Form 49
Rule 13.19

COURT FILE NUMBER	2401-17986	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
MATTER	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.	
APPLICANT	HIGH PARK SHOPS INC.	
RESONDENTS	420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED, and 420 DISPENSARIES LTD.	
DOCUMENT	**AFFIDAVIT**	
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AFFIDAVIT NO. 8 OF SCOTT MORROW
SWORN APRIL 17, 2025

I, Scott Morrow, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("**CEO**") of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 Premium**"), Green Rock Cannabis (EC 1) Limited ("**GRC**") and 420 Dispensaries Ltd. ("**420 Dispensaries**") (collectively, "**FOUR20**" or the "**Applicants**"). I have been the CEO of FOUR20 since January 1, 2021, and a member of the boards of directors since May 6, 2021.

2. I am responsible for overseeing the operations of the Applicants, their liquidity management and, ultimately, for assisting in their restructuring process. Because of my involvement with the Applicants, I

have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records and have spoken with certain of the directors, officers and/or employees of the Applicants, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of the application of FOUR20 for an Order:

(a) disallowing High Park Shops Inc. ("**High Park")** from voting on FOUR20's proposed Plan of Arrangement (the "**Plan**") in its own capacity, through an assigned claim, or through proxy; or

(b) alternatively, disallowing High Park from voting on the Plan through the assigned claim of McCarthy Tetrault LLP ("**McCarthy**");

4. and such further and other relief as counsel may request and this Honourable Court may deem just (the "FOUR20 Application").

A. BACKGROUND

5. For background on the Applicants' entry into insolvency proceedings, please refer to my previous affidavits including two affidavits in the Applicants' previous NOi proceedings (the "**NOi Proceedings**") on June 19, 2024 (the "**First Morrow Affidavit**") and August 6, 2024 (the "**Second Morrow Affidavit**") and five affidavits in the CCAA Proceedings on September 10, 2024 (the "**Third Morrow Affidavit**"), November 25, 2024 (the "**Fourth Morrow Affidavit**"), February 3, 2025 (the "**Fifth Morrow Affidavit**"), March 4, 2025 (the "**Sixth Morrow Affidavit**"), and March 12, 2025 (the "**Seventh Morrow Affidavit**").

B. HIGH PARK IS ACTING FOR AN IMPROPER PURPOSE AND ITS ACTIONS AMOUNT TO AN ABUSE OF PROCESS

6. In October 2024, the Honourable Justice Jones granted an order (the "**SISP Order**") approving the Applicants' sales and investment solicitation process (the "**SISP**") and associated procedures. The SISP Order specifically included all assets of the Applicants, including the litigation between 420 Parent and High Park (the "**Litigation**"). The Litigation has been described in my previous affidavits but arises from a failed corporate merger / arrangement in 2020. 420 Parent is claiming over $100 million in damages against High Park.

7. The Litigation is, in fact, one of the primary reasons that FOUR20 had to commence the within insolvency proceedings as, on February 7, 2024, Judge J.R. Farrington granted summary judgment (the "**Summary Judgment**") on High Park's counterclaim in the Litigation (the "**Counterclaim**") and awarded roughly $7 million in damages to High Park. Despite the fact that 420 Parent appealed the Summary

Judgment, High Park pursued enforcement measures and FOUR20 subsequently filed Notices of Intention to File a Proposal (which proceedings were subsequently converted into the within CCAA Proceedings).

8. The Litigation is currently at a relatively advanced stage, having largely completed questioning and with mediation occurring in January 2023. FOUR20 has been diligently advancing the Litigation and has prepared responses to all High Park's 148 undertaking requests, in respect of questioning of FOUR20's witnesses which concluded in spring of 2024. High Park, however, has dragged its heels in the Litigation and has not answered any undertaking requests despite only granting a total of 26 undertakings across questioning of five witnesses that occurred between November 16, 2021 and October 19, 2023.

9. On October 8, 2024, 420 Parent won a significant victory in the Litigation, as Justice Feasby overturned the Summary Judgment. The result of this decision had a major impact on these CCAA Proceedings, as it underlined the contingent nature of the High Park claim in the restructuring proceedings and determined that amount to not yet be due and owing. High Park has since appealed Justice Feasby's decision, and a hearing on that appeal was set for April 17, 2025.

10. Following Justice Feasby's decision in October, our litigation counsel received a letter from counsel for High Park, warning us that if we failed to allow them to credit bid in the SISP, or sold assets to the detriment of their secured position over the collateral, they would sue us and hold us liable for damages. This type of letter is typical of the threats we received from High Park during this process.

11. Following receipt of this letter, the Applicants consulted with the Monitor, and it was determined to see what offers came through in the SISP. However, the threats from High Park underlined the difficulties of proceeding with a restructuring under the cloud of pending litigation – a sale of assets at the OpCo level could affect the underlying remedies in the Litigation and secured creditors' rights over collateral, which High Park specifically warned us against. At the same time, we were mindful of the difficulties of valuing High Park's contingent claim for the purpose of credit bidding and for the purposes of participating in a Plan or distribution and were also mindful of the fact that High Park in fact declined to have the Monitor value its claim.

12. On December 20, 2025, several final Phase II bids were received, including bids from High Park on its own and jointly with another entity. Pursuant to the SISP Order, the Monitor and the Applicants reviewed all bids received and made a determination that none of the bids would provide a better return for stakeholders than a Plan involving borrowed funds which left the secured creditors at 420 Parent unaffected. The bids received from High Park and/or High Park in conjunction with another entity are fully described in the Confidential Supplement to the Second Report of the Monitor, dated February 7, 2025 (the "**Second Report**"). A true copy of the Second Report is attached here as **Exhibit "A"**. Due to the necessity for confidentiality, I cannot reveal the exact nature of High Park's bid, except to say that it was **not** misunderstood by the Monitor or by the Applicants. Both FOUR20 and the Monitor determined that High

Park's bid was not the best or highest bid received in the SISP and further determined that, based on its structure, it would not result in payout for Stoke Canada Finance Corp. ("**Stoke**"), the sole secured creditor at 420 OpCo, or any of the unsecured creditors at any of the 420 entities; essentially, based on the written documentation submitted as part of High Park's bid, it was determined that only Nomos Capital I-A LP ("**Nomos**"), the senior secured creditor at 420 Parent, would receive any payout, with the remainder of the funds actually flowing back to High Park.

13. I also note that, contrary to High Park's assertions, FOUR20 was not opposed to selling the Litigation, so long as it was valued appropriately. In fact, one of the bids being seriously considered by FOUR20 in Phase I of the SISP included a sale of the Litigation, but this bid did not materialize in Phase II. FOUR20 ultimately rejected High Park's bid not because it included a sale of the Litigation, but because it was not deemed to be the best and highest bid received.

14. On December 30th, 2024, my counsel and I met with the Monitor and their counsel to review all Phase II bids received. While the SISP had provided an indication of value for the Company's assets, we jointly determined that there was an alternative path open to present a Plan which would allow the secured creditors at 420 Parent to be unaffected, while still seeing recovery for unsecured creditors more favorable than a liquidation. The appeal of this option was that it satisfied High Park's threats (by leaving assets unsold) and avoided the need for a lengthy and contested series of applications with respect to valuing High Park's contingent claim and/or allowing a credit bid from a contingent creditor.

15. On January 7, 2025, the Monitor communicated to all bidders communicated the decision to reject all bids and that the Company had decided to instead present a Plan based on borrowed funds.

16. I understand from speaking to the Monitor that following the decision to reject their bid, High Park's then counsel (DLA Piper, who had presented the bid on their behalf) wrote a threatening letter to the Monitor (without copying our counsel), whereby they made many unfounded allegations against the Monitor and their professionalism and integrity and threatened to bring applications to replace the Monitor. My counsel and I were provided with a copy of this letter, and a copy of the response from Monitor's counsel. Though this exchange of correspondence was, in my opinion, highly inflammatory and without merit, I was not surprised, as this was typical of the extremely adversarial and aggressive approach taken by High Park throughout both the Litigation and these insolvency proceedings. I understand that following this exchange of correspondence, High Park changed its counsel (from DLA Piper, who had presented the bid on their behalf), back to Blakes. I understand that copies of this correspondence have been included confidentially in the Affidavit of Lisa Roy, submitted by High Park in support of an application brought forward by High Park in March.

17. Despite these threats, 420 proceeded to finalize a loan agreement to fund a Plan (the "**Loan Agreement**"). The Loan Agreement is fully executed and conditional only upon a positive Plan vote and

Court approval. The name of the lender is confidential, but the Monitor has reviewed both the Loan Agreement as well as a comfort letter provided by the lender's bank and has reported that it is fully satisfied that there is minimal closing risk and that funds will be available for distribution upon closing. The Monitor has also reported on the material terms of the Loan Agreement in its Third Report dated March 11, 2025.

18. FOUR20 has maintained ongoing communication with its creditors to finalize their proven claims, discuss the Plan, address questions and concerns, and build support for its approval.

19. Initially, FOUR20 planned to offer payouts only to unsecured creditors of 420 OpCo and Green Rock, based on the assumption that creditors who had filed proofs of claim at the 420 Parent level would re-file at the 420 OpCo level, where the funds had actually been used. However, it was later confirmed that the 420 Parent-level creditors would not re-file. As a result, the Plan was amended to include payouts to all unsecured creditors of FOUR20, regardless of the entity at which their claims were filed.

20. On March 11, 2025, prior to a March 14, 2025 hearing at which the Applicants sought an order authorizing a creditors meeting to vote on the Plan (the "**Creditors Meeting Order**"), the Monitor filed its Third Report (the "**Third Report**"). A true copy of the Third Report is attached here as **Exhibit "B".** In the report, the Monitor confirmed that FOUR20 had acted in good faith and with due diligence and recommended that Affected Creditors vote in favour of the Plan, noting it was expected to yield higher recoveries and greater certainty than a re-opened SISP.

21. High Park opposed FOUR20's application and filed a cross-application (the "**High Park Application**") seeking to re-open the SISP so it could submit a new bid. High Park also sought enhanced powers for the Monitor to conduct the SISP independently of FOUR20's input. High Park claimed that its previous bid (the "**High Park Bid**") was misunderstood, that it would have fully repaid all creditors, and that it should be allowed to submit a clarified version. Additionally, High Park alleged that FOUR20 had not acted in good faith, justifying expanded powers for the Monitor.

22. On March 27, 2025, the Honourable Justice Bourque granted the Creditors Meeting Order and dismissed the High Park Application (the "**March Hearing**"). Justice Bourque found that re-opening the SISP would primarily serve High Park's interests, allowing it to acquire and terminate the Litigation at minimal cost, but would not be in the best interests of other creditors or stakeholders. The Court declined to halt the creditors meeting in favour of a creditor that had forced FOUR20 into insolvency through a summary judgment on a loan that is currently unenforceable and is unlikely to become enforceable in the near future. A copy of Justice Bourque's decision is attached as **Exhibit "C**" to this affidavit. A copy of the Creditors Meeting Order is attached as **Exhibit "D"** to this affidavit.

23. In his conclusions, Justice Bourque agreed that High Park should not be permitted to vote, noting that a judge has the discretion to limit or prohibit a creditor's right to vote. He further observed that allowing

High Park to participate in the vote would render the outcome a foregone conclusion and "would unduly prejudice the other creditors, particularly the unsecured creditors, who are not awaiting a trial judgment but are presently owed money, and who may be interested in certainty and finality through a speedy process."

24. As required by the Creditors Meeting Order, on March 31, 2025, the Monitor served the Service List with copies of the Meeting Materials, including the Notice to Affected Creditors, the Creditors Meeting Order, a blank Affected Creditor Proxy form, and the Convenience Election Notice. On April 3, 2025, the Monitor also delivered physical copies of these materials to each Affected Creditor.

25. On April 7, 2025, after securing additional funding from the Lender and in accordance with Section 3 of the Creditors Meeting Order, FOUR20 amended the Plan to, *inter alia*:

(a) treat unsecured creditors of all FOUR20 entities as Affected Creditors;

(b) increase the cash payout to 70 cents on the dollar for all unsecured creditors; and

(c) provide further details regarding the Litigation Proceeds Election and the Parent Share Election.

26. The above amendments are detailed in the Supplement to the Third Report of the Monitor dated April 8, 2025 (the "**Supplemental Report**"). A true copy of the Supplemental Report is attached here as **Exhibit "E"**.

27. In the Supplemental Report, the Monitor reiterated its recommendation that Affected Creditors vote in favour of the Plan, stating that it offered a higher anticipated recovery than a liquidation scenario or the original version of the Plan.

28. The creditor meeting was scheduled to be held on April 11, 2025, at 10:00am (the "**Creditor's Meeting**").

29. Pursuant to the Creditors Meeting Order, all Affected Creditors were required to submit their proxy votes, indicating either a "yes" or "no" vote on the Plan, to the Monitor by 5:00 p.m. on April 9, 2025. At approximately 11:00 a.m. on that day, the Monitor received a proxy vote in favour of the Plan from McCarthys (an Affected Creditor) (the "**McCarthy First Vote**"). A true copy of the proxy and election containing the McCarthy First Vote is attached as **Exhibit "F".** However, later that same day, at 3:00 p.m., the Monitor received a second proxy vote from McCarthys, signed by a different individual at McCarthys, voting against the Plan (the "**McCarthy Second Vote**," and collectively with the McCarthy First Vote, the "**McCarthy Votes**"). A true copy of the proxy containing the McCarthy Second Vote is attached here as **Exhibit "G".**

30. Around the same time, at approximately 3:00 p.m. on April 9, 2025, the Monitor also received a "no" vote from another Affected Creditor, Meadowlands Development Corporation ("**Meadowlands**") (the "**Meadowlands Vote**"). The proxy form accompanying the Meadowlands Vote disclosed that Meadowlands' claim (the "**Meadowlands Claim**") had been sold and assigned to High Park. A true copy of the proxy containing the Meadowlands Vote is attached here as **Exhibit "H".**

31. Following the submission of conflicting proxy votes from McCarthys, the Monitor initiated an investigation and discovered that High Park had acquired the McCarthy Claim in November 2024. This acquisition had not been revealed to any party, including the Monitor, FOUR20, the other Affected Creditors, and Justice Bourque at the March Hearing. In fact, it appears that not all decision-makers at McCarthys were apprised of this acquisition, as my counsel had been in close contact with a partner in McCarthys' Calgary office who had consistently indicated McCarthys' support for FOUR20's Plan.

32. Considering the irregularities surrounding both the McCarthy Votes and the Meadowlands Vote, at the meeting held on April 11, 2025, I brought a motion (as an Affected Creditor of FOUR20) that was seconded by Palisades Edmonton Holdings Ltd., another Affected Creditor, to adjourn the meeting to allow the Monitor to continue investigating the purported assignment of claims to High Park and to allow FOUR20 to bring the within Application. A vote was taken among the Affected Creditors, who unanimously approved the adjournment. As such, the meeting was rescheduled for May 9, 2025.

