.**

P.O. Box 1, 100 Adelaide Street West  
Toronto, ON M5H 0B3

Attention: [Redacted – Names]  
Email: [Redacted – Email Addresses]

with a copy to:

**McCarthy Tetrault LLP**

66 Wellington Street West, Suite 5300  
Toronto, ON M5K 1E6

Attention: Trevor Courtis  
Email: [tcourtis@mccarthy.ca](mailto:tcourtis@mccarthy.ca)

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

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

### **10.3 Public Announcements**

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchasers advise the Company in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company, the LP Purchaser or any their respective Affiliates and assignees under Applicable Laws or stock exchange rules, the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

#### **10.4 Time**

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

#### **10.5 Survival**

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

#### **10.6 Benefit of Agreement**

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

#### **10.7 Entire Agreement**

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Company and the Purchasers.

#### **10.8 Paramountcy**

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

#### **10.9 Governing Law**

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

#### **10.10 Assignment**

- (a) Either Purchaser may assign its rights under this Agreement prior to Closing, in whole or in part, without the prior written consent of the Company, ResidualCo or the Monitor, provided that: (i) the Purchaser provides prior notice of such assignment to the Company and the Monitor; and (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.
- (b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchasers.

#### **10.11 Further Assurances**

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

### **10.12 Counterparts**

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

### **10.13 Severability**

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

### **10.14 Monitor's Certificate**

When the conditions to Closing set out in Section 8.1, 8.2 and Section 8.3 have been satisfied and/or waived by the Company or the Purchasers, as applicable, the Company, the Purchasers or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Purchasers, at which time the Implementation Steps will be deemed to have commenced and be completed in the order set out in the Implementation Steps and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchasers). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

### **10.15 Amendment and Waiver**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement (including the Schedules hereto) shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **10.16 Monitor's Capacity**

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

*[Signature Page Follows]*

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

For the Purchasers:

**CALLISTO CAPITAL CORP.**

By: /s/ Gary J. Drummond  
Name: Gary J. Drummond  
Title: Authorized Signatory  
I have authority to bind the Corporation.

**[Redacted – Corporate Name]**

By: [Redacted – Signature]  
Name: [Redacted – Name]  
Title: Authorized Signatory  
I have authority to bind the Corporation.

For the Company and Purchased Entities:

**ATLAS GLOBAL BRANDS INC.**

By: /s/ Bernie Yeung  
Name: Bernie Yeung  
Title: Authorized Signatory  
I have authority to bind the Corporation.

**AGMEDICA BIOSCIENCE INC.**

By: /s/ Bernie Yeung  
Name: Bernie Yeung  
Title: Authorized Signatory  
I have authority to bind the Corporation.

**GREENSEAL NURSERY, LTD.**

By: /s/ Bernie Yeung  
Name: Bernie Yeung  
Title: Authorized Signatory  
I have authority to bind the Corporation.

**EXHIBIT “A”**  
**IMPLEMENTATION STEPS**

1. At least three (3) days prior to the Closing Date, the Company shall incorporate and organize ResidualCo.
2. Effective as of the Closing Time, the following steps shall take place sequentially pursuant to the Approval and Vesting Order:
  - (a) ResidualCo shall be added to the CCAA Proceeding as an applicant;
  - (b) all Employees designated by the LP Purchaser as Terminated Employees will be terminated by the applicable Purchased Entity;
  - (c) the Excluded Contracts and Excluded Liabilities shall transfer to, and vest in, ResidualCo;
  - (d) the Excluded AgMedica Entity Shares shall be transferred to ResidualCo;
  - (e) to the extent required by Applicable Law, the Recapitalization Documents shall be filed or deposited with the applicable Governmental Authority or other Person;
  - (f) AgMedica shall issue the Purchased AgMedica Shares to the LP Purchaser;
  - (g) GreenSeal Nursery shall issue the Purchased Nursery Shares to the LP Purchaser;
  - (h) AgMedica’s Existing Shares and GreenSeal’s Nursery Shares shall be cancelled for no consideration pursuant to the Approval and Vesting Order;
  - (i) the Purchased FacilityCo Shares shall be transferred to the Facility Purchaser, free and clear of all Encumbrances except for Permitted Encumbrances;
  - (j) the Purchasers shall satisfy the Purchase Price in accordance with the terms of this Agreement;
  - (k) from the Closing Payment, the Monitor shall pay the CCAA Charge Amount, the Priority Payments and the Administrative Wind-down Amount in accordance with Section 3.3 of this Agreement;
  - (l) Closing shall be deemed to have occurred;
  - (m) any and all Liabilities arising from or relating to: (i) the transactions noted above; and (ii) the transfer of the Excluded AgMedica Entity Shares, Excluded Contracts and Excluded Liabilities to ResidualCo; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Purchased Entities shall have no obligations in connection with such Liabilities or Taxes; and
  - (n) the Purchased Entities shall cease to be applicants in the CCAA Proceedings.

**SCHEDULE "A"**  
**EXCLUDED ASSETS**

1. The Excluded Contracts.
2. The Excluded Entity Shares, together with the business, assets and property of the Excluded Entities.

**SCHEDULE “B”  
EXCLUDED CONTRACTS**

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

1. The lease originally between 2472602 Ontario Inc. (now FacilityCo), as Landlord, and AgMedica, as Tenant.
2. Other than those contracts with the Continuing Employees, any and all contracts and agreements with any present or former employees (including deemed employees), officers, directors, dependent contractors, independent contractors or consultants of any of the Purchased Entities.
3. The letter of agreement between Canada Revenue Agency and AgMedica dated October 8, 2020 (the “**CRA Settlement**”).
4. Any and all other contracts of the Purchased Entities other than the Assumed Contracts.

**SCHEDULE “C”  
EXCLUDED LIABILITIES**

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

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Purchased Entities may be bound as at the Closing Time.
2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any Court ordered charge granted therein, unless otherwise explicitly stated herein. For certainty and without limiting the generality of the foregoing, any and all Liabilities or obligations of the Purchased Entities under or in connection with the Directors’ Charge GreenSeal Directors’ Charge and KERP Charge (each as defined in the orders granted by the Court in the CCAA Proceedings) are Excluded Liabilities.
3. Any and all Liabilities pertaining to or obligations of the Purchased Entities under or in connection with the Administration Charge in excess of [*Redacted – Commercially Sensitive Information*].
4. Any and all Liabilities arising out of any intercompany indebtedness or claim owing to an Affiliate of any of the Purchased Entities.
5. Any and all promissory notes issued by any of the Purchased Entities save and except for the promissory note issued by FacilityCo to AgriRoots in connection with the AgriRoots Mortgage.
6. Any and all Liabilities incurred under any oral or written agreement between the Purchased Entities and any third party for the supply of goods and/or services, including without limitation all trade claims, trade payables, utility bills, service fees (including legal fees) or other unsecured claims excluding the Assumed Trade Payables.
5. All Liabilities relating to or under the Excluded Contracts and Excluded Assets, including for greater certainty, any and all Liabilities related to the CRA Settlement.
6. Any and all funded indebtedness other than as related to the DIP Term Sheet and the AgriRoots Mortgage Agreement.
7. Any and all Liabilities associated with guarantees of the Purchased Entities other than as related to the DIP Term Sheet.
8. All Tax Liabilities of the Purchased Entities for any tax period or the portion thereof prior to the Filing Date, other than any property Taxes pertaining to the Facility owed or owing or accrued due by FacilityCo to the applicable municipality in respect of the period prior to the Closing Date.
9. Any and all Employee Termination Costs (other than those included as item 4 of Schedule “E”).
10. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.
11. Any and all Liabilities associated with Shareholder Loans to the Purchased Entities.
12. Any and all Liabilities otherwise owed in connection with or pursuant to the Existing Shares.