33. I believe High Park's purchase of both the McCarthy Claim and the Meadowlands Claim is yet another example of its aggressive litigation strategy. Having failed in its bid in the SISP and having also failed in its attempt to oppose FOUR20's application for the Creditors Meeting Order, High Park is now seeking to block the Plan in order to gain control of and ultimately terminate the Litigation for its own benefit. In my view, these actions are not in the best interests of the broader stakeholder group, which was confirmed by Justice Bourque in his March 27, 2025 decision. It is important to note that, aside from the Affected Claims that were purchased by High Park, all other Affected Creditors voted in favour of the Plan. At the March 14, 2025 hearing in front of Justice Bourque, several creditors, including RioCan Management Inc. and Stoke voiced their support for the Plan, noting specifically the certainty and speedy payout that the Plan would bring.

34. Notably, if the Plan is voted down by High Park, it is not clear what will happen next. FOUR20 could, for example, conduct a second SISP. However, there is no way of knowing what bids will be received in such a SISP, when a transaction under such a SISP would ultimately close, and what kind of payout Affected Creditors would receive from such a transaction, <u>if anything at all</u>. There is substantial risk associated to Affected Creditors if the Plan is voted no, which I presume is at least one reason why all other Affected Creditors voted in favour.

35. Furthermore, based on FOUR20's current cash flows, there is a significant risk that, if the Plan does not proceed, the resulting delays, increased costs, and additional Court proceedings would likely require FOUR20 to obtain DIP financing, which would rank ahead of existing creditor claims and diminish their recoveries.

36. FOUR20 has acted in good faith throughout these proceedings, as consistently noted in the Monitor's Reports. FOUR20 is a small, Alberta-based business currently operating 25 retail locations and employing over 200 people. In contrast, High Park is owned by Tilray Brands Inc. ("**Tilray**"), a publicly traded multinational corporation incorporated in Delaware, with assets exceeding $4 billion. Tilray is using its size and resources in an attempt to pressure the Monitor and the FOUR20 and to subvert this process.

37. High Park and Tilray are not typical creditors in these proceedings as their motivations differ significantly from all of the other Affected Creditors. I believe that their motivation in voting "no" is to defeat the Litigation through these CCAA Proceedings, instead of pursuing the Litigation in the proper Court venue.

38. I firmly believe that FOUR20's Plan offers the best path toward a swift and successful exit from these CCAA Proceedings to the benefit of all stakeholders. This would allow FOUR20 and its management team to return their focus to operations and continue prosecuting the Litigation in its proper forum. FOUR20 is currently cash-flow positive and is well positioned to fund the Litigation through available cash and, if necessary, by entering into a new litigation funding agreement on commercially reasonable terms. The strength of the Litigation is demonstrated by the fact that Nomos, a third-party litigation funder, agreed to provide funding to this point, despite FOUR20 facing a much larger and better-capitalized opponent. High Park remains merely a contingent creditor. FOUR20 is capable of operating on a solvent, cash-flow positive basis once it exits CCAA. I believe High Park's objective is to use these proceedings to extinguish a $100+ million liability it faces in the Litigation, without the matter ever being adjudicated at trial.

39. I make this Affidavit in support of the FOUR20 Application and for no other improper purpose.

SWORN at Calgary, Alberta, this 17th day of April, 2025.

Commissioner for Oaths in and for the Province of Alberta

Sahil Gaur
Student-at-Law

SCOTT MORROW

This is **Exhibit "A"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025

Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

COURT FILE NUMBER	**2401-17986**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.**
DOCUMENT	**SECOND REPORT OF THE MONITOR** **FEBRUARY 7, 2025**

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1.0 Introduction

1. On May 29, 2024 (the "**Filing Date**"), 420 Investments Ltd., 420 Premium Markets Ltd., and Green Rock Cannabis (EC 1) Limited (collectively, the "**NOI Entities**") each filed a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceeding.

2. On September 19, 2024, the NOI Entities and 420 Dispensaries Ltd. (together with the NOI Entities, the "**Applicants**" or "**FOUR20**") sought and obtained an initial order (the "**Initial Order**") from the Court of Kings' Bench of Alberta (the "**Court**") granting, among other things, a continuation of the NOI Proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c C-36, as amended (the "**CCAA**") (the "**CCAA Proceeding**"). This report (the "**Second Report**") is filed by KSV in its capacity as monitor (the "**Monitor**") in the CCAA Proceeding.

1.1 NOI Proceedings Background

1. On June 27, 2024, the NOI Entities were granted an Order by the Court which included, amongst other matters, relief for the following:

   a) extending the period in which the NOI Entities can make proposals to their creditors in the NOI Proceedings and the stay of proceedings up to and including August 12, 2024;

   b) consolidating the NOI Proceedings for procedural purposes;

   c) granting the following charges against the NOI Entities' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the "**Property**") in the following relative priorities:

      i. First – a charge to not exceed $300,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP, and the NOI Entities' counsel, Stikeman Elliott LLP ("**Stikeman**") (the "**Administration Charge**");

ii. Second – a charge in favour of the NOI Entities' directors and officers to a maximum amount of $433,000 (the "**D&O Charge**"); and

iii. Third – a charge in favour of the Key Employee Retention Plan for amounts payable to certain key employees up to a maximum amount of $373,928.17 (the "**KERP Charge**", and together with the Administration Charge and the D&O Charge, the "**Charges**").

2. On August 12, 2024, the Court granted two orders, which, amongst other matters:

i. extended the period in which the NOI Entities can make a proposal to its creditors and the stay of proceedings from August 12, 2024 up to and including September 26, 2024; and

ii. provided direction to the Commercial Coordinator to schedule a half-day application for the appeal of the order for summary judgment granted by Applications Judge J.R. Farrington to be heard by the Honourable Justice Feasby on October 8, 2024.

1.2 CCAA Proceedings Background

1. The Initial Order granted, among other things, the following relief within the CCAA Proceeding:

a) declaring the NOI Proceedings of the NOI Entities is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;

b) terminating the NOI Proceedings;

c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicants not exceeding 10 days following this Application (the "**Stay Period**"); and

d) confirming the grant and priority of the Charges pursuant to the First Stay Extension Order in the NOI Proceeding and taking up such Charges and amounts under the CCAA Proceeding except for the KERP Charge, which shall be reduced based on the amounts paid out to date to eligible recipients.

2. On September 19, 2024, the Court granted the Applicants' application for an amended and restated initial order ("**Amended and Restated Initial Order**"), which, amongst other matters, extended the Stay Period to, and including, December 16, 2024.

3. Further, on September 19, 2024, the Court granted the Applicants' application for an order (the "**Claims Procedure Order**") approving the solicitation, determination and resolution of claims against the Applicants (the "**Claims Procedure**").

4. On October 2, 2024, the Court granted the Applicants' application for an order (the "**SISP Order**") which approved, amongst other matters, a sale and investment solicitation process ("**SISP**").

5. On December 5, 2024, the Court granted the Applicants' application for an Order to extend the Stay Period from December 16, 2024 to February 25, 2025 and sealing certain confidential appendices to the Monitor's first report (the "**First Report**"), dated November 29, 2024.

1.3 Purposes of this Second Report

1. This Second Report is intended to provide the Court with further information related to the relief sought in the Applicants' application scheduled for February 12, 2025 and to provide a brief overview regarding the Applicants' proposed plan of arrangement (the "**Proposed Plan**"). This Second Report specifically provides information regarding:

    a) the Monitor's activities since the First Report;

    b) the Applicants' activities since the First Report;

    c) an update on the SISP;

    d) an update on the Claims Procedure;

    e) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on November 25, 2024 and ending March 2, 2025 (the "**Fifth Cash Flow Statement**");

f) the Applicants' actual performance to date versus the Fifth Cash Flow Statement;

g) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on February 3, 2025 and ending March 31, 2025 (the "**Sixth Cash Flow Statement**");

h) the Applicants' Application for an order, which among other things:

   i. declares that the Landlord Claims (as defined below) are valued pursuant to subsection 65.2(4) of the BIA; and

   ii. extends the Stay Period to, and including, March 31, 2025;

i) the Monitor's application for an order, which among other things:

   i. declares that any Late Claims (as defined below) are not barred under Section 12 of the Claims Procedure Order; and

   ii. sealing the Phase 1 and Phase 2 Bid Summary (as defined below), until the termination of these CCAA Proceedings or further order of the Court.

1.4 Scope and Terms of Reference

1. In preparing this Second Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, information available in the public domain and discussions with the Applicants' management and legal counsel.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. An examination of the Sixth Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Second Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor does not express any opinion or other form of assurance on whether the Sixth Cash Flow Statement will be achieved.

4. This Second Report should be read in conjunction with the materials filed by the Applicants, including the First Affidavit of Scott Morrow, the Chief Executive Officer of the Applicants, sworn June 19, 2024, the Second Affidavit of Scott Morrow, sworn August 6, 2024, the Third Affidavit of Scott Morrow, sworn September 10, 2024, the Fourth Affidavit of Scott Morrow, sworn November 25, 2024, the Fifth Affidavit of Scott Morrow, sworn February 3, 2025 and any supplemental affidavit filed by the Applicants in advance of the February 12, 2025 application (collectively, the "**Morrow Affidavits**"). Capitalized terms not defined in this Second Report have the meanings ascribed to them in the Morrow Affidavits.

1.5 Currency

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

1.6 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/420 (the "**Case Website**").

2.0 Sale and Investment Solicitation Process (SISP) [1]

2.1 Phase 2

1. The Monitor, together with the Applicants, carried out the SISP in accordance with the SISP Order. A summary of the key SISP activities completed in the first phase of the SISP is included in the Monitor's First Report.

2. As discussed in the Monitor's First Report, the Applicants received letters of intent

[1] Capitalized terms in this section have the meaning provided to them in the SISP, unless otherwise defined herein.

from several Interested Parties by the Phase 1 Bid Deadline and, with assistance from the Monitor, invited certain Interested Parties to the second phase of the SISP ("**Phase 2**"). A summary of the Phase 1 bids received is attached hereto as **Confidential Appendix "1"** (the "**Phase 1 Bid Summary**").

3. Phase 2 of the SISP involved the Applicants seeking binding bids in accordance with the criteria set out in the SISP by the Phase 2 Bid Deadline. Prior to the initial Phase 2 Bid Deadline, several Interested Parties requested that the Phase 2 Bid Deadline for submitting a bid be extended to allow for more time to conduct due diligence and prepare definitive transaction documents. The Monitor, in consultation with the Applicants and their counsel, determined it was in the best interest of the SISP and all stakeholders to extend the Phase 2 Deadline. Accordingly, the Monitor extended the Phase 2 Deadline to 12:00 p.m. (Calgary time) December 20, 2024 (the "**Extended Phase 2 Bid Deadline**"), and the deadline for selecting the Successful Bid to January 6, 2025. The Monitor communicated this extension to all parties participating in Phase 2.

2.2 SISP Results

1. Prior to the Extended Phase 2 Bid Deadline, a total of five Interested Parties submitted eight binding offers or proposals (the "**Phase 2 Bidders**"). A summary of the Phase 2 binding bids (the "**Phase 2 Bid Summary**") is attached hereto as **Confidential Appendix "2"**. The Monitor observed that the Company was giving strong consideration to certain Phase 1 Bids that ultimately were revised and less favorable in Phase 2.

2. Following the Extended Phase 2 Bid Deadline, the Applicants, in consultation with the Monitor, reviewed the Phase 2 binding bids. In completing their review of the Phase 2 binding bids and an evaluation of the Applicants' options, the Applicants determined a viable plan of arrangement could be made to its creditors which the Applicants viewed would provide an equal or greater return to the Applicants' creditor group than any Phase 2 binding bid.

3. As a result, the Applicants exercised their discretion pursuant to paragraph 33 of Appendix "A" to the SISP to not select a Successful Bid. As a result, the Monitor subsequently informed all Phase 2 Bidders that no bid received in Phase 2 was to be selected as the successful bid and the SISP was to be terminated to allow the Applicants the opportunity to file a plan of arrangement and to allow the return of purchase deposits on an expedited basis. A copy of this communication is attached hereto as **Appendix "D"**. As of the date of this report, all SISP Deposits have been returned to the relevant bidder.

4. The Monitor has been in subsequent conversations with certain bidders to address questions regarding the Applicants' decision to not select a Successful Bid. The Monitor and/or the Applicants have heard from multiple bidders that they remain ready and willing to progress their bid.

2.3 Plan of Arrangement

1. As at the date of this Second Report, the Applicants have significantly advanced the terms of the Proposed Plan and have identified a source of funding for the same. A summary of the Monitor's current understanding of the terms of the Proposed Plan and the funding arrangement is below. The Monitor will provide a more fulsome summary, analysis and recommendations to creditors on the Proposed Plan in advance of the plan approval application.

2. The Monitor's current understanding of the Proposed Plan is that the Applicants intend to advance one or more plans including the following terms:

    a) a payment, which will be used to satisfy in full the secured and unsecured creditors of 420 Premium Markets Ltd. and Green Rock Cannabis (EC 1) Limited (subject to the determination of and valuation of the Landlord Claims by this Court and a final determination of the Creditor Claims pursuant to the Claims Procedure Order);

    b) the secured creditors of 420 Investments Ltd. will be unaffected;

    c) the litigation, the circumstances for which are more fully documented in the Morrow Affidavits, will be preserved; and

    d) the continuation of the Applicants as a going concern.

3. Should the Proposed Plan be approved by a requisite majority of creditors and sanctioned by this Court, the Monitor understands that the Applicants then intend to immediately exit these CCAA Proceedings.

4. On January 9, 2025, the Applicants executed a term sheet (the "**Term Sheet**") pursuant to which they intend to execute a definitive loan agreement allowing them to obtain funding to implement the Proposed Plan (if approved and sanctioned). A brief summary of the terms of the Term Sheet is below:

   a) Borrower: 420 Premium Markets Ltd.;

   b) Availability: One advance under Facility #1 shall be made in the sum of up to $2,200,000;

   c) Term: 24 months from date of the Facility #1 advance, with demand payment provisions;

   d) Repayment: Interest-only payments monthly on the outstanding balance, in arrears;

   e) Interest Rate: Prime + 2.5% (minimum 8.25%);

   f) Commitment fee: A setup fee in the sum of $200,000 to be advanced at the time of the drawdown;

   g) Security: Registered 1st ranking GSA security in all present and after acquired personal property of the Borrower and guarantees provided by 420 Dispensaries Ltd. and Green Rock Cannabis (EC 1) Ltd.; and

   h) Prepayment: When not in default, Borrowers can repay at any time after 3 months from initial advance (or negotiated between the Lender and Borrower) without notice, interest or penalty.

5. The Company and the Monitor have been in contact with Nomos Capital I-A LP ("Nomos"), the first secured creditor of 420 Investments Ltd. The Monitor understands that Nomos is currently contingently supportive of the Proposed Plan, subject to review of the final documentation and responses to the Proposed Plan from other creditors.

6. The Monitor understands that High Park Shops Inc. is aware of the intention of the Proposed Plan and has indicated that they are reserving their rights to speak in opposition to the plan pending a review of the definitive documentation and the Monitor's next report in advance of the March 14, 2025 application.

3.0 Claims Procedure

1. Following the pronouncement of the Claims Procedure Order, the Monitor has worked diligently to conduct the Claims Procedure in accordance with the timelines set out therein, and more particularly described in the Monitor's pre-filing report and third report of the Proposal Trustee dated September 13, 2024, and the Monitor's First Report. Since the Monitor's First Report, the Monitor has continued to review and document the claims received and extensively corresponded with several of the Claimants.

2. A summary of the claims in the Claims Procedure as of the date of this Second Report is as follows:

420 Investment Ltd.	#	($)
Secured claims	2	11,457,077
Ordinary claims – pre-filing	7	877,880
Ordinary claims – restructuring	2	1,272,704[2]
420 Premium Markets Ltd.		
Secured claims	1	300,497
Ordinary claims – pre-filing	12	32,909,025[3]
Ordinary claims – restructuring	5	1,546,523
Green Rock Cannabis (EC1) Limited		
Ordinary claims – pre-filing	2	2,189,960[4]
420 Dispensaries Ltd.		
Ordinary claims – pre-filing	1	1,798,940[5]
Ordinary claims – restructuring	1	189,651[6]

[2] Amount is comprised of claims made by landlords of 420 Premium Markets Ltd. for indemnities provided by 420 Investments Ltd.

[3] Of this balance, $31,707,218 is comprised of an inter-company claim submitted by certain of the other Applicants.

[4] Of this balance, $2,189,639 is comprised of an inter-company claim submitted by certain of the other Applicants.

[5] Comprised of an inter-company claim submitted by certain of the other Applicants.

[6] Amount is comprised of a restructuring claim made by a landlord on 420 Premium Markets Ltd. and 420 Dispensaries Ltd. are included in the balance of restructuring claims of 420 Premium Markets Ltd.

3. 420 Dispensaries Ltd. and Green Rock Cannabis (EC1) Limited - only creditors are amounts due for inter-company claims and a landlord claim related to 420 Premium Markets Ltd. and one immaterial third-party claim.

3.1 Late Claims

1. As discussed in the First Report, 14 claims were received after the Claims Bar Date (the "**Late Claims**"). The Monitor has since worked to review each claim and write to certain creditors to obtain further information regarding their claims prior to admission or disallowance of the claim. The Monitor believes that despite the Late Claims being submitted after the Claims Bar Date, the Late Claims should not be barred under Section 12 of the Claims Procedure Order as there is no prejudice to the Applicants' other creditors.

2. The Monitor is authorized to waive strict compliance with the deadlines for implementation under the Claims Procedure Order and seeks a declaration from this Court confirming the Late Claims are not barred under Section 12 of the Claims Procedure Order. The Monitor is not aware of any opposition to this relief.

4.0 Landlord Claims

1. As more fully described in the Morrow Affidavits, the NOI Entities disclaimed 16 uneconomic leases during the NOI Proceedings, pursuant to section 65.2 of the BIA (the "**Lease Disclaimers**"). As a result, several landlords submitted a claim for amounts owed under the disclaimed leases in the Claims Procedure (the "**Landlord Claims**").

2. As the leases were disclaimed pursuant to section 65.2 of the BIA, the Applicants are of the view the value of the Landlord Claims should be determined based on the formula detailed in section 65.2(4) of the BIA (the "**BIA Formula**"). The Monitor notes that the Claims Procedure Order did not include a mechanism for the calculation of Landlord Claims.

3. Accordingly, the Applicants seek a declaration from this Court that the provable claims of the Landlord Claims are calculated pursuant to the BIA Formula enumerated under section 65.2(4) of the BIA. The Monitor has summarized the Landlord Claims as submitted in the Claims Procedure and as valued pursuant to section 65.2(4) of the BIA:

420 Premium Ltd.	**Total Restructuring Claim in the Claims Procedure**	**Claim Value Pursuant to 65.2(4)**[7]
Strathcona Building Inc. c/o Skyslimit Inc.	189,651.70	56,615.17
The Meadowlands Development Corporation	83,907.15	228,176.30
Palisades Edmonton Holdings Ltd., et al.	807,651.74	237,186.59
RioCan Management Inc.	465,052.13	255,550.38
Total Landlord Claims	**1,546,262.72**	**777,528.44**

4. The Monitor is supportive of declaring the determination of the Landlord Claims pursuant to the BIA Formula enumerated under section 65.2(4) of the BIA as:

   a) despite these proceedings having since transitioned to a proceeding under the CCAA, the Lease Disclaimers occurred during the NOI Proceeding and were conducted pursuant to section 65.2 of the BIA;

   b) the mechanism provided for under section 65.2(4) of the BIA provides for a fair and logical approach to calculating a landlords claim in the context of a restructuring; and

   c) the mechanism provided for under section 65.2(4) of the BIA will not affect any claims made by landlords for unpaid rent in arrears as of the Filing Date and the Monitor understands that pre-filing claims for unpaid rent in arrears will remain subject to determination in the Claims Process.

[7] Net of rental deposits held by the landlords according to the Applicants' books and records.

5.0 Activities of the Applicants and Monitor

5.1 Activities of the Monitor

1. Since its First Report, the Monitor has performed the following key activities:

    a) attending ongoing meetings with management to discuss the proposal process, the SISP, and the Claims Procedure;

    b) assisting the Applicants with their communications to both internal and external stakeholders;

    c) reviewing the Applicants' Proposed Plan and providing comments;

    d) monitoring the affairs of the Applicants' business including reviewing financial information with management;

    e) assisting in preparing the Sixth Cash Flow Statement;

    f) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders;

    g) conducting the activities outlined and directed under the SISP and responding to due diligence questions raised in connection with same;

    h) reviewing various bids submitted by interested parties at the conclusion of the second phase of the SISP;

    i) corresponding and attending calls with interested parties and their counsel regarding bids in the SISP;

    j) conducting the activities as outlined and directed under the Claims Procedure and responding to creditor inquiries in connection with same;

    k) reviewing claims received in accordance with the Claims Procedure including requesting and reviewing information with respect to the intercompany amounts claimed;

    l) responding to calls and emails from creditors, suppliers, landowners, and other stakeholders;

m) maintaining the Case Website; and

n) preparing this Second Report.

5.2 Activities of the Applicants

1. The Monitor has observed certain key activities of the Applicants since the First Report, such as:

a) continuing their efforts to improve the operations of the business and managing day-to-day operations;

b) communicating with various stakeholders and creditors regarding the CCAA Proceedings, in consultation with the Monitor;

c) with the assistance of the Monitor, responding to various questions by vendors;

d) corresponding with the Applicants' legal counsel, Stikeman, and the Monitor and its counsel, and assisting in conducting the SISP and the Claims Procedure;

e) Negotiating the Term Sheet and drafting the Proposed Plan, in consultation with the Applicants' legal counsel, Stikeman;

f) communicating on an ongoing basis with certain creditors and/or their advisors;

g) reporting to the Monitor on a weekly basis in respect of the Applicants' receipts and disbursements;

h) working with the Monitor in preparing the Sixth Cash Flow Statement and providing variance reporting against the Fifth Cash Flow Statement; and

i) working with its legal counsel and the Monitor to prepare materials in support of the Applicants' application on February 12, 2025.

6.0 Cash Flow Statement

6.1 Performance Against the Fifth Cash Flow Statement

1. In accordance with the CCAA, the Monitor has continued to review and evaluate the state of the Applicants' business and financial affairs during the CCAA Proceeding.

2. Pursuant to the CCAA, the Applicants prepared the Fifth Cash Flow Statement for the extended Stay Period. The Fifth Cash Flow Statement for the period ending March 2, 2025, together with management's Report on the Cash-Flow Statement as required pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix "A"**.

3. The Applicants have remained current in respect of their obligations that have arisen since the First Report except for the rental payments owing relating to the Lease Disclaimers. Further details on the disclaimed leases are documented in the first report of the Proposal Trustee dated June 24, 2024.

4. A review process was established with the Applicants to review weekly cash variances. A comparison of the Applicants' receipts and disbursements to the Fifth Cash Flow Statement for the period from the First Report to February 2, 2025 (the "**Reporting Period**") is as follows:

Post Filing Reporting Period ($CAD)	Actual	Fourth Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash balance	328	328	(0)
Receipts	5,858	5,501	357
Operating Disbursements	(5,461)	(5,352)	(108)
Net Cash Flow from Operations	397	149	248
Non-operating disbursements	(237)	(220)	(17)
Net Cash Flow	160	(71)	
Closing cash balance	488	257	

Monitor's Comments

1. During the Reporting Period, the Applicants continued to experience higher business activity, resulting in more receipts than anticipated and contributing to a favourable ending cash balance.

2. Operating disbursements were approximately $108,000 higher than projected primarily as a result of the continued higher business activity driving the need for increased inventory purchases. Non-operating disbursements remained relatively consistent with projections during the Reporting Period.

3. The Monitor has reviewed the variances with the Applicants and concluded the variances are mainly attributed to favourable business activity.

6.2 The Sixth Cash Flow Statement

1. The Applicants prepared the Sixth Cash Flow Statement for the purposes of the extended Stay Period. The Sixth Cash Flow Statement assumptions are largely consistent with the Fifth Cash Flow Statement assumptions except for the time period covered.

2. The Sixth Cash Flow Statement and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as **Appendix "B"**.

3. The Sixth Cash Flow Statement reflects that the Applicants have sufficient liquidity for the duration of the Stay Period.

4. Based on the Monitor's review of the Sixth Cash Flow Statement, the assumptions appear reasonable. The Monitor's statutory report on the Sixth Cash Flow Statement is attached hereto as **Appendix "C"**.

7.0 Applicants' Request for an Extension

1. The Applicants are seeking an extension of the stay of proceedings from February 25, 2025 to March 30, 2025. The Monitor supports the extension request for the following reasons:

    a) the Applicants are acting in good faith and with due diligence;

    b) to allow the necessary time for the Applicants to execute definitive loan documentation, to finalize the intricacies and terms of the Proposed Plan and seek Court approval to hold a meeting of creditors to vote on the plan; and

    c) the extension should not adversely affect or prejudice any group of creditors as the Applicants are projected to have sufficient liquidity for the extended Stay Period as contemplated by the Sixth Cash Flow Statement.

8.0 Sealing

1. The Monitor set out reasons for the sealing of the Phase 1 Bid Summary in the First Report. In addition to the sealing of the Phase 1 Bid Summary, the Monitor is seeking the Sealing Order to seal **Confidential Appendix "1"** and **Confidential Appendix "2"** until the earlier of: (i) termination of the CCAA Proceedings; or (ii) further order of this Court, as **Confidential Appendix "1"** and **Confidential Appendix "2"** contain confidential information, including a summary of Phase 1 Bids and Phase 2 Bids. Making this information publicly available prior to the termination of the CCAA Proceedings could have a detrimental impact on the outcome of the CCAA Proceedings. Sealing **Confidential Appendix "1"** and **Confidential Appendix "2"** is necessary due to the risk that the public disclosure of the information contained in the same could cause irreparable prejudice to creditors and other stakeholders.

2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Monitor is not aware of any party that will be prejudiced if the information in **Confidential Appendix "1"** and **Confidential Appendix "2"** is sealed or any public interest that will be served, if such details are disclosed in full. The Monitor is of the view that the sealing of **Confidential Appendix "1"** and **Confidential Appendix "2"** is consistent with the decision in *Sherman Estate v. Donovan, 2021 SCC 25*. Accordingly, the Monitor believes the proposed sealing of **Confidential Appendix "1"** and **Confidential Appendix "2"** is appropriate in the circumstances.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicants.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of the Applicants,
and not in its personal capacity

Appendix “A”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
November 25, 2024 to March 2, 2025
(Unaudited; C$000s)

		Period ending														
	Note	01-Dec-24	08-Dec-24	15-Dec-24	22-Dec-24	29-Dec-24	05-Jan-25	12-Jan-25	19-Jan-25	26-Jan-25	02-Feb-25	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	Total
	1															
Receipts																
Collection of Accounts Receivable	2	536	536	557	579	633	522	533	533	533	541	541	541	541	543	7,667
Total Receipts		536	536	557	579	633	522	533	533	533	541	541	541	541	543	7,667
Disbursements																
Inventory purchases	3	333	363	407	442	345	353	346	346	346	360	360	360	360	361	5,079
Payroll and KERP	4	197	-	197	-	197	-	205	-	205	-	205	-	205	-	1,410
Rent	5	-	180	-	-	-	180	-	-	-	-	180	-	-	-	539
Other operating expenses	6	26	56	34	29	46	36	26	32	42	27	36	27	47	32	494
Total Operating disbursements		555	599	638	470	588	569	577	378	593	386	780	386	612	392	7,523
Net Cash Flow before the Undernoted		(20)	(63)	(81)	109	45	(46)	(45)	155	(60)	154	(239)	154	(71)	151	144
Professional Fees	7	-	-	110	-	-	-	-	110	-	-	-	-	-	100	320
Net Cash Flow		(20)	(63)	(191)	109	45	(46)	(45)	45	(60)	154	(239)	154	(71)	51	(176)
Opening Cash balance	8	328	308	245	54	164	208	162	117	162	102	257	18	172	101	328
Net Cash Flow		(20)	(63)	(191)	109	45	(46)	(45)	45	(60)	154	(239)	154	(71)	51	(176)
Closing cash balance		308	245	54	164	208	162	117	162	102	257	18	172	101	151	151

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
November 25, 2024 to March 2, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

Most Probable

3. Represents inventory stock purchases for retail locations.

4. Reflects payroll costs of employees.

5. Represents occupancy costs for the various retail locations.

6. Other expenses include marketing costs for each retail location and general administrative expenses.

7. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

8. Opening cash reflected as of November 25, 2024.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 27th day of November, 2024 for the period November 25, 2024 to March 2, 2025 ("**Fifth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Fifth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Fifth Cash Flow Statement as described in Note 1 to the Fifth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Fifth Cash Flow Statement.