13. All Liabilities of the Purchased Entities relating to legal Claims brought against the Purchased Entities and/or their Affiliates in respect of the period prior to the Closing Date.
14. All Liabilities relating to unremitted source deductions prior to the Filing Date.
15. Any and all Liabilities that are not Assumed Liabilities.

**SCHEDULE “D”**  
**PERMITTED ENCUMBRANCES**

1. DIP Lender’s Charge to be discharged on Closing.
2. With regards to the Facility:
  - a. AgriRoots Mortgage and all registrations on title to the Facility for the benefit of AgriRoots (including, for greater certainty, the Notice of Assignment of Rents – General registered as Instrument No. CK192826 and the Notice of a Mortgage Amending Agreement registered as Instrument No. CK236693)
  - b. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.
  - c. Any registered or unregistered easements, servitudes, rights-of-way, licences, or restrictions, in favour of any governmental authority or public utility, that run with the land and other encumbrances and/or agreements with respect thereto including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables).
  - d. Any encroachments, minor defects or irregularities indicated on any survey of the Property.
  - e. Any subdivision agreements, site plan agreements, development agreements and any other agreements registered on title to the Facility with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction.
  - f. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance.
  - g. Inchoate liens for taxes, assessments, public utility charges, which are due but the validity of which are being contested in good faith by FacilityCo provided that FacilityCo has provided security which in the opinion of FacilityCo, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto.
  - h. Plans, by-laws or transfers registered on title to the Facility as of the date of the Agreement.
  - i. i) The following instruments registered on title to the Facility as of the date hereof:
    - i. Notice of an Agreement registered as Instrument No. 340724.
    - ii. Restrictive Covenants registered as Instrument No. CK68033.

**SCHEDULE “E”  
ASSUMED LIABILITIES**

1. All Liabilities related to the Permitted Encumbrances.
2. Any Tax Liabilities (including source deductions) of the Purchased Entities for (i) any tax period or the portion thereof beginning on or after the Closing Date (including sales, excise and land transfer taxes arising from the consummation of the Transaction); (ii) accrued in respect of the period after the Filing Date; and (iii) with regards to the Facility Purchaser, property Taxes pertaining to the Facility owed or owing or accrued due by FacilityCo to the applicable municipality in respect of the period prior to the Closing Date, if found to be owed or owing.
3. Liabilities owing to those vendors listed below that have provided goods and/or services to the Purchased Entities in the ordinary course of Business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, but only up to the total amount of *[Redacted – Commercially Sensitive Information]* (the “**Assumed Trade Payables**”).
4. All wages, salaries, commissions or compensation in respect of the Terminated Employees, up to the statutory limits set out in Section 81.3 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

**SCHEDULE "F"**  
**ASSUMED CONTRACTS**

The following is a comprehensive list of Assumed Contracts:

1. Any and all written agreements with the Purchased Entities for the supply of goods and/or services other than the Excluded Contracts.
2. Any and all contracts with the Continuing Employees.

**SCHEDULE "G"**  
**APPROVAL AND VESTING ORDER**



Court File No. CV-24-00722386-00CL

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

THE HONORABLE ) FRIDAY, THE 4<sup>TH</sup> DAY  
)  
JUSTICE W.D. BLACK ) OF OCTOBER, 2024

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF ATLAS GLOBAL BRANDS INC.,  
GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL  
NURSERY, LTD., AGMEDICA BIOSCIENCE INC.,  
WELLWORTH HEALTH CORP., 5047346 ONTARIO INC.,  
8050678 CANADA INC. AND TAVIVAT NATURALS INC.**

Applicants

**ORDER**  
**(APPROVAL AND REVERSE VESTING ORDER)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, among other things: (a) approving the subscription agreement to be executed on or around the date hereof (the "**Subscription Agreement**") between Atlas Global Brands Inc. ("**Atlas Global**"), GreenSeal Nursery, Ltd. ("**Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Callisto Capital Corp. (the "**LP Purchaser**") and [Redacted - Corporate Name] (the "**Facility Purchaser**", and together the LP Purchaser, "**Purchasers**") for the acquisition of AgMedica, Nursery and FacilityCo (collectively, the "**Purchased Entities**") in the form as appended to the Tenth Cervi Affidavit (as hereinafter defined, together with all other corporate proceedings and transactions set forth therein, the "**Transactions**"); (b) adding 2650751 Alberta Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**"); (c) transferring and vesting all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and

Excluded Liabilities (each as defined in the Subscription Agreement) to and in ResidualCo; (d) authorizing and directing AgMedica and Nursery to issue the Purchased Entity Shares (as defined in the Subscription Agreement) and vesting in and to the LP Purchaser all right, title and interest in and to the Purchased Entity Shares, free and clear of any Claims and Encumbrances (in each case, as hereinafter defined), subject to the applicable Transaction Regulatory Approvals; (e) authorizing and directing AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares (as defined in the Subscription Agreement), and vesting in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances (as hereinafter defined); (f) terminating and cancelling all of the Existing Shares (as defined in the Subscription Agreement) of each of AgMedica and Nursery, other than the Purchased Entity Shares, for no consideration; (g) granting certain releases; (h) approving the fees and disbursements of the Monitor and its counsel, and approving the Monitor's Reports (as hereinafter defined) and the activities and conduct of the Monitor referred therein; (i) approving the sealing of the Fourth Confidential Cervi Affidavit (as hereinafter defined) (j) extending the Stay Period (as defined in the TARIO); and (k) granting certain ancillary relief, was heard by videoconference on October 4, 2024.

**ON READING** the Motion Record of the Applicants, including the Affidavit of Jason Cervi sworn September 29, 2024 and Exhibits thereto (the "**Cervi Affidavit**"), the confidential affidavit of Jason Cervi to be affirmed and Exhibits thereto ("**Fourth Confidential Cervi Affidavit**"), the Affidavit of Jason Cervi sworn October 3, 2024 and Exhibits thereto (the "**Tenth Cervi Affidavit**"), the Affidavit of Sandra Palma sworn October 1, 2024 and the Third Report of Ernst & Young Inc. ("**EY**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated October 3, 2024 (the "**Third Report**") and the affidavits of Karen Fung sworn October 3, 2024 and Trevor Courtis sworn October 3, 2024 (collectively, the "**Fee Affidavits**") attached thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and those other parties listed on Counsel Slip, no one else appearing although duly served as appears from the Affidavit of Service of Yvette Gallo sworn September 29, 2024.

## **SERVICE**

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

## **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Subscription Agreement or, if not defined therein, the Third Amended and Restated Initial Order dated July 9, 2024 (the "TARIO").