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

The Fifth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Fifth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 27th day of November, 2024.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “B”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
February 3, 2025 to March 31, 2025
(Unaudited; C$000s)

		Period ending								
	Note	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	31-Mar-25	Total
	1									
Receipts										
Collection of Accounts Receivable	2	562	562	562	565	565	565	565	565	4,511
Total Receipts	3	562	562	562	565	565	565	565	565	4,511
Disbursements										
Inventory purchases	4	353	353	353	361	361	366	366	366	2,876
Payroll	5	205	-	205	-	205	-	205	-	820
Rent	6	180	-	-	-	182	-	-	-	362
Other operating expenses	7	36	64	25	25	52	32	26	26	287
Total Operating disbursements		774	417	583	386	800	398	596	391	4,344
Net Cash Flow before the Undernoted		(211)	146	(20)	179	(235)	167	(31)	174	167
Professional Fees	8	40	128	-	-	-	128	-	-	296
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Opening Cash balance	9	488	236	254	233	412	178	217	185	488
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Closing cash balance		236	254	233	412	178	217	185	359	359

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
February 3, 2025 to March 31, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

Most Probable

4. Represents inventory stock purchases for retail locations.

5. Reflects payroll costs of employees.

6. Represents occupancy costs for the various retail locations.

7. Other expenses include marketing costs for each retail location and general administrative expenses.

8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

9. Opening cash reflected as of February 3, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 5th day of February, 2025 for the period February 3, 2025 to March 31, 2025 ("**Sixth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Sixth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Sixth Cash Flow Statement as described in Note 1 to the Sixth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Sixth Cash Flow Statement.

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

The Sixth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Sixth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 5th day of February, 2025.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “C”

IN THE COURT OF THE KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MONITOR'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") as of the 5th day February, 2025, consisting of a weekly projected cash flow statement for the period February 3, 2025 to March 31, 2025 (the "**Sixth Cash Flow Statement**") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Sixth Cash Flow Statement.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Sixth Cash Flow Statement.

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

a) the hypothetical assumptions are not consistent with the purpose of the Sixth Cash Flow Statement;

b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Sixth Cash Flow Statement, given the hypothetical assumptions; or

c) the Sixth Cash Flow Statement does not reflect the probable and hypothetical assumptions.

Since the Sixth Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Sixth Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Sixth Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, AB this 5th day of February, 2025.

KSV RESTRUCTURING INC.,
solely in its capacity as the proposed monitor of
420 Investments Ltd., 420 Premium Markets Ltd.,
Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.

Appendix “D”

KSV Advisory inc.
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info@ksvadvisory.com

January 7, 2025

DELIVERED BY EMAIL

To: **Phase 2 Qualified Bidders**[1]

From: **KSV Restructuring Inc., in its capacity as Monitor of the Applicants (defined below), and not in its personal capacity**

Re: **Evaluation of the Phase 2 Bids of the SISP for 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd. ("FOUR20" or the "Applicants")**

We are writing in our capacity as Court appointed monitor (the "**Monitor**") of the Applicants.

Thank you for submitting your Phase 2 Bid pursuant to the SISP.

We confirm that your offer submitted on December 20, 2024, was deemed as a Phase 2 Qualified Bid.

After thorough consideration and a comprehensive review and evaluation of all Phase 2 Qualified Bids received, the Monitor has consulted with the Applicants and the Applicants have advised that no Phase 2 Qualified Bids will be selected as a Successful Bid and the Applicants will not be seeking Court approval to enter into a definitive agreement with any Phase 2 Qualified Bidder through the SISP.

The Applicants have elected to seek Court Approval to advance one or more Plans of Arrangement that are intended to provide realizations to creditors that are excess of any potential realizations creditors may receive by advancing a Phase 2 Qualified Bid and will allow the Applicants to continue their business as a going concern. The Plan of Arrangement is being developed and details regarding this plan will be communicated to stakeholders in due course.

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[1] Capitalized terms in this letter have the meaning provided to them in the Sale and Investment Solicitation Process ("**SISP**") Order, dated September 19, 2024 (the "**SISP Order**"), unless otherwise defined herein. A copy of the SISP Order can be found here: **SISP Order**.

The Monitor will also be contacting you to obtain wire instructions for return of your deposit. The Monitor and the Applicants sincerely appreciate your participation in the SISP and your interest in this opportunity.

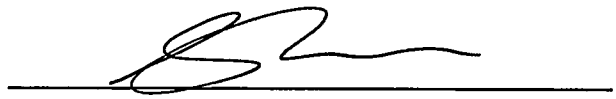
* * *

Yours very truly,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS,
AND NOT IN ITS PERSONAL CAPACITY

This is **Exhibit "B"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025



Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

COURT FILE NUMBER	**2401-17986**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.**
DOCUMENT	**THIRD REPORT OF THE MONITOR** **MARCH 11, 2025**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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1.0 Introduction

1. On May 29, 2024 (the "**Filing Date**"), 420 Investments Ltd. ("**420 Investments**"), 420 Premium Markets Ltd. ("**420 Premium Markets**"), and Green Rock Cannabis (EC 1) Limited ("**Green Rock"** and collectively, the "**NOI Entities**") each filed a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceedings.

2. On September 19, 2024, the NOI Entities and 420 Dispensaries Ltd. ("**Dispensaries**" and together with the NOI Entities, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") from the Court of Kings' Bench of Alberta (the "**Court**") granting, among other things, a continuation of the NOI Proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c C-36, as amended (the "**CCAA**") (the "**CCAA Proceedings**"). This report (the "**Third Report**") is filed by KSV in its capacity as monitor (the "**Monitor**") in the CCAA Proceedings.

1.1 NOI Proceedings Background

1. On June 27, 2024, the NOI Entities were granted an Order by the Court (the "**First Stay Extension Order**") which included, amongst other matters, relief for the following:

   a) extending the period in which the NOI Entities could make proposals to their creditors in the NOI Proceedings and the stay of proceedings up to and including August 12, 2024;

   b) consolidating the NOI Proceedings for procedural purposes;

   c) approving a key employee retention plan (the "**KERP**");

   d) granting the following charges against the NOI Entities' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the "**Property**") in the following relative priorities:

i. First – a charge to not exceed $300,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP ("**Bennett Jones**"), and the NOI Entities' counsel, Stikeman Elliott LLP ("**Stikeman**") (the "**Administration Charge**");

ii. Second – a charge in favour of the NOI Entities' directors and officers to a maximum amount of $433,000 (the "**D&O Charge**"); and

iii. Third – a charge in favour of certain key employees for amounts payable under the KERP up to a maximum amount of $373,928.17 (the "**KERP Charge**", and together with the Administration Charge and the D&O Charge, the "**Charges**").

2. On August 12, 2024, the Court granted two orders, which, amongst other matters:

a) extended the period in which the NOI Entities could make a proposal to its creditors and the stay of proceedings from August 12, 2024 up to and including September 26, 2024; and

b) provided direction to the Commercial Coordinator to schedule a half-day application for the appeal of the order for summary judgment granted by Applications Judge J.R. Farrington to be heard by the Honourable Justice Feasby on October 8, 2024.

1.2 CCAA Proceedings Background

1. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:

a) declaring the NOI Proceedings of the NOI Entities is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;

b) terminating the NOI Proceedings;

c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicants not exceeding 10 days following the Initial Order (the "**Stay Period**"); and

d) confirming the granting and priority of the Charges pursuant to the First Stay

Extension Order in the NOI Proceedings and taking up such Charges and amounts under the CCAA Proceedings except for the KERP Charge, which was to be reduced based on the amounts paid out to date to eligible recipients.

2. On September 19, 2024, the Court granted the Applicants' application for an amended and restated initial order ("**Amended and Restated Initial Order**"), which, amongst other matters, extended the Stay Period to, and including, December 16, 2024.

3. Further, on September 19, 2024, the Court granted the Applicants' application for an order (the "**Claims Procedure Order**") approving the solicitation, determination and resolution of claims against the Applicants (the "**Claims Procedure**").

4. On October 2, 2024, the Court granted the Applicants' application for an order (the "**SISP Order**") which approved, amongst other matters, a sale and investment solicitation process ("**SISP**").

5. On December 5, 2024, the Court granted the Applicants' application for an Order to extend the Stay Period from December 16, 2024 to February 25, 2025 and sealing certain confidential appendices to the Monitor's first report, dated November 29, 2024 (the "**First Report**").

6. On February 14, 2025, the Court granted:

   a) the Applicant's application for an order, among other things, extending the Stay Period to, and including, March 31, 2025; and

   b) the Monitor's application for an order, among other things, declaring that the Late Claims (as defined in the Monitor's second report, dated February 7, 2025 (the "**Second Report**")) are not barred under Section 12 of the Claims Procedure Order.

1.3 High Park Litigation Background

1. As more fully described in the first report of the Proposal Trustee, dated June 24, 2024 (the "**Proposal Trustee's First Report**"), on August 28, 2019, 420 Investments entered into an arrangement agreement (the "**Arrangement Agreement**") with High Park Shops Inc. ("**High Park**") and Tilray Inc. ("**Tilray**") pursuant to which High Park and Tilray would purchase the outstanding shares of 420 Investments.

2. On February 26, 2020, the Arrangement Agreement was terminated by High Park and Tilray (the "**Termination**"). In the Applicants' view, the Termination resulted in damages in excess of $130 million. As a result, on February 21, 2020, 420 Investments commenced litigation against Tilray and High Park in the Court (the "**Litigation**"). The outcome of the Litigation has yet to be determined. In response High Park submitted a counter-claim for payment of the amounts owed to them under a secured loan agreement (the "**Counter-Claim**").

3. In early 2024, High Park obtained a summary judgement in respect of their Counter-Claim. This summary judgement was then overturned pursuant to an appeal heard by the Honourable Justice Feasby on October 8, 2024 (the "**Feasby Decision**"). High Park has appealed the Feasby Decision and that appeal is to be heard on April 17, 2025.

1.4 Purposes of this Third Report

1. This Third Report is intended to provide the Court with further information related to the relief sought in the Applicants' application scheduled for March 14, 2025 and specifically provides information regarding:

   a) an update on the Claims Procedure;

   b) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on February 3, 2025 and ending March 2, 2025 (the "**Sixth Cash Flow Statement**");

   c) the Applicants' actual performance to date versus the Sixth Cash Flow Statement;

   d) the Monitor's comments and report on the Applicants' cash flow statement for the period commencing on February 24, 2025 and ending May 25, 2025 (the "**Seventh Cash Flow Statement**");

   e) the key elements of the Applicants' purposed plan of arrangement (the "**Plan**");

   f) a comparison of the estimated recoveries to the Applicants' accepted unsecured creditors ("**Affected Creditors**") holding Affected Claims (as defined in the Plan

and discussed in Section 3.2.1(b) below) under the Plan to their estimated recoveries in a sale scenario of the Applicants' assets (the "**Sale Scenario**");

g) the Applicants' application for an order (the "**Meeting Order**"), which among other things, sets the date for a meeting for the purpose of considering and voting on the Plan, being 10:00 A.M. (Calgary Time) on April 3, 2025 (the "**Creditors' Meeting**");

h) how Affected Creditors can attend and vote at the Creditors' Meeting;

i) discuss the next steps in these proceedings if the Meeting Order is granted and Required Majority of Affected Creditors vote to accept the Plan;

j) the Applicants' application for an order, which among other things extends the Stay Period to, and including, April 30, 2025;

k) the Monitor's application for an order, which among other things, seals the Monitors analysis of the Joint Bid (as defined below), until the termination of these CCAA Proceedings or further order of the Court; and

l) the Monitor's views on the Plan.

2. This Third Report also provides information with respect to the application filed on March 7, 2025 by High Park which requests the following relief:

a) authorizing and directing the Monitor to resume the SISP as soon as reasonably practical, by publishing on its website a timeline and key milestones for qualified bidders to submit a binding bid and the subsequent steps to complete the SISP (the "**Resumed SISP**"); and

b) empowering and authorizing, but not obligating, the Monitor to do all the things reasonably necessary to complete the Resumed SISP, including to review and evaluate all bids submitted in the Resumed SISP, to identify and select the highest or otherwise best bid or bids, and to apply to the Court for orders approving any successful bids, in each case without the consent of, or in consultation with, the Applicants (the "**Resumed SISP Order**").

1.5 Scope and Terms of Reference

1. In preparing this Third Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, information available in the public domain and discussions with the Applicants' management ("**Management**") and Stikeman.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. An examination of the Seventh Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Third Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor does not express any opinion or other form of assurance on whether the Seventh Cash Flow Statement will be achieved.

4. This Third Report should be read in conjunction with the materials filed by the Applicants, including the Affidavits of Scott Morrow, the Chief Executive Officer of the Applicants, sworn June 19, 2024, August 6, 2024, September 10, 2024, November 25, 2024, February 3, 2025, and March 4, 2025, and any supplemental affidavit filed by the Applicants in advance of the March 14, 2025 application (collectively, the "**Morrow Affidavits**"), and the materials filed by High Park on March 7, 2025. Capitalized terms not defined in this Third Report have the meanings ascribed to them in the Morrow Affidavits.

1.6 Currency

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

1.7 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/420 (the "**Case Website**").

2.0 Claims Procedure

1. Following the pronouncement of the Claims Procedure Order, the Monitor has worked diligently to conduct the Claims Procedure in accordance with the timelines set out therein, and more particularly described in the Monitor's pre-filing report and third report of the Proposal Trustee dated September 13, 2024, and the Monitor's first report, dated November 29, 2024. During the Claims Procedure the Monitor has issued 5 notices of disallowance or revisions ("**NORD**") to various creditors, certain of which are more fully described in Sections 2.2 and 2.3 below (the "**Revised Claims**"). As of the date of this Third Report, the Monitor was not aware of any objections filed in response to the Revised Claims although the appeal period for certain NORDs remain open.

2. The following tables summarizes the value of accepted claims in the Claims Procedure as of the date of this Third Report (collectively the "**Accepted Claims**"):

Claim Type	420 Investments Ltd. ($)	420 Premium Markets Ltd. ($)	Green Rock Cannabis (EC1) Limited ($)	420 Dispensaries Ltd. ($)	Duplicate Claims Filed in Multiple Entities ($)[1]	Total ($)
Secured Claims	11,457,077	390,000	-	-	-	**11,847,077**
Unsecured Claims:						
Trade Creditors	475,245	399,059	321	-	(26,050)	**848,575**
Landlord Creditors	1,272,703	2,242,864	-	189,651	(1,462,354)	**2,242,864**
Shareholder Loans	384,518	-	-	-	-	**384,518**
Intercompany	-	7,000,000	-	-	-	**7,000,000**
Total	**$13,589,544**	**$10,031,923**	**$321**	**$189,651**	**($1,488,406)**	**$22,323,034**

[1] Several creditors filed duplicate claims against a number of the Applicants (the "**Duplicate Claims**"). Duplicate trade creditor claims relate to amounts filed by Stikeman on 420 Premium Markets and 420 Investments. Duplicate landlord creditor claims relate to $807,651 and $465,052 which were filed by Palisades Edmonton Holdings Ltd., et al. and RioCan Management Inc., respectively, against 420 Premium Markets and also against 420 Investments for indemnities relating to the disclaimed leases. Additionally, $189,651 was filed by the landlord creditor, Strathcona Building Inc. c/o Skyslimit Inc., under 420 Premium Markets and also Dispensaries. The Duplicate Claims are removed for the purposes of determining the claim totals and for the purposes of detailing the landlord claim settlements discussed below.

2.1 Secured Claims

1. Secured claims filed on 420 Investments are comprised of: (i) approximately $1.06 million filed by the Applicants' secured creditor, Nomos Capital I-A LP; plus (ii) approximately $10.4 million filed by High Park.

2. The Monitor has reached an agreement with High Park to currently not value their claim in accordance with the Claims Procedure in order to avoid prejudicing any determination that may be made in the Litigation as it relates to their claim. High Park is treated as an Unaffected Creditor in the Plan.

3. The Secured claim filed against 420 Premium Markets was made by Stoke Canada Finance Corp. and was originally filed for the principal balance of $300,497. The amount in the table above reflects the principal balance of the secured claim plus an estimate of the interest and costs accrued since the Filing Date.

2.2 Landlord Claims

1. As discussed in the Second Report, the Applicants had originally sought a declaration from this Court that the claims of the landlords subject to certain disclaimed leases were to be calculated pursuant to the formula enumerated under section 65.2(4) of the BIA.

2. Prior to the Applicant's application heard on February 12, 2025, the Applicants elected to negotiate and enter into individual settlement agreements with each landlord for the sole purpose of valuing their claim within the Plan. Of the four landlord parties, three reached a negotiated settlement (the "**Settled Landlord Claims**"). The negotiated settlement reached between each of the parties does not prevent the landlords from disputing the valuation of their claim if the Plan does not go forward, is voted down, or is not sanctioned by the Court. A summary of the Settled Landlord Claims are below:

420 Premium Ltd.	Total Unsecured Claim in the Claims Procedure	Settled Landlord Claim for Purposes of the Plan
Palisades Edmonton Holdings Ltd., et al.	807,651	237,186
RioCan Management Inc.	465,052	281,551
Strathcona Building Inc. c/o Skyslimit Inc.	189,651	123,115
Total Settled Landlord Claims	**1,462,354**	**641,852**
The Meadowlands Development Corporation (*see below*)	780,508	780,508
Total Landlord Claims	**2,242,864**	**1,422,361**

3. Meadowlands Development Corporation ("**Meadowlands**") was the only landlord that did not reach a settlement with the Applicants prior to this Third Report. Meadowlands originally filed its claim against 420 Premium Markets as an unsecured pre-filing claim for $803,007 and an unsecured restructuring claim for $83,907, for a total unsecured claim of $886,914. After a review of the claim evidence provided by Meadowlands, the Monitor issued a NORD, which adjusted the creditor's claim down to a total of $780,508 to reflect the actual costs incurred relating to pre-filing additional rent arrears. The adjustments reflected in the NORD were based on discussions between Bennett Jones and Meadowland's legal counsel on February 27, 2025. The NORD remains subject to the dispute resolution process period, in accordance with the Claims Procedure Order

2.3 Intercompany Claims

1. Intercompany claims in the amount of $35.7 million were filed between the Applicants pursuant to the Claims Procedure (the "**Intercompany Claims**"). The Monitor, together with Bennett Jones, reviewed the Intercompany Claims to determine whether those Intercompany Claims validly constituted debts in the CCAA Proceedings or were more properly characterized as equity. Ultimately, the Monitor issued several NORDs resulting in $7 million of the Intercompany Claims being considered an Accepted Claim in accordance with the Claims Procedure. A summary of the Monitor's findings is below.

Jurisprudence

2. The Monitor, and Bennett Jones, reviewed the jurisprudence regarding the characterization of non-arm's length intercompany advances (the "**Advances**"). In

particular, the Monitor and Bennett Jones, reviewed the decision of Justice Witon-Siegel in US Steel[2], which has been subsequently followed in Alberta in the decision of Justice Romaine in Lexin[3]. The Monitor applied the frameworks arising from these decisions in reaching its conclusions, namely that the determination of whether the Intercompany Claims were properly characterized as debt or equity must address not only the expressed intentions of the Applicants, but also the manner in which the relevant transactions were implemented and the economic reality of the surrounding circumstances. The Monitor further reviewed the two-part test outlined in U.S. Steel for situations involving parent-subsidiary relationships, namely:

a) subjectively, did the alleged lender actually expect to be repaid the principal amount of the loan with interest out of the cashflows of the alleged borrower; and

b) objectively, was the expectation reasonable under the circumstances.

3. The Monitor further considered that the US Steel and Lexin decisions enumerated several factors that can be considered, noting however that these are no more than an aid in determining substantive reality and should not be used in a "score-card" manner. The Monitor's focus was on the manner in which the transactions giving rise to the Intercompany Claims were implemented and the underlying economic reality of those transactions.

Subjective Intention

4. In discussions with the Management of the Applicants and correspondence with Stikeman, the Monitor understands that 420 Investments intended that all transactions recorded in its books and records and identified in proofs of claim were debt advances that would ultimately be repaid, with interest, out of the cash flows of 420 Premium Markets. Management and Stikeman explained that 420 Investments has no direct operations from which it could raise revenue and all intercompany amounts could therefore only be repaid to the original source of financing when 420 Investments was repaid by 420 Premium Markets. Based on this explanation, the Monitor has determined that there was a subjective intention that the Intercompany Claims be

[2] See *Re US Steel Canada Inc*, 2016 ONSC 569 ("***US Steel***")

[3] See Alberta Energy Regulator v Lexin Resources Ltd., 2018 ABQB 590 ("***Lexin***")

repaid as debt.

Objective Reasonableness

5. The Monitor, and Bennett Jones, reviewed the objective information provided by the Applicants in relation to the Intercompany Claims. This included: (i) the proofs of claim submitted; (ii) the books and records of the Applicants; (iii) a summary of the transactions recording the Advances giving rise to the Intercompany Claims; (iv) a summary of the conversion of certain Advances from debt to equity post Advance; and (v) explanations provided by Management related to the usage of these Advances for working capital and operational purposes.

6. The Monitor's reviewed determined that there were no specific written agreements related to the Intercompany Claims other than the recording of the Advances in the books and records of the Applicants. Accordingly, there were no set maturity dates for repayment or enumerated interest repayment obligations, nor were the Advances secured. While this is a factor that may in some cases be indicative of equity advances, the Monitor is cognizant of comments by Justice Wilton-Seigel in US Steel that it is common in wholly owned parent/subsidiary relationships for intercompany advances that are classified as debt to not be extensively documented and that there is nothing improper arising from a lack of documentation.

7. The Monitor further reviewed a summary of the initial source of the capital into 420 Investments (whether the funds were raised through shareholder loans or contributions or raised from arm's length sources) and whether the nature of those source amounts changed over time. The Monitor determined that the majority of the amounts were initially raised through convertible debts that were ultimately converted into equity between September 2020 and March 2024. Additionally, a small amount was repaid to the original lender.

8. Of the amounts that were not converted and remained outstanding debt obligations owing by 420 Investments include:

    a) $7,000,000 advanced by High Park; and

    b) $340,000 advanced by certain shareholders.

9. Due to the shareholder relationship underlying the $340,000 advances (and because

those amounts were advanced as unsecured claims that are subject to the Plan) the Monitor determined that subsequent Intercompany Claims could not be fairly characterized as debt in these CCAA Proceedings.

10. Based on the above, the Monitor determined that $7,000,000 of the Intercompany Claims (the "**Accepted Intercompany Claims**") can be considered debt and thus an Accepted Claim pursuant to the Claims Procedure, for the following reasons:

    a) the Accepted Intercompany Claim was initially advanced from an arm's length party to 420 Investments;

    b) the Accepted Intercompany Claim, together with other intercompany transfers, flowed to 420 Premium Markets between 2019 and 2020 as reflected in the books and records of the Applicants;

    c) the intended source of repayment of the Accepted Intercompany Claim is from the cash flows of 420 Premium Markets; and

    d) all funds were used for working capital purposes to fund the operations of 420 Premium Markets.

11. Based on the foregoing, the Monitor has determined that the manner in which the transactions were implemented and the underlying economic reality of the Accepted Intercompany Claim results in a proper characterization of those advances as debt and thus a valid Accepted Claim under the Claims Procedure.

3.0 The Plan

1. Sections 3 and 4 of this Third Report provide summaries of the Plan and the Meeting Order, but do not address each and every provision of the Plan and the Meeting Order. Accordingly, creditors should carefully read the Plan and the Meeting Order in their entirety and should consult such advisors as they consider necessary. In particular, creditors should review whether or not they are affected under the Plan. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Third Report and the Plan or the Meeting Order, the provisions of the Plan or the Meeting Order, as applicable, govern.

2. The Monitor understands that the Applicants will be filing certain amendments to the

Plan to clarify that the Affected Creditors will include the unsecured creditors of 420 Investments. At the time of the developed of the Plan, the Applicants anticipated that the unsecured claims of 420 Investments would be classified as claims against 420 Premium Markets, however this has not occurred as of the date of this Third Report. The Monitor's analysis of the Plan assumes these proposed amendments are made to the Plan.

3. Capitalized terms not defined in Sections 3 and 4 below are as defined in the Plan or the Meeting Order, as applicable.

3.1 Purposes of the Plan

1. The Plan is presented with the expectation that stakeholders who have an economic interest in the Applicants will derive greater benefit from the implementation of the Plan than they would from a sale of the Applicants' assets and/or a wind-up of the business.

2. The overall purposes of the Plan are to:

    a) provide for a settlement and payment of all Affected Claims (which include all unsecured claims against 420 Investments and 420 Premium Markets);

    b) provide a mechanism for the distribution of the Creditor Cash Pool, along with the election for the Litigation Proceeds Election or Parent Share Election to provide for a full recovery to the Affected Creditors, contingent on the outcome of the Litigation and the future value of the shares of 420 Investments; and

    c) ensure the continuation of the operations of the Applicants and continue the Litigation for the benefit of stakeholders.

3.2 Terms and Conditions of the Plan

1. The following section provides an overview of the key aspects of the Plan.

   a) **Classification of Creditors:** the Plan has two classes of creditors for the purpose of considering and voting on the Plan, being the "**Affected Creditors Class**"[4] and the "**Stoke Claim**".

   b) **Persons Affected:** the Plan provides for a compromise, settlement and/or payment over time of the Affected Claims. The Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. An Unaffected Claim means an Excluded Claim, which is any right or claim that would otherwise be a Claim that is:

      i. secured claims filed against 420 Investments;

      ii. a Claim secured by the Charges;

      iii. a Crown Claim;

      iv. Employee Priority Claim

      v. an Accepted Intercompany Claim;

      vi. a Post-Filing Claim; and

      vii. a Claim enumerated in Sections 5.1(2) and 19(2) of the CCAA[5].

   c) **Convenience Class Creditors:** a Convenience Class Creditor is an Affected Creditor with an Accepted Claim that is owed less than or equal to $10,000. Convenience Class Creditors are to be paid their claims in full up to a maximum amount of $10,000.

[4] This incorporates the Plan amendments discussed in Section 3.0.2.

[5] Refers to claims that: (a) relate to contractual rights of one or more creditors; (b) claims based on allegations of misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors; and/or (c) arose by virtue of a fine, penalty, restitution order, damages by a court in civil proceedings in respect of bodily harm intentionally inflicted, sexual assault or wrongful death, fraud, embezzlement, misappropriation, defalcation or interest on any of the foregoing.

As at the date of this Third Report, there are four Affected Creditors with Accepted Claims less than or equal to $10,000[6]. Pursuant to the Plan, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. Affected Creditors with claims more than $10,000 can elect to be treated as a Convenience Class Creditor.

d) **Distribution to Creditors:**

i. **Convenience Class Creditors:** on the Implementation Date, each Convenience Class Creditor will receive, in full satisfaction of its Accepted Claim, a cash payment in the amount equal to the lesser of the following:

- its Accepted Claim; and
- $10,000;

ii. **Affected Creditors Other than Convenience Class Creditors:** on the Implementation Date, each Affected Creditor with Accepted Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Accepted Claim, a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Payment at a later date as more fully described under the Litigation Proceeds Election Process, or Parent Share Conversion Payment as more fully described in the Parent Share Conversion Election Process[7]. The Litigation Proceeds Election Process and Parent Share Conversion Election are collectively defined herein as the "**Election Consideration**";

iii. **Parent Share Conversion:** an Affected Creditor may elect to receive Parent Shares equating to the full value of an Affected Creditor's Claim, less any amounts received through participation in the Creditor Cash Pool; and

iv. **Litigation Proceeds Payment:** an Affected Creditor may also elect to receive the Litigation Proceeds Payment upon their election to choose the

[6] Includes Atripco Delivery Service, City of Medicine Hat, Zeiffmans LLP, and Roxboro Group Inc.

[7] The valuation and mechanics of the Election Consideration have yet to be determined as of the date of this Third Report.To the extent possible, the Monitor will provide further supplemental reporting prior to the Meeting, should such Meeting be ordered by this Court.

Litigation Proceeds Payment, less any amounts received through participation in the Creditor Cash Pool.

e) **Resolution of Disputed Claims:** an Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim.

f) **Intercompany Creditors:** pursuant to the Plan, Intercompany Claims will not be entitled to a vote in the Plan, to receive a cash payment, or be able to exercise any election including the Litigation Proceeds Payment or the Parent Share Conversion. The Monitor understands that the Intercompany Claims are unaffected and will survive following the Plan Implementation Date.

g) **Other Features of the Plan:**

i. **Releases:** as detailed in Section 8 of the Plan, approval of the Plan contemplates releases of all claims of Affected Creditors (other than obligations created under the Plan) against: (a) the Applicants, the Directors, the Officers, and the Applicants' current and former employees, advisors, legal counsel and agents, (b) the Monitor and its legal counsel, and (c) any other Person who is a beneficiary of a release under the Plan. The Monitor understands that the Applicants will make submissions regarding the appropriateness of the Releases in advance of a Sanction Order hearing (should one occur) and the Monitor will provide further commentary regarding the proposed Releases at such time; and

ii. **Approval:** if the Plan is accepted by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set. Pursuant to the Meeting Order, the Applicants have scheduled a hearing on April 24, 2025 at which they intend to bring an application seeking the Sanction Order.

h) **Conditions Precedent:** implementation of the Plan is subject to the following material conditions:

i. the Plan shall have been accepted by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;

ii. the Sanction Order shall have been granted by the Court;

iii. the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor; and

iv. all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants.

i) **Estimated Distributions on the Implementation Date:** the table below reflects the distribution of the Creditor Cash Pool available to Affected Claims, which are estimated to be $1.4 million (being 55 cents on the dollar value of remaining Affected Claims, after accounting for the full payment being made for the Stoke Claim and Convenience Class Creditors).