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions, be and are hereby approved and that the execution of the Subscription Agreement by Atlas Global, AgMedica and Nursery is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary with the approval of the Monitor. Atlas Global, AgMedica and Nursery are hereby authorized and directed to perform their respective obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the cancellation of the Existing Shares and the issuance of the Purchased Entity Shares to the LP Purchaser, the transfer of the FacilityCo Shares to the Facility Purchaser.

4. **THIS COURT ORDERS** that, prior to closing of the Transactions, the LP Purchaser in its sole discretion is entitled but not obligated to assign its rights and obligations under the Subscription Agreement to an assignee that it may designate in its sole discretion ("**Assignee**"). If such assignment is made, (a) all references in this Order to "LP Purchaser" and, as applicable, the "Purchasers", shall be deemed to refer to and include the Assignee; and (b) the Monitor shall and is hereby directed to name the Assignee as the "LP Purchaser" in the Monitor's Closing Certificate (defined below) filed with the Court.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Purchased Entities to proceed with the Transactions, and that no shareholder or other

approval shall be required in connection therewith, other than as contemplated by the applicable Transaction Regulatory Approvals.

6. **THIS COURT ORDERS** that upon the delivery of the Monitor's certificate (the "**Monitor's Closing Certificate**") to the Purchased Entities and the Purchasers in accordance with the Subscription Agreement (the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, all of the Purchased Entities' right, title and interest in and to the Excluded Contracts shall vest absolutely and exclusively in ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Contracts in accordance with paragraph 13 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (b) second, all of the Purchased Entities' right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Assets in accordance with paragraph 13 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (c) third, all Excluded Liabilities shall be channeled to, assumed by and vested absolutely and exclusively in ResidualCo, such that the Excluded Liabilities shall become the obligations of ResidualCo, and shall no longer be obligations of the Purchased Entities and all of the Purchased Entities' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Purchased Entities (the "**Purchased Entities' Property**"), shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and all Encumbrances affecting or relating to the Purchased Entities' Property are to be expunged and discharged as against the Purchased Entities' Property;

- (d) fourth, in consideration for a portion of the Purchase Price, (i) AgMedica and Nursery shall issue the Purchased Entity Shares to the LP Purchaser, and all of the right, title and interest in and to the Purchased Entity Shares shall vest absolutely in the LP Purchaser, (ii) AgMedica shall transfer the FacilityCo Shares to the Facility Purchaser and all of the right, title and interest in and to the Purchased FacilityCo Shares shall vest absolutely in the Facility Purchaser; and (iii) the Purchased Entities' Property, other than the Excluded Assets and Excluded Contracts, will be retained by the Purchased Entities, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the TARIO or any other Order of the Court in the CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances listed on **Schedule "B"** hereto);
- (e) fifth, all of the Existing Shares outstanding prior to the issuance of the Purchased Entity Shares, as well as any agreement, contract, plan, indenture, deed,

certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AgMedica and Nursery, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only shares of AgMedica and Nursery that shall remain shall be the Purchased Entity Shares; and

- (f) lastly, the Purchased Entities shall be deemed to cease being Applicants in these CCAA Proceedings, and the Purchased Entities shall be deemed to be released from the purview of the TARJO and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

7. **THIS COURT ORDERS** that upon the registration in the Land Registry Office (no. 24) for the Land Titles Division of Kent of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario), the applicable Land Registrar is hereby directed to vacate and expunge from title to the real property identified in **Schedule “C”** hereto all of the Claims and Encumbrances identified in **Schedule “D”** hereto.

8. **THIS COURT ORDERS** that, from and after the Closing Time, any and all persons being the registered or beneficial owners of the real property identified in **Schedule “C”** hereto shall be, and shall be deemed to be forever irrevocably released and discharged from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any taxes (including penalties and interest thereon) of, or that relate to, said real property or any of the Purchased Entities arising under the *Municipal Act, 2002*, S.O. 2001, c. 25 and/or the *Assessment Act*, R.S.O. 1990, c. A.31, provided that such release shall not apply to taxes in respect of the real property assessed in relation to any tax period or the portion thereof beginning on or after the Closing Time.

9. **THIS COURT ORDERS** that, from and after the Closing Time, any relevant writs of execution that may have been filed with the Sheriff on or before the Closing Time as against each

registered owner of the real property identified in **Schedule “C”** hereto shall not bind the real property identified in **Schedule “C”** hereto.

10. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Closing Certificate, forthwith after delivery thereof in connection with the Transactions.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Purchased Entities and the Purchasers regarding the satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor’s Closing Certificate.

12. **THIS COURT ORDERS** that upon delivery of the Monitor’s Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Entities, the Purchased Entities’ Property or the Excluded Assets (collectively, the **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Monitor’s Closing Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreements. Presentment of this Order and the Monitor’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Purchased Entities’ Property and the Monitor and the Purchasers are hereby specifically authorized to discharge the registrations on the Purchased Entities’ Property and the Excluded Assets, as applicable.

13. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Closing Time, subject to the satisfaction of the CCAA Charge Amount and the Administrative Wind-down Amount, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 6 hereof, including against the Purchased Entities, the Purchased Entities’ Property, the Purchased Entity Shares, the Purchased FacilityCo Shares and the New AgMedica Shares, shall attach to the Excluded Contracts and Excluded Assets with the same nature and priority as they had immediately prior to the Transactions as if the Transactions had not occurred.

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Purchased Entities or the Monitor, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchasers, all human resources and payroll information in the Purchased Entities' records pertaining to past and current employees of the Purchased Entities. The Purchasers shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities.

15. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof, the Purchasers, the Purchased Entities, and the Monitor shall be deemed released from any and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to the Purchased Entities, provided, as it relates to the Purchasers and the Purchased Entities, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Purchased Entities after the Closing Time; or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Subscription Agreement, including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchasers or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial or foreign tax equivalent, in connection with the Purchased Entities. For greater certainty, nothing in this paragraph shall release or discharge any Claims against ResidualCo with respect to Taxes that are transferred to ResidualCo.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement (and, for greater certainty, excluding the Excluded Assets, Excluded Contracts, and Excluded Liabilities), all contracts to which any of the Purchased Entities are a party at the time of delivery of the Monitor's Closing Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy)

or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Purchased Entities);
- (b) the insolvency of any of the Purchased Entities or the fact that the Purchased Entities obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions, the provisions of this Order, or any other Order of this Court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of any of the Purchased Entities arising from the implementation of the Subscription Agreement, the Transactions, or the provisions of this Order.

17. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 16 hereof shall waive, compromise or discharge any obligations of the Purchased Entities or the Purchaser, in respect of any Assumed Liabilities, (b) the designation of any Claim as an Assumed Liability is without prejudice to any of the Purchased Entities' or the Purchasers' right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Subscription Agreements shall affect or waive the Purchased Entities' or the Purchasers' rights and defenses, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

18. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of any of the Purchased Entities then existing or previously committed by any of the Purchased Entities, or caused by any one of the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or

implied in any contract, or lease existing between such Person and any of the Purchased Entities (including for certainty, those contracts, or leases constituting the Purchased Entities' Property) arising directly or indirectly from the filing by the Applicants under the CCAA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 16 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract, or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse any of the Purchased Entities or the Purchasers from performing their obligations under the Subscription Agreement, or be a waiver of defaults by any of the Purchased Entities or the Purchasers under the Subscription Agreement and the related documents.