Description	Amount ($000s)
Funds Available for Distribution (estimated)	1,850
Stoke Claim[8]	(390)
Convenience Claims Creditor payout (estimated)	(16)
Estimated Distribution	**1,444**
Total Affected Claims (excluding Convenience Class Creditors)	2,639[9]
Estimated Return Payable in Cash	**55%**[10]

[8] Includes an estimate of interest incurred through to the Plan Implementation Date.

[9] Total Affected Claims is calculated as the total of $848,575 in unsecured trade creditor claims; [+] $384,518 in unsecured shareholder loans; [+] $1,422,361 in Landlord Claims; [-] approximately $16,000 in Convenience Class Creditors.

[10] The remaining 45% recovery may result from the Election Consideration. The Monitor notes it cannot assign any monetary value to either shares received (as they are for an illiquid private company that is currently in CCAA Proceedings) and the Litigation Proceeds Payment is highly conditional on the results of the Litigation.

3.3 Plan Funding

1. As described in the Second Report, the Applicants executed a term sheet on January 9, 2025 (the "**Term Sheet**") for the purposes of obtaining funding to implement the Plan.

2. On February 7, 2025 the definitive loan agreement subject to the Term Sheet was finalized and signed by all parties (the "**Plan Funding Loan Agreement**"). The terms and conditions of the Plan Funding Loan Agreement reflect the Term Sheet and are described in the Second Report. Notably, the funding available under the Plan Funding Loan Agreement is conditional on both creditor approval and Court Sanction of the Plan.

3. On March 3, 2025, the Monitor obtained a comfort letter from a third-party financial institution confirming the lender for the Plan Funding Loan Agreement had the financial capacity to fund pursuant to the Plan Funding Loan Agreement. The Monitor is advised that the lender is familiar with CCAA Proceedings and understands the current process to seek approval of the Plan.

4.0 Meeting Order

1. Pursuant to the Meeting Order, the Creditors' Meeting is to be convened virtually at 10:00 A.M. (Calgary time) on April 4, 2025, for the purpose of considering and voting on a resolution to accept the Plan.

2. The only persons entitled to attend the Creditors' Meeting are: (i) Affected Creditors or their Proxies who have duly registered in accordance with the Electronic Meeting Protocol (which is appended as Schedule "A" to the Meeting Order and available on the Website); (ii) representatives of the Applicants; (iii) representatives of the Monitor; (iv) the Chair; (v) any other person invited to attend by the Chair; and (vi) legal counsel to any person entitled to attend the Creditors' Meeting.

3. Affected Creditors who would like to attend the Creditors' Meeting are required to: (i) complete and sign an Affected Creditor Proxy; (ii) specify within the Affected Creditor Proxy the name of the Person with the power to attend and vote at the Creditors' Meeting on behalf of the Affected Creditor; and (iii) deliver such Affected Creditor Proxy to the Monitor by email at apoeschek@ksvadvisory.com by 5:00 p.m. (Calgary

time) on the date that is two Business Days prior to the Creditors' Meeting (i.e., by 5:00 p.m. (Calgary Time) on April 2, 2025).

4. As part of the Creditors' Meeting, the Chair is required to direct a vote on the resolution to approve the Plan. Each Affected Creditor with a Voting Claim, other than a Convenience Class Creditor, shall be entitled to one vote equal to the dollar value of its Affected Claim as at the Filing Date and can either vote for or against the Plan. For voting purposes, a Convenience Class Creditor shall be deemed to have voted the full value of its Accepted Claim in favour of the Plan. The only Persons entitled to vote at the Creditors' Meeting are Affected Creditors with Voting Claims. Intercompany Creditors cannot vote in favour of the Plan.

5.0 Monitor's Assessment of the Plan

1. The Applicants have made significant efforts to prepare the Plan and to obtain funding to allow for the distributions under the Plan outlined above. The Applicants have prepared the Plan in a manner they believe achieves a result that is a fair and reasonable compromise between the Applicants and the Affected Creditors, while leaving the secured claims (whether conditional or not) of 420 Investments unaffected.

2. It is a condition of the Plan that the Affected Creditors must approve the Plan by the Required Majority. For greater certainty, the Affected Creditors shall not be bound by the terms of the Plan unless a Required Majority votes to approve the Plan. The Plan must be then sanctioned by the Court. If the Plan is not approved or sanctioned, it is likely that the Applicants must liquidate the Applicants' business, which could be completed through a further/reopened SISP in these CCAA Proceedings or in a bankruptcy. However, the failure of a Plan will not necessarily result in an immediate bankruptcy of one or more of the Applicants. Moreover, it would remain open to the Applicants to advance a further revised plan of compromise and arrangement.

3. As described in Section 2 of the Second Report, the Monitor, together with the Applicants, carried out the SISP in accordance with the SISP Order. The SISP resulted in a total of five interested parties who submitted eight binding offers or proposals. Following a review completed by the Applicants of the bids received within the SISP, the Applicants determined the Plan would provide for better recoveries for the Affected Creditors.

4. Notwithstanding the Applicants ultimate decision to proceed with the Plan, conducting the SISP has proved useful for the Monitor in determining the potential liquidation value of the Applicants in the Sale Scenario. The preliminary assessment of value under the Sale Scenario is based on a range of factors derived from information from binding offers in Phase 2 of the SISP, leading to an indicative value for the purposes of comparing the Sale Scenario to the Plan of approximately $5,000,000.

5.1 Restrictions

1. The preliminary assessment of value used in the Sale Scenario is not considered a formal business and/or asset valuation opinion and the Monitor has not provided such an opinion thereon. In preparing this analysis, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to the Monitor by either Management or certain external information.

2. Although the information has been reviewed for reasonableness, the Monitor has not independently verified the accuracy or completeness of the information provided by Management nor conducted an audit, and accordingly, the Monitor is not providing any form of assurance thereon. The Monitor does not provide any assurance on the reasonableness of its assumptions in determining the indicative Sale Scenario value.

3. Any changes to one or more underlying assumptions or the information provided may have a material impact on any calculations and/or conclusions contained in this Third Report. Finally, the Monitor is not providing an opinion on the fair market value in accordance with the Canadian Institute of Chartered Business Valuators Practice Standard 110 or any other valuation standards.

5.2 Comparative Analysis

1. A comparison of the estimated recoveries to Affected Creditors under the Plan versus the estimated recoveries in the Sale Scenario is provided in the table below.

		Amount ($000s)	
Description	**Notes**	**Plan**	**Sale Scenario**
Funds available for distribution (estimated)	(a)	1,850	5,000
Secured Creditor (Stoke)	(b)	(390)	(390)
Convenience Class Creditor payments		(16)	-
Funds available for distribution		**1,444**	**4,610**
Affected Creditors (Unsecured)	(c)	2,639	2,655
Intercompany Claims	(d)	-	7,000
Total Claims		**2,639**	**9,655**
Cash Distribution (%)	(e)	**55%**	**48%**[11]

2. The following notes correspond to the references in the table:

   a) Reflects the estimated Creditor Cash Pool (as defined within the Plan) and the estimated funds available for distribution.

   b) Payment in full for the Stoke Claim. Includes an estimate of interest accrued through to the Plan Implementation Date.

   c) Affected Creditors under the Plan include: (i) the unsecured creditors of 420 Premium Markets, inclusive of the Settled Landlord Claims; plus (ii) the unsecured creditors of 420 Investments; less (iii) the estimated Convenience Class Creditors. Affected Creditor valuations under the Sale Scenario are the same except for the exclusion of the Convenience Class Creditors. The valuation of the Accepted Claims for the Affected Creditors in the Sale Scenario may be subject to change, and these changes may be material. The Monitor has utilized the Settled Landlord Claims for the purposes of this calculation, however, the claims of the landlord creditors may be impacted based on a determination of claims in the Sale Scenario and subject to further Court order or calculations pursuant to the BIA.

[11] The Sales Scenario does not include the impact of professional fees in a liquidation proceeding, which would lower the projected return.

d) Accepted Intercompany Claims do not participate as an Affected Creditor under the Plan. In the Sale Scenario, intercompany creditors are entitled to be paid on a pro-rata basis with all other unsecured creditors. This aspect of the Plan significantly increases the value to Affected Creditors.

e) While the above analysis includes the Affected Claims of the unsecured creditors of 420 Investments, a return to the unsecured creditors of 420 Investments is not anticipated in the Sale Scenario.

3. Subject to the underlying assumptions above, the comparative analysis reflects that the Affected Creditors are projected to receive consideration from the Plan that would be greater than they would receive in the Sale Scenario, together with the opportunity to participate in the future success of the Applicants' going concern business or the outcome of the Litigation.

4. Pursuant to section 23(1)(i) of the CCAA, the Monitor is of the opinion that the Plan is fair and reasonable and provides the best available return in contrast to the Sale Scenario. However, as outlined below, should this Court authorize the Resumed SISP, it is possible that a further offer may be obtained that could result in a greater monetary recovery for Affected Creditors. That said, the Resumed SISP carries several risks and uncertainties, including the potential outcome of receiving no bids or a bid that provides for a lower return to the Affected Creditors than the return outlined in the Plan.

6.0 Resumed SISP

1. High Park has filed a cross-application with this Court requesting that the SISP be resumed under the Monitor's supervision and direction. The Monitor understands that High Park's application is based on its assertion that the joint bid submitted within the SISP was misinterpreted by the Applicants and the Monitor and should, hypothetically, result in full cash recovery for 420 Premium Market's unsecured creditors and 420 Investments senior secured lender (the "**Joint Bid**"). This contrasts with the Plan, which provides for a cash recovery of up to 55% for the Affected Creditors and potential further recoveries from the Election Consideration.

2. The Monitor notes the following regarding the Joint Bid:

a) the Joint Bid was submitted on December 20, 2024 and was reviewed by the

Applicants and the Monitor and evaluated in relation to the other bids received;

b) the High Park application states that the consideration under the Joint Bid would repay in full all of 420 Premium Markets' and Green Rock's third-party unsecured creditors, and 420 Investments' senior secured creditor;

c) however, the view of the Applicants and the Monitor at the time of reviewing the bids, was that the Joint Bid would not accomplish a pay out of the third-party creditors of 420 Premium Markets and Green Rock as a result of the way the Joint Bid was structured;

d) the Applicants were also of the view that the offers received for the Litigation did not maximize the value for its stakeholders; and

e) the Joint Bid was rejected by the Applicants along with the other bids received in the SISP as the Applicants were of the view that a Plan could be advanced that would result in an equal or greater outcome to stakeholders.

3. On January 16, 2025, the Monitor received a letter from DLA Piper (Canada) LLP (the "**DLA Letter**") who was acting as counsel for High Park and Tilray Inc. that, amongst other matters, described the mechanics of the Joint Bid. The DLA Letter is attached as Confidential Exhibit "C" to the affidavit sworn by Lisa Roy on March 7, 2025 (the "**Roy Affidavit**") filed in these CCAA Proceedings. As the terms of the Joint Bid were not made public in the High Park materials, the Monitor will not be commenting publicly on the specifics of the Joint Bid. A confidential summary of the Monitor's analysis of the Joint Bid is attached as **Confidential Appendix "1"**.

4. On January 24, 2025, the Monitor issued a letter that responded to the DLA Letter explaining, and commenting on other matters, that both the Monitor's and the Applicants' understanding of the mechanics of the Joint Bid and that it would not result in distributions to 420 Premium Markets' creditors. A copy of this letter is attached as Confidential Exhibit "D" to the Roy Affidavit. The Monitor also sent an email to Blakes, Cassels & Graydon LLP ("**Blakes**") on January 28, 2025 that further explains the Monitor's views on the Joint Bid. A copy of this email is attached to the Roy Affidavit as Confidential Exhibit "E".

5. On February 4, 2025, Blakes wrote to the Monitor further clarifying the Joint Bid which, in their view, would provide for a full recovery for the creditors of 420 Premium

Markets. Included in this letter was an acknowledgement by counsel for High Park/Tilray that the allocation of the consideration in the Joint Bid was not clear, and in their view, this was a result of a Subscription Agreement (as defined within the Confidential Appendix "1") provided by the Applicants that did not provide for an allocation of the consideration. A copy of this letter is attached to the Roy Affidavit as Confidential Exhibit "F".

6. The Monitor is of the view that it now understands the intent of the Joint Bid with the subsequent clarifications, (the "**Clarified Joint Bid**"), however, it remains of the view that the initial Joint Bid did not achieve the intent of the Clarified Joint Bid.

7. The Monitor understands the intent of the Resumed SISP would therefore allow High Park to clarify and resubmit its bid for consideration by the Applicants and their creditors. If the Clarified Joint Bid were advanced as clarified, it would result in the assumption of the Intercompany Claims and a full cash payment of the Affected Claims. However, the Monitor cannot guarantee that the Clarified Joint Bid would be advanced in the manner presented or that this Court would sanction a transaction arising from the Clarified Joint Bid.

8. Should this Court grant the Resumed SISP Order, the Monitor is well-positioned to recommence the SISP, having previously conducted the process in accordance with the SISP Order and possessing the necessary experience and personnel to effectively resume the SISP procedures.

9. The Monitor takes no position on the merits of the High Park application and understands the Applicants will be filing responding materials in advance of the March 14, 2025 hearing.

7.0 Cash Flow Statement

7.1 Performance Against the Sixth Cash Flow Statement

1. In accordance with the CCAA, the Monitor has continued to review and evaluate the state of the Applicants' business and financial affairs during the CCAA Proceedings.

2. Pursuant to the CCAA, the Applicants prepared the Sixth Cash Flow Statement for the extended Stay Period. The Sixth Cash Flow Statement for the period ending March 31, 2025, together with management's Report on the Cash-Flow Statement as

required pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix "A"**.

3. The Applicants have remained current in respect of their obligations that have arisen since the Second Report except for the rental payments owing relating to certain leases that were disclaimed at the outset of the NOI Proceedings. Further details on the disclaimed leases are documented in the Proposal Trustee's First Report.

4. A review process was established with the Applicants to review weekly cash variances. A comparison of the Applicants' receipts and disbursements to the Sixth Cash Flow Statement for the period from the Second Report to February 23, 2025 (the "**Reporting Period**") is as follows:

Post Filing Reporting Period ($CAD)	Actual	Sixth Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash balance	488	488	(0)
Receipts	1,565	1,687	(122)
Operating Disbursements	(1,706)	(1,773)	67
Net Cash Flow from Operations	(141)	(86)	(55)
Non-operating disbursements	(106)	(168)	62
Net Cash Flow	(247)	(254)	
Closing cash balance	241	233	

Monitor's Comments

5. During the Reporting Period, the Applicants experienced slightly lower business activity than forecasted, resulting in less receipts than anticipated.