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

20. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Assumed Liabilities, as assumed by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Liability (each

an “**Excluded Liability Claim**”) shall no longer have an Excluded Liability Claim against any of the Purchased Entities, but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

- (d) any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Person, with an Excluded Liability Claim, had against the applicable Purchased Entities’ entity prior to the Closing Time.

21. **THIS COURT ORDERS** that, as of the Closing Time:

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

## **SET-OFF MATTERS**

22. **THIS COURT ORDERS** that the right of set off is preserved to the extent that: (i) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising prior to the CCAA filing date of June 20, 2024 are applied against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising prior to the CCAA filing date of June 20, 2024 on a consolidated basis; or (ii) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising after the CCAA filing date of June 20,

2024 are applied against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising after the CCAA filing date of June 20, 2024.

### **PRIORITY PAYMENTS AND WIND-DOWN AMOUNT**

23. **THIS COURT ORDERS AND DIRECTS** that the Priority Payments, the CCAA Charge Amount and the Administrative Wind-down Amount, as necessary, shall be paid by the Monitor on the Closing Date using cash received from the Purchaser, consistent with the Implementation Steps and in accordance with the terms of the Subscription Agreement.

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

- (a) the pendency of these CCAA Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the “**BIA**”), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Purchased Entities or ResidualCo;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the issuance and vesting of the Purchased Entity Shares in and to the LP Purchaser, the transfer and vesting of the FacilityCo Shares in and to the Facility Purchaser, any payment of the CCAA Charge Amount and the Administrative Wind-down Amount, and any payments by or to the Purchasers, any of the Purchased Entities, ResidualCo, or the Monitor authorized herein, or pursuant to the Subscription Agreement) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Purchased Entities and/or ResidualCo and shall not be void or voidable by creditors of the Purchased Entities or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal, provincial or foreign legislation, nor shall they constitute

oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **MONITOR**

25. **THIS COURT ORDERS** that nothing in this Order, including the release of the Purchased Entities from the purview of these CCAA Proceedings pursuant to paragraph 6(f) hereof and the addition of ResidualCo as an Applicant in these CCAA Proceedings, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and EY shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the TARIO, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of EY in its capacity as Monitor, all of which are expressly continued and confirmed.

26. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than ten (10) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

27. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Purchased Entities or ResidualCo or to have taken or maintained possession or control of the business or property of any of the Purchased Entities or ResidualCo, or any part thereof; or (b) be deemed to be in Possession (as defined in the TARIO) of any property of the Purchased Entities or ResidualCo within the meaning of any applicable Environmental Legislation and/or Cannabis Legislation (each as defined in the TARIO) or otherwise.

28. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result

of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

29. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo.

## **RELEASES**

30. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) the current directors, officers, employees, consultants, legal counsel and advisors of the Applicants (other than GreenSeal); (b) the current directors, officers, employees, consultants legal counsel and advisors to ResidualCo; (c) the Purchaser and its legal counsel and their respective current directors, officers, partners, employees, consultants, advisors and assignees; and (d) the Monitor and its legal counsel and their respective current directors, officers, partners, employees, consultants and advisors (the Persons listed in (a), (b), (c) and (d) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) arising in connection with or relating to the CCAA Proceedings or any matters relating to the Applicants (other than GreenSeal), the Subscription Agreement, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Applicants (other than GreenSeal) arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other entity and are extinguished, provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim (i) for fraud or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, (ii) against any current or former

director or officer of any of the Applicants (other than GreenSeal) in respect of obligations or liabilities that any such director or officer may have incurred in their capacity as director or officer prior to the commencement of these CCAA Proceedings, except as expressly contemplated herein, (iii) any of the Released Parties from the performance of their obligations pursuant to the Transactions. For greater certainty, “current” in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

31. **THIS COURT ORDERS** that, effective upon the filing of the Monitor’s Closing Certificate, Shalcor Management Inc., in its capacity as the DIP Lender, and 2596690 Ontario Inc. (operating as AgriRoots Capital Management Inc.), in its capacity as mortgagee, and the Purchasers, in their capacity as the Successful Bidder (collectively, the “**Other Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the filing of the Monitor’s Closing Certificate, undertaken or completed in connection with or pursuant to the terms of this Order and that relate in any manner whatsoever to the Subscription Agreement, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Purchased Entities arising in connection with or pursuant to any of the foregoing (collectively, the “**Other Released Claims**”), which Other Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Other Released Parties.

32. **THIS COURT ORDERS** that, effective upon the filing of the Monitor’s Closing Certificate, the current directors and officers of the Purchased Entities as well as Trevor Henry and Peter Van Mol (collectively, the “**Released D&Os**” and each a “**Released D&O**”) shall be and are hereby forever irrevocably released and discharged from any and all claims, including but not limited to claims for unpaid source deductions and excise taxes, that any Person may have or be

entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA proceedings in respect of the Purchased Entities, the business, operations, assets, property and affairs of the Purchased Entities and the Purchased Entities and/or these CCAA proceedings (collectively, the “**D&O Released Claims**”), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O; (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) that is a Insured Claim (as hereinafter defined). For greater certainty, “current” in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

### **INSURED CLAIMS**

33. **THIS COURT ORDERS** that, notwithstanding anything set out in any of the Orders made by the Court in these CCAA proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability which is an insured claim (the “**Insured Claims**”) under any insurance policy maintained by any of the Purchased Entities or ResidualCo (collectively, the “**Insurance Policies**”) to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim, and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against any of the Purchased Entities or the Released D&Os, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the Purchased Entities or any of the Released D&Os, other than enforcing such Person’s rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defenses of any insurer with respect to its obligations under any of the Insurance Policies.

## **APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES**

34. **THIS COURT ORDERS** that the Report of the Proposed Monitor dated June 20, 2024, the First Report of the Monitor dated June 27, 2024, the Supplement to the First Report of the Monitor dated July 2, 2024, the Second Supplement to the First Report of the Monitor dated July 5, 2024, the Third Supplement to the First Report of the Monitor dated July 9, 2024, the Second Report of the Monitor dated July 25, 2024 and the Third Report (collectively, the “**Monitor’s Reports**”), and the activities and conduct of the Monitor referred to therein are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

35. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Third Report and the Fee Affidavits, be and are hereby approved.

## **SEALING**

36. **THIS COURT ORDERS** that the Fourth Confidential Cervi Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

## **STAY EXTENSION**

37. **THIS COURT ORDERS** that the Stay Period shall not apply to AgMedica for the limited purpose of allowing the Canada Revenue Agency or its representatives (collectively, the “**CRA**”) to obtain certificates contemplated by section 227.1(2)(a) of the *Income Tax Act*, R.S.C. 1985 c.1 (5<sup>th</sup> Supp.) (the “**ITA**”), section 83(2) of the *Employment Insurance Act*, S.C. 1996, c. 23 (the “**EIA**”), section 21.1(2) of the *Canada Pension Plan*, R.S.C., 1985, c. C-8 (the “**CPP**”), and section 295 (2)(a) of the *Excise Act*, 2001, S.C. 2002, c. 22 (the “**EA**”), for the amounts that the CRA is owed by AgMedica for unremitted source deductions and excise taxes, provided that, at all times, the CRA shall have no recourse against AgMedica with respect to any unremitted source deductions or excise taxes in relation to any tax period or the portion thereof prior to the commencement of these CCAA Proceedings.