6. Operating disbursements were approximately $67,000 lower than projected primarily as a result of the lower business activity. Non-operating disbursements were also lower than forecasted as a result of timing of professional fees.

7.2 The Seventh Cash Flow Statement

1. The Applicants prepared the Seventh Cash Flow Statement for the purposes of the extended Stay Period. The Seventh Cash Flow Statement assumptions are largely consistent with the Sixth Cash Flow Statement assumptions except for the time period covered.

2. The Seventh Cash Flow Statement and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as **Appendix "B"**.

3. The Seventh Cash Flow Statement reflects that the Applicants have sufficient liquidity for the duration of the Stay Period.

4. Based on the Monitor's review of the Seventh Cash Flow Statement, the assumptions appear reasonable. The Monitor's statutory report on the Seventh Cash Flow Statement is attached hereto as **Appendix "C"**.

8.0 Applicants' Request for an Extension

1. The Applicants are seeking an extension of the Stay Periods from March 30, 2025 to April 30, 2025. The Monitor supports the extension request for the following reasons:

   a) the Monitor's observations are that the Applicants are acting in good faith and with due diligence;

   b) the extension of the Stay Period allows the necessary time for the Applicants' to hold the Creditors' Meeting to vote on the Plan; and

   c) the extension should not adversely affect or prejudice any group of creditors as the Applicants are projected to have sufficient liquidity for the extended Stay Period as contemplated by the Seventh Cash Flow Statement.

9.0 Sealing

1. The Monitor is seeking the Sealing Order to seal Confidential Appendix "1" until the earlier of: (i) termination of the CCAA Proceedings; or (ii) further order of this Court, as Confidential Appendix "1" contain confidential information, including a summary of a binding bid submitted in the SISP. Making this information publicly available prior to the termination of the CCAA Proceedings could have a detrimental impact on the outcome of the CCAA Proceedings. Sealing Confidential Appendix "1" is necessary due to the risk that the public disclosure of the information contained in the same could cause irreparable prejudice to creditors and other stakeholders.

2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Monitor is

not aware of any party that will be prejudiced if the information in Confidential Appendix "1" is sealed or any public interest that will be served, if such details are disclosed in full. The Monitor is of the view that the sealing of Confidential Appendix "1" is consistent with the decision in Sherman Estate v. Donovan, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing of Confidential Appendix "1" is appropriate in the circumstances.

10.0 Next Steps and Monitor's Recommendation

1. The Monitor acknowledges that there are numerous considerations for the Court to consider in granting either the Resumed SISP Order or the Meeting Order, including the potential return to creditors under either scenario.

Resumed SISP Order

2. From the Monitor's view the following matters should be taken into consideration with respect to the Resumed SISP:

    a) there are currently no binding offers as all offers were rejected in the SISP, and it is uncertain whether any of the Phase 2 Bids in the SISP will be submitted in a Resumed SISP process or if they will be submitted on the same, better or worse terms. As disclosed in the Second Report, the Monitor and/or Applicants have heard from other bidders that they remain ready and willing to progress their bid;

    b) High Park states that the Clarified Joint Bid will result in a full recovery to the Applicants' creditors and is therefore more favourable than the Plan. Notwithstanding this possible outcome, it is important to highlight that at this point this is largely hypothetical as there is no binding offer presented to the Applicants or the Monitor;

    c) the Monitor further understands the Applicants are of the view they may require interim financing to fund the proposed Resumed SISP process. While the actual operating results will determine the liquidity position of the Applicants, the Seventh Cash Flow Statement does provide for sufficient liquidity over the Stay Period. Notwithstanding this, the Monitor highlights that the liquidity position does remain tight throughout the Stay Period; and

d) should this Court grant High Park's application, the Monitor is the positioned to quickly resume the Resumed SISP. If the Court orders a Resumed SISP, the Monitor will work diligently to conduct the Resumed SISP on the terms directed by this Court.

Meeting Order

3. Should this Court instead approve the Meeting Order, the Monitor is required, as soon as practicable following the Creditors' Meeting, to file a report with the Court that includes the result of the votes at the Creditors' Meeting, including whether the motion to vote on the resolution to approve the Plan has been accepted by the Required Majority of Affected Creditors, and such further and other information as determined by the Monitor to be necessary.

4. If the Plan is accepted by the Required Majority of Affected Creditors, the Meeting Order authorizes the Applicants to bring a motion at the hearing scheduled for April 24, 2025 (the "**Sanction Hearing**") seeking the issuance of the Sanction Order that will, among other things, approve and sanction the Plan.

5. The Meeting Order provides that any party who wishes to oppose the final sanctioning of the Plan must serve the Applicants, the Monitor and the parties listed on the Service List with a copy of the materials to be relied upon to oppose the motion for the Sanction Order, setting out the basis for such opposition, at least three days before the date set for the Sanction Hearing (i.e. on or before April 22, 2025).

6. Provided the Plan is approved by the Court, it will then require implementation by the Applicants in accordance with its terms. It is expected that this will occur in the first half of 2025. Affected Creditors would receive their cash distributions at that time.

7. If the Meeting Order is granted, the Monitor recommends the Affected Creditors vote in favour of the Plan as the Plan is anticipated to provide for greater recoveries and more certainty than under the Sale Scenario.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of the Applicants,
and not in its personal capacity

Appendix “A”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
February 3, 2025 to March 31, 2025
(Unaudited; C$000s)

		Period ending								
	Note	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	31-Mar-25	Total
	1									
Receipts										
Collection of Accounts Receivable	2	562	562	562	565	565	565	565	565	4,511
Total Receipts	3	562	562	562	565	565	565	565	565	4,511
Disbursements										
Inventory purchases	4	353	353	353	361	361	366	366	366	2,876
Payroll	5	205	-	205	-	205	-	205	-	820
Rent	6	180	-	-	-	182	-	-	-	362
Other operating expenses	7	36	64	25	25	52	32	26	26	287
Total Operating disbursements		774	417	583	386	800	398	596	391	4,344
Net Cash Flow before the Undernoted		(211)	146	(20)	179	(235)	167	(31)	174	167
Professional Fees	8	40	128	-	-	-	128	-	-	296
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Opening Cash balance	9	488	236	254	233	412	178	217	185	488
Net Cash Flow		(251)	18	(20)	179	(235)	39	(31)	174	(129)
Closing cash balance		236	254	233	412	178	217	185	359	359

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
February 3, 2025 to March 31, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 3 to March 31, 2025 (the "Period").

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

Most Probable

4. Represents inventory stock purchases for retail locations.

5. Reflects payroll costs of employees.

6. Represents occupancy costs for the various retail locations.

7. Other expenses include marketing costs for each retail location and general administrative expenses.

8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

9. Opening cash reflected as of February 3, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 5th day of February, 2025 for the period February 3, 2025 to March 31, 2025 ("**Sixth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Sixth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Sixth Cash Flow Statement as described in Note 1 to the Sixth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Sixth Cash Flow Statement.

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

The Sixth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Sixth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 5th day of February, 2025.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “B”

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Cash Flow Forecast
February 24, 2025 to May 25, 2025
(Unaudited; C$000s)

		Period ending													
	Note	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	11-May-25	18-May-25	25-May-25	Total
	1														
Receipts															
Collection of Accounts Receivable	2	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Total Receipts	3	568	551	543	543	543	562	562	562	562	565	565	565	565	7,257
Disbursements															
Inventory purchases	4	361	350	361	350	361	371	361	371	346	372	372	372	372	4,719
Payroll	5	-	205	-	205	-	205	-	205	-	205	-	205	-	1,230
Rent	6	-	182	-	-	-	182	-	-	-	182	-	-	-	546
Other operating expenses	7	47	41	27	26	42	35	32	26	50	35	26	26	58	473
Total Operating disbursements		407	779	387	581	403	793	393	602	396	794	398	603	431	6,968
Net Cash Flow before the Undernoted		161	(228)	156	(38)	140	(231)	169	(40)	166	(229)	167	(38)	135	290
Professional Fees	8	-	128	-	-	-	-	128	-	-	-	-	128	-	384
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Opening Cash balance	9	241	401	46	202	163	303	72	113	73	239	10	177	12	241
Net Cash Flow		161	(356)	156	(38)	140	(231)	41	(40)	166	(229)	167	(166)	135	(94)
Closing cash balance		401	46	202	163	303	72	113	73	239	10	177	12	146	146

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.
Notes to Projected Statement of Cash Flows
February 24, 2025 to May 25, 2025

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the consolidated cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "Applicants") for the period February 24 to May 25, 2025 (the "Period"). The projections omit the proceeds and payments contemplated under the Plan.

Hypothetical

2. Cash collections include funds received from sales of cannabis-related products at various retail store locations and data program revenues.

3. Total receipts do not include funds raised to facilitate a potential plan of arrangement.

Most Probable

4. Represents inventory stock purchases for retail locations.

5. Reflects payroll costs of employees.

6. Represents occupancy costs for the various retail locations.

7. Other expenses include marketing costs for each retail location and general administrative expenses.

8. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

9. Opening cash reflected as of February 23, 2025.

IN THE COURT OF KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The management of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") have developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 9th day of March, 2025 for the period February 24, 2025 to May 25, 2025 ("**Seventh Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Seventh Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Seventh Cash Flow Statement as described in Note 1 to the Seventh Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Seventh Cash Flow Statement.

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

The Seventh Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Seventh Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 9th day of March, 2025.

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

Ryan Pernal

Per: Ryan Pernal, CFO

Appendix “C”

IN THE COURT OF THE KING'S BENCH OF ALBERTA

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

AND IN THE MATTER OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.

MONITOR'S REPORT ON THE CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash flow of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd. (the "**Applicants**") as of the 10th day March, 2025, consisting of a weekly projected cash flow statement for the period February 24, 2025 to May 25, 2025 (the "**Seventh Cash Flow Statement**") has been prepared by the management of the Applicants for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Seventh Cash Flow Statement.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Seventh Cash Flow Statement.

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

a) the hypothetical assumptions are not consistent with the purpose of the Seventh Cash Flow Statement;

b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Seventh Cash Flow Statement, given the hypothetical assumptions; or

c) the Seventh Cash Flow Statement does not reflect the probable and hypothetical assumptions.

Since the Seventh Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Seventh Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Seventh Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, AB this 10th day of March, 2025.

KSV RESTRUCTURING INC.,
solely in its capacity as the proposed monitor of
420 Investments Ltd., 420 Premium Markets Ltd.,
Green Rock Cannabis (Ec 1) Limited and 420 Dispensaries Ltd.

This is **Exhibit "C"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025

Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

Court of King's Bench of Alberta

Citation: 420 Investments Ltd (Re), 2025 ABKB 183

Date:
Docket: 2401 17986
Registry: Calgary

In the Matter of the *Companies' Creditors Arrangement Act* RSC 1985, c. C-36, as amended
In the Matter of the Compromise or Arrangement of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.

Reasons for Decision
of the
Honourable Justice M.H. Bourque

I. Introduction and Background

A. NOI Proceedings

[1] On May 29, 2024 (**Filing Date**), 420 Investments Ltd (**420 Parent**), 420 Premium Markets Ltd (**420 OpCo**), and Green Rock Cannabis (EC 1) Limited (**Green Rock**), (collectively, **NOI Entities**) each filed a Notice of Intention to Make a Proposal (**NOI**) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (***BIA***), (**NOI Proceedings**). KSV Restructuring Inc (**KSV**) consented to act as proposal trustee (**Proposal Trustee**) in the NOI Proceedings.

[2] On June 27, 2024, the Court granted an order, among other things, extending the stay and time to make a proposal to August 12, 2024, approving a key employee retention plan, and granting typical administration and related charges.

[3] On August 12, 2024, the Court granted two orders, among other things, further extending the stay and time to make a proposal to September 26, 2024, and directing and accelerating the scheduling of an appeal of the decision of Applications Judge Farrington's decision in an action involving, on the one hand, 420 Parent, and, on the other, Tilray Inc (**Tilray**) and High Park Shops Inc. (**High Park**) (**Tilray Litigation**), described in greater detail below.

B. *CCAA* Proceedings

[4] On September 19, 2024, the Court granted an initial order on the application of the NOI Entities and 420 Dispensaries Ltd (**Dispensaries**) (collectively, **Applicants**) continuing the NOI

Proceedings under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36 (***CCAA***) (***CCAA* Proceedings**). On the same date, the Court granted an amended and restated initial order (**ARIO**) extending the stay period to December 16, 2024, as well as a claims procedure order.

[5] On October 2, 2024, Jones J granted an order (**SISP Order**), approving a sale and investment solicitation process (**SISP**). As discussed in greater detail later, the SISP did not result in a sale transaction.

[6] On December 5, 2024 and again on February 14, 2025, the Court granted orders extending the *CCAA* stay period to February 25, 2025 and March 31, 2025 respectively.

C. Tilray Litigation

[7] At all material times, 420 Parent owned and operated retail cannabis stores in Alberta. Pursuant to an Arrangement Agreement dated August 28, 2019 (**Arrangement Agreement**), Tilray and High Park agreed to acquire 420 Parent for $70 million plus a potential additional $44 million in contingent consideration. As part of the proposed transaction, pursuant to a loan agreement (**Loan Agreement**), High Park provided $7 million in bridge financing (**Bridge Loan**) to 420 Parent to facilitate the continued development of retail stores before the closing of the Arrangement Agreement. The Loan Agreement provided for the repayment of the Bridge Loan on the later of (i) 180 days from the advance of funds or (ii) the termination of the Arrangement Agreement.

[8] On January 28, 2020, and February 4, 2020, Tilray and High Park provided 420 Parent with notices of alleged breaches of the Arrangement Agreement, which 420 Parent rejected because Tilray and High Park had not particularized the alleged breaches. On February 21, 2020, 420 Parent commenced an action against Tilray and High Park. On February 26, 2020, Tilray and High Park issued a notice of termination, citing 420 Parent's failure to cure the alleged breaches within the time allowed under the Arrangement Agreement.

[9] On March 11, 2020, High Park issued a notice of acceleration requiring 420 Parent to repay the Bridge Loan. When 420 Parent refused to repay the Bridge Loan, Tilray and High Park counterclaimed, seeking the repayment of the $7 million advance (**High Park Counterclaim**). In an unpublished endorsement dated February 7, 2024, Applications Judge Farrington granted High Park's application for summary judgment (**High Park Summary Judgment**), the effect of which was to make enforceable the repayment of the amount advanced under the Bridge Loan plus interest. 420 Parent appealed the High Park Summary Judgment. Shortly thereafter, High Park commenced enforcement proceedings against 420 Parent, which led the NOI Entities to file the NOI. 420 Parent appealed the High Park Summary Judgment.