38. **THIS COURT ORDERS** that upon the CRA obtaining certificates in accordance with paragraph 37 herein that such certificates shall be deemed to be registered in accordance with section 223(3) of the ITA; section 288(2) of the EA; section 66(2.3) of the CPP; and section 126(2)

of the EIA, executed and returned unsatisfied in whole for the purpose of the operation of section 227.1 of the ITA; section 295 of the EA; section 21.1 of the CPP; and section 83 of the EIA.

39. **THIS COURT ORDERS** that, subject to paragraph 37, the Stay Period is hereby extended until and including October 31, 2024.

## **GENERAL**

40. **THIS COURT ORDERS** that in the event of a conflict between the terms of this Order and those of the TARIO or any other Order of this Court, the provisions of this Order shall govern.

41. **THIS COURT ORDERS** that, following the Closing Time, the Purchasers shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances as against the Purchased Entities, the Purchased Shares, those Equity Interests of each of the Purchased Entities held by the Purchaser, and the Purchased Entities' Property.

42. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS  
COMPANY, LTD., 8050678 CANADA INC., TAVIVAT NATURALS INC.,  
WELLWORTH HEALTH CORP. AND 2650751 ALBERTA LTD.

43. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

44. **THIS COURT ORDERS** that the Monitor and each of the Purchased Entities shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal or administrative body whether in Canada, the United States, or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Purchased Entities and/or the Monitor as may be deemed necessary or appropriate for that purpose.

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

46. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Prevailing Eastern time on the date hereof that it is made and is enforceable without any need for entry and filing.



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**SCHEDULE A**  
**FORM OF MONITOR'S CLOSING CERTIFICATE**

Court File No. CV-24-00722386-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR**  
**ARRANGEMENT OF ATLAS GLOBAL BRANDS INC.,**  
**GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL**  
**NURSERY, LTD., AGMEDICA BIOSCIENCE INC.,**  
**WELLWORTH HEALTH CORP., 5047346 ONTARIO INC.,**  
**8050678 CANADA INC. AND TAVIVAT NATURALS INC.**

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to the Initial Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List), (the "**Court**") dated June 20, 2024, as amended and restated on July 3, 2024, July 5, 2024 and July 9, 2024, Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively, the "**Atlas Global Group**") were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Ernst & Young Inc. was appointed as the monitor of the Atlas Global Group (in such capacity, the "**Monitor**").

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated October 7, 2024 (the "**ARVO**").

C. Pursuant to the ARVO, the Court approved the Transactions contemplated by the Subscription Agreement, and ordered, *inter alia*, that: (i) all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities be transferred and vested into and in ResidualCo; (ii) authorized and directed AgMedica and Nursery

to issue the Purchased Entity Shares, and vested in and to the LP Purchaser all right, title and interest in and to the Purchased Entity Shares, free and clear of any Claims and Encumbrances, subject to the applicable Transaction Regulatory Approvals; (iii) authorized and directed AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares, and vested in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances; (iv) terminated and cancelled all of the Existing Shares of each of the AgMedica and Nursery other than the Purchased Entity Shares for no consideration which vesting, terminating and cancelling is to be effective upon the delivery by the Monitor to the Purchasers and the Purchased Entities of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchased Entities and the Purchasers that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received the Priority Payments, CCAA Charge Amount and the Administrative Wind-down Amount.
2. The Monitor has received written confirmation from the Purchased Entities and the Purchasers, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived, as applicable, by the parties to the Subscription Agreement.
3. This Monitor's closing certificate was delivered by the Monitor at Toronto on \_\_\_\_\_, 2024.

**Ernst & Young Inc., in its capacity as  
Monitor of the Atlas Global Group and not  
in its personal or corporate capacity.**

Per:

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Name:

Title:

**SCHEDULE B**  
**PERMITTED ENCUMBRANCES**

**REAL PROPERTY**

**REAL PROPERTY GENERAL ENCUMBRANCES**

**With respect to the Chatham Facility (the “Property”)**

1. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.
2. Any registered or unregistered easements, servitudes, rights-of-way, licences, or restrictions, in favour of any governmental authority or public utility, that run with the land and other encumbrances and/or agreements with respect thereto including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables.
3. Any encroachments, minor defects or irregularities indicated on any survey of the Property;
4. Any subdivision agreements, site plan agreements, development agreements and any other agreements registered on title to the Property with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction.
5. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance.
6. Inchoate liens for taxes, assessments, public utility charges, which are due but the validity of which are being contested in good faith by FacilityCo provided that FacilityCo has provided security which in the opinion of FacilityCo, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto.
7. Plans, by-laws or transfers registered on title to the Property as of the date of the Agreement.

## **SPECIFIC ENCUMBRANCES**

The following instruments registered on title to the Property as of the date hereof:

### **Chatham Facility**

- By-law registered as Instrument No. 171785
- Notice of an Agreement registered as Instrument No. 340724
- Transfer of Easement registered as Instrument No. 576414
- Restrictive Covenants registered as Instrument No. CK68033
- Charge/Mortgage registered as Instrument No. CK192825
- Notice of Assignment of Rents – General registered as Instrument No. CK192826
- Notice of a Mortgage Amending Agreement registered as Instrument No. CK236693

## SCHEDULE C

### LEGAL DESCRIPTION OF THE REAL PROPERTY

[Redacted - PIN]

Description:

[Redacted - Legal Description of Lands]

Address: [Redacted - Address]

**SCHEDULE D**

**CLAIMS AND ENCUMBRANCES TO BE DELETED  
FROM TITLE TO THE REAL PROPERTY**

1. Notice of Lease registered as Instrument No. CK180981
2. Postponement of Interest registered as Instrument No. CK192827
3. Postponement of Interest registered as Instrument No. CK236694

**IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.**

Court File No. CV-24-00722386-00CL

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

Proceedings commenced at Toronto, Ontario

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**APPROVAL AND VESTING ORDER**

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**OSLER, HOSKIN & HARCOURT LLP**

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Toronto ON M5X 1B8

**Randal Van de Mosselaer (LSA# 9923)**

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**Justin Kanji (LSO# 88178O)**

Tel: 416.862.6642

Email: [jkanji@osler.com](mailto:jkanji@osler.com)

*Lawyers for the Applicants*

**SCHEDULE "B"**  
**UNSECURED CONVERTIBLE DEBENTURE**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH 1, 2025.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UNDER THE CONVERSION OF THIS SECURITY OR INTEREST PAYABLE UNDER THIS SECURITY MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL MARCH 1, 2025.

## DECIBEL CANNABIS COMPANY INC.

(Existing under the laws of Alberta)

### UNSECURED SUBORDINATED CONVERTIBLE DEBENTURE

No. CD-1

\$6,300,000

Date October 28, 2024 (the “**Issue Date**”)

FOR VALUE RECEIVED, DECIBEL CANNABIS COMPANY INC. (the “**Corporation**”) acknowledges itself indebted and hereby promises to pay to Callisto Capital Corp. (the “**Holder**”) the principal sum of \$6,300,000.00 in accordance with the terms set forth below, together with interest, if any, accrued thereon as calculated in accordance with Paragraph 5 below.

1. **Definitions.** Capitalized terms used herein that are not otherwise defined have the meanings ascribed to them in Schedule “A” attached hereto.
2. **Repayment.** Subject to the provisions hereof, the principal amount of this Debenture together with all outstanding interest due and accruing shall become due and payable on April 28, 2025 (the “**Maturity Date**”), if not earlier converted in accordance with Section 3.
3. **Series of Debentures.** This Debenture is not issued as part of a series of debentures.
4. **Conversion.**
  - (a) If, prior to the Maturity Date, the Conversion Approvals are obtained by the Corporation, the entire amount outstanding (less any tax required by law to be deducted or withheld) under this Debenture shall automatically be converted into Common Shares at the Conversion Price, upon giving the Holder two (2) Business Days prior written notice (the “**Conversion Notice**”).
  - (b) In the event of a conversion pursuant to Section 4(a), the effective date of the conversion (the “**Conversion Date**”) shall be the date stipulated in the Conversion Notice, being the date of receipt of the Conversion Approvals, and upon such Conversion Date: (i) the entire amount outstanding as stipulated in the Conversion Notice (less any tax required by law to be deducted or withheld) shall be deemed to be converted into Common Shares at the Conversion Price; and (ii) the Holder shall be entered in the books of the Corporation as at the Conversion Date as the holder of such number of Common Shares.

- (c) Notwithstanding anything contained herein, the Corporation shall in no case be required to issue fractional Common Shares upon any conversion and where the aggregate number of Common Shares to be so issued to the Holder would result in a fraction of a Common Share being issuable, the number of Common Shares to be received by the Holder shall be rounded down to the nearest whole Common Share in the event the fraction is less than 0.5 and rounded up to the nearest whole Common Shares in the event the fraction is greater than 0.5.
  - (d) Upon any conversion of this Debenture, the Holder will sign and deliver to the Corporation, as a condition to such conversion, all documents reasonably requested by the Corporation to effect the conversion (collectively, "**Conversion Documents**"). The Corporation will not give effect to the conversion of this Debenture, and all rights and privileges of the Holder under this Debenture (other than the right to complete the conversion) will automatically be suspended, until such time as the Holder has signed and delivered all Conversion Documents.
  - (e) The Common Shares issuable upon conversion of this Debenture may be issued bearing a restrictive trading legend if required pursuant to applicable securities laws or the rules and regulations of the TSXV or such other exchange upon which the Common Shares may then trade.
  - (f) The Holder will provide the registration and delivery instructions for the Common Shares to the Corporation before any conversion. Concurrently with conversion of this Debenture (and all amounts hereunder), the Holder will (i) surrender this Debenture to the Corporation at its principal office or at such location as directed by the Corporation; (ii) deliver the documents required by Section 4(d); and (iii) sign and deliver to the Corporation a full release and discharge of this Debenture in a form provided by the Corporation and acceptable to the Holder, acting reasonably. Upon completion of the conversion of this Debenture in full, the Corporation will be released from all of its obligations and liabilities under this Debenture and this Debenture will be of no further force or effect.
5. **Adjustment of Conversion Price.** The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:
- (a) if and whenever at any time prior to the Maturity Date the Corporation shall: (i) subdivide, re-divide or change the outstanding Common Shares into a greater number of shares; (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares; or (iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends in the form of Common Shares in lieu of dividends paid in the ordinary course on the Common Shares), the Conversion Price in effect on the effective date of such subdivision, re-division, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a stock dividend, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 5 shall occur;

- (b) if and whenever at any time prior to the Maturity Date, there is a reclassification of the Common Shares or a capital reorganization of the Corporation, a consolidation, arrangement, amalgamation or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity (a “**Reorganization**”), the Conversion Price shall be adjusted so that this Debenture shall, after such Reorganization, be convertible into the number of shares or the number, kind or amount or other securities or property of the Corporation, or such continuing, successor or purchaser corporation, as the case may be, which the Holder thereof would have been entitled to receive as a result of such Reorganization if on the effective date thereof he had been the Holder of the number of Common Shares into which this Debenture was convertible prior to the effective date of such Reorganization. No such Reorganization shall be carried into effect unless, in the opinion of the directors of the Corporation, all necessary steps shall have been taken to ensure that the Holders shall thereafter be entitled to receive such number of shares or other securities or property of the Corporation, or such continuing, successor or purchaser corporation, as the case may be, subject to adjustment thereafter in accordance with provisions similar, as nearly as may be, to those contained in this Section 5;
- (c) in any case in which this Section 5 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of this Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing such Holder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of Holders of record of Common Shares on and after the Maturity Date;
- (d) the adjustments provided for in this Section 5 are cumulative and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 5, provided that, notwithstanding any other provision of this 5, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 5(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;
- (e) for the purpose of calculating the number of shares of the Corporation outstanding, shares owned by or for the benefit of the Corporation or its subsidiaries shall not be counted;
- (f) in the event of any question arising with respect to the adjustments provided for in this Section 5, such question shall be conclusively determined by the Corporation’s auditors who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation and the Holder and all other persons interested therein; and

- (g) in case the Corporation shall take any action affecting the Common Shares other than action described in this Section 5, which in the opinion of the directors of the Corporation would materially affect the rights of the Holder, the Conversion Price shall be adjusted in such manner and at such time, by action of the directors as the directors in their sole discretion may determine to be equitable in the circumstances.
6. **Certificate of Adjustments.** The Corporation shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 5, deliver a certificate of an officer of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of the Corporations' independent auditors, if requested by the Holder, and shall be conclusive and binding on all parties in interest. When so approved, the Corporation shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Common Shares, forthwith give notice to the Holder, specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price.
7. **Interest.** No interest shall accrue between the issuance date of this Debenture and five Business Days following the date of the Decibel Meeting if the Conversion Approvals are not obtained by the Corporation (the "**Interest Free Period**"). Following the Interest Free Period, interest shall begin to accrue at the rate of 15% per annum, calculated on the basis of a 365-day year for the actual number of days elapsed and compounded annually, from the end of the Interest Free Period, until conversion or payment in full, both before and after maturity, default or judgment (the "**Interest Payment Date**").
8. **Representations, Warranties and Covenants of the Corporation.**
- (a) The Corporation represents and warrants to the Holder as set out in Schedule B to this Debenture as of the Issue Date, which representations and warranties will continue while this Debenture remains outstanding. The Corporation acknowledges that the Holder is acquiring this Debenture in reliance upon such representations and warranties.
- (b) The Corporation will observe the covenants in favour of the Holder set out in Schedule C to this Debenture while this Debenture remains outstanding.
9. **Events of Default.** If any one or more of the following events ("**Events of Default**") shall occur so long as any indebtedness of the Corporation to the Holder hereunder remains outstanding, the Holder may, at its option, declare the principal amount of this Debenture and interest accrued thereon, to be immediately due and payable:
- (a) non-payment by the Corporation on any Interest Payment Date or the Maturity Date, subject to Paragraph 3 of this Debenture, to the Holder hereunder or otherwise, where such non-payment remains unremedied for ten (10) Business Days;
- (b) the Corporation or, unless otherwise approved by the board of directors of the Corporation, any material subsidiary, ceases to carry on business or the Corporation or any of its material subsidiaries becomes insolvent or bankrupt or

ceases paying its debts as they mature, other than those that shall be contested in good faith and by appropriate proceedings;

- (c) if an order is made and such order is not contested in good faith and by appropriate proceedings and in any event vacated within 30 days from the date made or a resolution is passed for the winding up of the Corporation or, unless otherwise approved by the board of directors of the Corporation, any material subsidiary, without the prior written consent of the Holder;
- (d) the Corporation defaults in payment of any principal, interest or other fee or charge on any other indebtedness of the Corporation (other than the Debenture) in excess of \$100,000 when the same becomes due, after giving effect to any applicable cure or grace periods;
- (e) the Corporation makes an assignment for the benefit of its creditors, acknowledges its insolvency in any manner whatsoever, or commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any similar law of any jurisdiction;
- (f) the Corporation institutes any proceeding or takes any corporate action or signs any agreement or notice of intention to authorize its participation in or commencement of any proceeding (i) seeking to adjudicate it as bankrupt or insolvent, or (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Creditors Arrangement Act* (Canada), *Bankruptcy and Insolvency Act* (Canada) or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation);
- (g) any proceeding is commenced against or affecting the Corporation that is not (A) contested actively and diligently in good faith by appropriate and timely proceedings; and (B) in any event stayed within 30 days of commencement:
  - (i) seeking to adjudicate it as bankrupt or insolvent;
  - (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation); or
  - (iii) seeking appointment of a receiver, manager, receiver and manager, receiver-manager, trustee, agent, custodian or other similar official for it or for any part of its properties and assets;
- (h) the holder of any security interest, hypothec, charge, encumbrance, lien or claim against any of the Corporation's assets does anything to enforce or realize on such security interest, hypothec, charge, encumbrance, lien or claim, or takes possession of any part of the Corporation's property;
- (i) any execution, distress or other process of any court becomes enforceable against any of the property of the Corporation, or a distress or like process is levied upon any of such property; or

- (j) the Corporation ceases to carry on all or a substantial part of its business.
10. **Governing Law.** The provisions of this Debenture shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
  11. **Waiver – Specific Items.** The Corporation hereby waives presentment for payment, notice of non-payment, protest and notice of protest and hereby agrees to pay all costs and expenses (including all reasonable legal costs) paid or incurred in collecting amounts owing under this Debenture after the same shall become due and payable.
  12. **Illegal Actions.** Notwithstanding anything in this Debenture, the Corporation shall not be obligated to undertake any such action which may be illegal or not otherwise permitted pursuant to the rules and regulations of the TSXV or other stock exchange on which the securities of the Corporation may be listed.
  13. **Security.** The parties acknowledge that this Debenture and all amounts owing hereunder are unsecured and, except as prescribed by law, this Debenture and all amounts owing hereunder rank *pari passu* with all other existing and future senior unsecured indebtedness of the Corporation.
  14. **Assignment.** Neither the Corporation nor the Holder may assign, transfer or deliver all or any part of its rights or obligations hereunder without the prior written consent of the other, except for an assignment or transfer in whole (and not in part) from the Holder to an Affiliate.
  15. **Waiver – General.** No waiver of satisfaction of a condition or non-performance of an obligation under this Debenture is effective unless it is in writing and signed by the party providing such waiver. No waiver under this section affects the exercise of any other rights under this Debenture.
  16. **Maximum Interest Rate.** If any provision of, or any document entered into in connection with, this Debenture would oblige the Corporation to make any payment of interest or other amount payable to the Holder in an amount or calculated at a rate which would be prohibited by any applicable law or would result in the receipt by the Holder of interest at a criminal or prohibited rate (as these terms are construed under the *Criminal Code (Canada)* or any other applicable law), then notwithstanding such provision, the amount or rate will be deemed to have been adjusted with the same effect as if adjusted at the original date of this Debenture to the maximum amount or rate of interest, as the case may be, as to not be prohibited by any applicable law or result in the receipt by the Holder of interest at a criminal or prohibited rate, the adjustment to be effected to the extent necessary by reducing the amount or rate of interest under Section 7 with any remaining excess that has been paid being credited towards prepayment of the principal amount. If any overpayment remains after such crediting, it will be returned forthwith to the Corporation upon demand.
  17. **Jurisdiction.** The parties hereby irrevocably attorn to the jurisdiction of the courts of Alberta, which will have non-exclusive jurisdiction over any matter arising out of this Debenture.
  18. **Notice.** To be effective, a Notice must be in writing and delivered (a) personally, either to the individual designated below for that party or to an individual having apparent authority to accept deliveries on behalf of that individual at its address set out below, or (b) by

registered mail, or (c) by electronic mail, to the address or electronic mail address set out opposite the party's name below or to any other address or electronic mail address for a party as that party from time to time designates to the other parties in the same manner:

in the case of the Corporation, to:

Decibel Cannabis Company Inc.  
Suite 1440, 140 4 Ave SW  
Calgary, AB, T2P 3N3

Attention: [Redacted – Name]  
Email: [Redacted – Email Address]

With a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP  
Suite 3810, Bankers Hall West  
888 3<sup>rd</sup> Street SW  
Calgary, Alberta, T2P 5C5

Attention: Jessica Brown  
Email: [jbrown@cassels.com](mailto:jbrown@cassels.com)

in the case of the Holder, to:

Callisto Capital Corp.  
[Redacted – Address]

Attention: [Redacted – Name]  
Email: [Redacted – Email Address]

With a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP  
Bay Adelaide Centre, East Tower, 22 Adelaide St. W  
Toronto, Ontario, M5H 4E3

Attention: Jasmin Lothian  
Email: [jlothian@blg.com](mailto:jlothian@blg.com)

Any Notice is effective: (i) upon personal delivery to the party to be notified, (ii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, (iii) when sent by confirmed electronic mail if sent before 5:00 p.m. local time of the recipient, if not, then on the next Business Day, or (iv) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt.

19. **Severability.** The invalidity or unenforceability of any particular provision of this Debenture will not affect or limit the validity or enforceability of the remaining provisions.

20. **Further Assurances.** Either party shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to this Debenture.
21. **Conflict of Provisions.** If there is any inconsistency between the provisions of this Debenture and those of any document to be executed and delivered by the Corporation in connection with this Debenture, the provisions of this Debenture will prevail.
22. **Binding Effect.** This Debenture enures to the benefit of and binds the parties' respective heirs, executors, administrators, and other legal representatives, successors, and permitted assigns.
23. **Amendment.** This Debenture may only be amended by a written document signed by each of the Corporation and the Holder.

**[Remainder of page intentionally left blank]**

**DATED** at Calgary, Alberta this 28 day of October, 2024.

**DECIBEL CANNABIS COMPANY INC.**

By: \_\_\_\_\_

Name:

Title: Chief Executive Officer

## **SCHEDULE "A"** **DEFINITIONS**

The following definitions apply to the debenture to which this schedule is attached (this **"Debenture"**):

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

**"Common Shares"** means the common shares in the capital of the Corporation.

**"Control Person"** has the meaning ascribed thereto in the policies of the TSXV.

**"Conversion Approvals"** means the occurrence of each of the following events: (i) the disinterested shareholders of the Corporation have approved by resolution the Holder as a new Control Person of the Corporation at the Decibel Meeting; and (ii) the TSXV has conditionally approved the Holder as a new Control Person of the Corporation.

**"Conversion Date"** has the meaning ascribed thereto in Paragraph 4(b).

**"Conversion Documents"** has the meaning ascribed thereto in Paragraph 4(d).

**"Conversion Notice"** has the meaning ascribed thereto in Paragraph 4(a).

**"Conversion Price"** means \$0.055.

**"Corporation"** has the meaning ascribed thereto in the Preamble.

**"Decibel Meeting"** means the special meeting of the disinterested shareholders of the Corporation to consider, with or without variation, approving addition of the Holder as a new Control Person of the Corporation to be held on or before November 28, 2024 or such other date as may be agreed between the Corporation and the Holder in writing.

**"Dollars"** or **"\$"** means the lawful money of Canada.

**"Events of Default"** has the meaning ascribed thereto in Paragraph 9.

**"Holder"** has the meaning ascribed thereto in the Preamble.

**"Interest Payment Date"** has the meaning ascribed thereto in Paragraph 7.

**"Market Price"** has the meaning ascribed thereto in the policies of the TSXV.

**"Maturity Date"** has the meaning ascribed thereto in Paragraph 2.

**"Notice"** means any notice, request, direction, or other document that a party can or must make or give under this Debenture.

**"Trading Day"** means, with respect to the TSXV or other market for securities, any day on which such exchange or market is open for trading or quotation.

**"TSXV"** means the TSX Venture Exchange.

**"VWAP"** means the per share volume weighted average trading price of the Common Shares for the applicable period (which must be calculated utilizing days in which the Common Shares actually trade) on the TSXV (or if the Common Shares are no longer traded on the TSXV, on such other exchange as the Common Shares are then traded)

## Schedule B

### Corporation Representations and Warranties

1. Due Incorporation, Qualification, etc. The Corporation is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted. The Corporation is duly qualified to transact business in each jurisdiction in which the failure to so qualify, individually or in the aggregate, would have a material adverse effect.
2. Authority. The signing and delivery by the Corporation of this Debenture and the performance by the Corporation of its obligations under this Debenture have been duly authorized by all necessary corporate action on the part of the Corporation and will not breach or conflict with, or constitute a default under, the Corporation's articles or by-laws, any law applicable to the Corporation, or any agreement to which the Corporation is a party or any of its assets or property is subject.
3. Enforceability. This Debenture has been, or will be, duly signed and delivered by the Corporation and constitutes, or will constitute when signed and delivered by the Corporation, a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as limited by bankruptcy, insolvency or other applicable laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.
4. Prospectus Exemption. Subject to the accuracy of the Holder's representations and warranties set forth in the Assignment Agreement between the Holder and Corporation dated October 28, 2024, the offer, sale and issuance of this Debenture and the issuance of the Conversion Shares to the Holder upon the due conversion of this Debenture will constitute transactions exempt from the prospectus requirements of applicable Canadian securities laws.
5. No Approvals Required. Other than the Conversion Approvals, no approval, consent or authorization of, and no notice to or filing is required to be made by the Corporation with any governmental authority in connection with the signing, delivery or performance by the Corporation of its obligations under this Debenture, other than notices or filings made before the Issue Date or made within the required time period after the Issue Date.
6. Compliance with Laws. The Corporation is in compliance in all material respects with all applicable laws of each jurisdiction in which it carries on business.
7. Litigation. There is no judgment, decree or order against the Corporation that could prevent, enjoin, or materially alter or delay any of the transactions contemplated by this Debenture, or that could reasonably be expected to have a material adverse effect.
8. Ownership of Assets. The Corporation has all title and ownership of, or rights to, all patents, trademarks, service marks, trade names, domain names, copyrights, trade secrets, information, and other intellectual property and proprietary rights necessary to conduct its business as now conducted.
9. Taxes. The Corporation is in compliance with all applicable tax, governmental pension or employment insurance laws and has collected, withheld, remitted and paid in a timely manner any amounts required thereunder including in respect to any applicable goods and service, excise, payroll or income taxes applicable to the Corporation or its business and operations.
10. No Default. No Event of Default has occurred and is continuing.

## **Schedule C**

### **Covenants of the Corporation**

1. Covenants. So long as this Debenture remains outstanding, the Corporation agrees as follows:

(a) Payment of Principal and Interest. The Corporation will duly and punctually pay or cause to be paid to the Holder the principal of, interest on and all other moneys which may from time to time be owing under this Debenture on the dates, at the place and in the manner specified in this Debenture.

(b) To Pay Costs. The Corporation will promptly pay all reasonable costs, charges and expenses (including reasonable legal fees on a solicitor and own client basis) of the Holder incidental to, or which in any way relate to, the enforcement of this Debenture. All such costs, charges and expenses will be payable on demand and will bear interest at the rate set forth in Section 7, calculated monthly in arrears from the date any such cost, charge or expense is incurred by the Holder.

(c) To Maintain Corporate Existence. The Corporation will maintain its corporate existence, will carry on and conduct its business in a proper and efficient manner and in accordance with all applicable law, and, except with the prior written consent of the Holder, will not change the nature or type of its business. The Corporation will keep proper books of account with correct entries of all material transactions in relation to its business.

(d) Notice of Default. The Corporation will promptly notify the Holder in writing if it becomes aware that it is in breach of any of its representations, warranties, covenants or obligations under this Debenture or there arises or exists any Events of Default (whether capable of cure or otherwise) or any facts or state of affairs which could, upon notice or the lapse of time, reasonably give rise to an Event of Default.

(e) Performance of Obligations. The Corporation will perform its obligations under all material agreements to which the Corporation is a party or any of its assets or property is subject. The Corporation will keep all of its loans and borrowings, including those evidenced by this Debenture, current and in good standing and observe and keep all covenants and perform all obligations contained therein.

(f) Pay Taxes. The Corporation will pay all taxes levied, assessed or imposed upon it or its property as and when the same become due and payable, save and except where it contests in good faith the validity thereof by proper legal proceedings and for which reasonable provision for payment has been made.

(h) Compliance with Laws. The Corporation will comply with the requirements of all applicable laws, rules, regulations of any governmental authority, the non-compliance with which could reasonably be expected to result in a Material Adverse Effect.

(i) Further Assurances. The Corporation will, at its expense at the request of the Holder, sign and deliver to the Holder such further assurances and documents as the Holder may require to protect the Holder's interests under this Debenture.