[10] On October 16, 2024, Feasby J allowed 420 Parent's appeal of the High Park Summary Judgment (***420 Investments Ltd v Tilray Inc***, 2024 ABKB 610 (**Feasby Decision**)). Given their importance in these proceedings, I have set out the relevant portions of the Feasby Decision:

> [17] The Applications Judge recognized that Tilray and High Park may be liable in respect of [420 Parent's] main claim but did not see that as an obstacle to the enforcement of the Loan Agreement. His view was that the money advanced to 420 [Parent] was owing, and the Loan Agreement provided there was to be no set-off. He concluded that this meant that any claim regarding the Arrangement Agreement should be decided separately. Accordingly, it was appropriate to grant

summary judgment in respect of the counterclaim for the amount of the Bridge Loan.

[18] The Applications Judge's approach overlooked the words of Loan Agreement s 7.1. Loan Agreement s 7.1 makes repayment of the Bridge Loan contingent on the termination of the Arrangement Agreement. Put differently, termination of the Arrangement Agreement is a condition precedent to the enforcement of the Bridge Loan. This requires the Court to determine whether the Arrangement Agreement has been terminated.

[19] The Arrangement Agreement can only be terminated in accordance with its terms. Article 7.1 of the Arrangement Agreement provides the grounds on which it may be terminated, and art 4.7 outlines the required contents of a notice to terminate. To determine whether there has been a "termination of the Arrangement Agreement" for the purposes of Loan Agreement s 7.1 it is necessary to determine whether the procedural and substantive requirements for termination under the Arrangement Agreement have been satisfied. The parties have adduced conflicting evidence concerning whether the procedural and substantive requirements for termination of the Arrangement Agreement have been satisfied.

[20] Termination of the Arrangement Agreement is a question that is integral to 420's main claim for specific performance and Tilray and High Park's defence to that claim. Termination of the Arrangement Agreement is not amenable to summary determination. Whether the notices of termination provided the particulars required by Arrangement Agreement art 4.7 and whether the alleged grounds of termination can be proved are issues for trial. It would be contrary to the interests of justice to decide these issues summarily in the face of conflicting evidence when those issues are central to the main action.

[21] The only way around the interpretation of Loan Agreement s 7.1 that I have outlined is to do what the Applications Judge did and effectively read "termination of the Arrangement Agreement" as meaning "delivery of a notice of termination." This reading is not consistent with the text of Loan Agreement s 7.1 which refers to the Arrangement Agreement and, in my view, thereby requires the Court to consider whether the evidence shows that the termination provisions of the Arrangement Agreement have been satisfied. Further, from a practical standpoint, such an interpretation allows Tilray and High Park to call the Bridge Loan by issuing a notice of termination of the Arrangement Agreement even if they do not have a *bona fide* basis to issue a notice of termination.

[emphasis added in para 18]

[11] Accordingly, repayment of the Bridge Loan is not currently enforceable by High Park against 420 Parent because its repayment is contingent on whether termination of the Arrangement Agreement has occurred. The issue of whether the Arrangement Agreement has been terminated remains unresolved, and according to Justice Feasby, it cannot be resolved in a summary manner. High Park has appealed the Feasby Decision. The Court of Appeal has scheduled the hearing of High Park's appeal for April 17, 2025.

[12] Although the parties disagree on the degree of progress and advancement of 420's claim against Tilray and High Park, one claiming not very advanced, the other, significantly so, I need not decide as it does not impact my decision.

II. Applications and Cross-Application in Issue

[13] The Applicants seek an order permitting the filing of a plan of compromise and arrangement (**Proposed Plan**) and calling for a meeting of creditors to vote on the plan (**Creditors' Meeting**). Although the Applicants indicated an April 3, 2025 Creditors' Meeting date, in response to my questions at the hearing regarding the suitability of holding it after the Court of Appeal hearing, the Applicants expressed openness to doing so.

[14] The salient features of the Proposed Plan include the following:

a. the Applicants will borrow a pool of cash (**Creditor Cash Pool**);

b. the unsecured creditors of 420 OpCo and Green Rock (**OpCo Unsecured Creditors**) will have their proven claims satisfied in full through a combination of their proportional share of the Creditor Cash Pool, currently estimated at 55 cents on the dollar, and by electing to potentially receive the other 45 cents on the dollar, either from:

   (i) the issuance by 420 Parent of such number of its shares having equivalent value to the differential; or

   (ii) future proceeds from a final judgment obtained in the Tilray Litigation, if any, in an amount equal to but not exceeding the differential;

c. Stoke Canada Finance Corp. (**Stoke**), the senior secured lender of OpCo, will have its claim paid in full;

d. the secured creditors of 420 Parent and 420 Dispensaries to be unaffected creditors;

e. the Tilray Litigation, including the High Park Counterclaim, is preserved and can continue unaffected following emergence from the *CCAA* proceedings;

f. the Applicants and their retail operations would continue for the benefit of all stakeholders.

[15] Under the Proposed Plan, two classes of affected creditors would be created, voting separately. If accepted in sufficient number and value, the Applicants will return to the Court to seek approval of the Proposed Plan and have reserved time on April 24, 2025 (**Sanction Hearing**).

[16] The Applicants also seek an order extending the *CCAA* stay to April 30, 2025.

[17] High Park opposes the applications and cross-applies for orders that enhance the Monitor's powers and direct the Monitor to resume the SISP.

III. Analysis

A. Should the Court Grant the Creditors' Meeting Order?

1. Legislative Authority and Decision-Making Framework

[18] The Court derives its authority to order a creditor meeting from sections 4 and 5 of the *CCAA*: ***Delta 9 Cannabis Inc (Re)***, 2024 ABKB 657 (***Delta 9***), para 9. The statutory provisions are permissive and require the exercise of judicial discretion in furtherance of the *CCAA's* remedial purpose (para 10-11).

[19] The *CCAA* is remedial and seeks to provide for timely, efficient and impartial resolution of a debtor's insolvency, preserving and maximizing the value of a debtor's assets, ensuring fair and equitable treatment of the claims against a debtor, protecting the public interest, and balancing the costs and benefits of restructuring or liquidating the company: ***9354-9186 Québec inc v Callidus Capital Corp***, 2020 SCC 10 (***Callidus***), paras 40-42; ***Delta 9***, para 11.

[20] Historically, proceedings under the *CCAA* typically involved an approach to "facilitate the reorganization and survival of the pre-filing debtor company" as "a going concern", failing which "the alternative course of action [is] a liquidation through either a receivership or under the *BIA*" (***Callidus*** para 41). Over time, the approach has evolved "to permit outcomes that do not result in the emergence of the pre-filing debtor company in a restructured state, but rather involve some form of liquidation" (***Callidus***, para 42).

[21] In ***Delta 9***, Marion J comprehensively surveys Canadian jurisprudence regarding the test as to whether a creditor meeting should be ordered. As he observes, the decision to order a meeting requires an assessment of whether it is in the best interests of the debtor and its stakeholders to hold such a meeting. The decision to order a meeting is performed on a low standard. Because an order directing a creditors' meeting is often uncontroversial, the decision-making process generally does not involve argument as to whether the proposed plan is fair and reasonable (paras 12-13).

[22] As in this case, where the application for a creditors' meeting is opposed, Marion J explains that the Court should more carefully examine the material filed and the issues or concerns raised. Moreover, "the Court may consider the equities as they relate to the debtor companies and its secured creditor" (***Delta 9***, para 14).

[23] Marion J provides a non-exhaustive list of circumstances where courts have refused to grant a creditors' meeting order (***Delta 9***, para 15):

a. the plan is not in the best interests of the debtor and its stakeholders;

b. where there is no reasonable chance the debtor will be able to continue in business;

c. where the plan "lacks economic reality";

d. where there is no hope creditors would approve the plan, but the Court should not impose too a heavy burden on the proponent to establish the likelihood of success or second guess the probability of success (except where doomed to fail);

e. where the Court would not approve the plan, including where the Court lacks jurisdiction to sanction it;

f. where the plan is inconsistent with court orders or the *CCAA* process did not unfold fairly and transparently.

[24] Of the instances enumerated above, High Park opposes the Creditors' Meeting Order under a, d, and f. In addition, High Park argues that the Plan should not be approved because it disregards and negatively and unfairly impacts High Park, a secured creditor of 420 Parent, and prohibits High Park from voting on the Proposed Plan.

2. What happened in the SISP?

[25] High Park's opposition to the Creditors' Meeting Order is largely shaped by its perspective on how the SISP unfolded. To provide context, I have outlined the parties' perspectives on what occurred in the SISP. In doing so, I have largely borrowed from their counsels' briefs. Accordingly, the reader should not interpret my reasons in this section as making findings or inferences of fact, except if specifically stated.

a) High Park's Perspective

[26] The SISP proceeded in two phases. In Phase 1, interested parties were required to provide non-binding letters of intent (LOI). The Monitor was tasked with determining whether an LOI qualified for participation in Phase 2; qualified parties would then provide binding offers in accordance with the SISP requirements and timelines. Following the Phase 2 bid deadline, the Monitor was tasked with assessing the bids and notifying bidders as to whether any of their respective bids constituted a Phase 2 Qualified bid.

[27] High Park states that it actively engaged in good faith with the SISP. It made an offer to 420 Parent, which could have been pursued by the Applicants in combination with any bid for their operating assets by another party. High Park also partnered with One Plant (Retail) Corp (**One Plant**), and together, they prepared and submitted an LOI in Phase 1. On November 22, 2024, the Monitor confirmed that High Park and One Plant were deemed qualified bidders for Phase 2 of the SISP, jointly in respect of their joint LOI, and High Park alone, in respect of its individual bid.

[28] High Park and One Plant assert that they prepared a detailed bid for Phase 2 of the SISP (**Joint Bid**) and confidentially provided it to the Monitor on December 20, 2024, in accordance with the timelines and requirements under the SISP. They say the Joint Bid followed the template subscription agreement provided by the Applicants and the Monitor. High Park and One Plant paid a cash deposit in trust to the Monitor in connection with the Joint Bid. In their view, the Joint Bid provided two options for the purchase price, which would be either a combination of cash and a credit bid of certain amounts outstanding under the Loan Agreement, or entirely cash consideration. The quantum of cash consideration is the subject of a sealing order.

[29] According to High Park, under either option, the cash consideration provided under the Joint Bid was sufficient to pay in full (a) all secured creditors of 420 OpCo and Green Rock, (b) all third-party unsecured creditors of 420 OpCo and Green Rock, and (c) all claims against 420 Parent which rank in priority to High Park's claim, including Nomos' secured claim. The reference to third-party unsecured claims is to distinguish from the intercompany claims owed by 420 OpCo and Green to 420 Parent, which would be assumed under the Joint Bid.

[30] In their view, the Joint Bid was not conditional on any due diligence or financing. The Joint Bid provided for a going concern sale. High Park and One Plant would assume leases in respect of nearly all of the Applicants' stores (save up to 3 identified before closing). Offers of

employment would be extended to at least 90% of the Applicants' employees at retail and head office levels.

[31] Neither the Applicants nor the Monitor provided any feedback or asked any questions of High Park after the Joint bid was submitted. According to High Park, it was prepared to engage in good-faith negotiations.

[32] On January 7, 2025, High Park received a letter from the Monitor confirming the Joint Bid was a Phase 2 Qualifying Bid, but that the Applicants had advised that no bid would be selected in the SISP and the Applicants had elected to advance a plan of arrangement "intended to provide realizations to creditors that are [in] excess of any potential realizations creditors may receive by advancing a Phase 2 Qualified Bid". According to High Park, this was the first time that High Park was informed that a plan of arrangement was substantially ready for acceptance.

[33] High Park asserts that the Proposed Plan does not provide realizations to creditors exceeding those available under the Joint Bid.

[34] High Park says that it became apparent that the Monitor and the Applicants may have misunderstood certain aspects of the Joint Bid. Through its counsel (not High Park's counsel on this application), High Park wrote to the Monitor's counsel to clarify the Joint Bid, reiterating that the Joint Bid would see all third-party creditors repaid in full, and indicating that High Park and One Plant remained ready and willing to progress the Joint Bid. Notwithstanding the clarifications provided, the Applicants proceeded to pursue the Proposed Plan, which High Parks says is a "materially less favourable Plan".

b) The Applicants' Perspective

[35] According to the Applicants, the SISP involved significant marketing efforts, and they, along with the Monitor, worked diligently with interested bidders to provide information, solicit bids in Phase I, and advance bids from Phase 1 to Phase 2. According to the Applicants, the SISP Order required bidders to put their best foot forward by the Phase 2 bid deadline, after which the Applicants and monitor would determine the best bid.

[36] Upon their review of the Joint Bid, the Applicants assert that they and the Monitor concluded that the Joint Bid was not the best bid as it not only did not offer full cash payout to unsecured creditors as High Park claims it does, but it also did not offer the best cash payout to unsecured creditors out of the bids received. Further, according to the Applicants, it did not appear that Stoke, 420 OpCo's secured creditor, would receive any payment under the Joint Bid.

c) The Monitor's Third Report

[37] The Monitor is the Court-appointed officer designated by the Initial Order to, among other things, report to the Court concerning matters relevant to the *CCAA* proceedings.

[38] In its Third Report, the Monitor confirms that the Applicants and the Monitor reviewed the Joint Bid. Contrary to High Park's assertion that the consideration under the Joint Bid would repay in full all of 420 OpCo's and Green Rock's third-party unsecured creditors and 420 Parent's senior secured creditor, at the time of reviewing the Joint Bid, the Monitor and the Applicants concluded that the Joint Bid, as structured, did not accomplish the payout of 420 OpCo's and Green Rock's third-party creditors. The Monitor's analysis is also detailed in a Confidential Annex to the Third Report, which is the subject of a restricted court access order.

[39] Moreover, the Monitor indicates that the Applicants were of the view that the offers received for the Tilray Litigation did not maximize value. The Third Report confirms that the Applicants rejected the Joint Bid and all other bids received in the SISP because the Applicants believed they could advance a plan that would result in an equal or greater outcome for stakeholders.

[40] In its Third Report, the Monitor confirmed receipt of the letter from High Park and Tilray's counsel (not its counsel in this proceeding) referenced earlier. Following its receipt, the Monitor responded, explaining and commenting on other matters that both the Monitor's and the Applicants' understanding of the mechanics of the Joint Bid was that it would not result in distributions to 420 OpCo's creditors. A further email was sent to High Park's counsel, further explaining the Monitor's views on the Joint Bid.

[41] Following receipt of the Monitor's letter and email, High Park's counsel on this application wrote to the Monitor further clarifying the Joint Bid, which, in their view, would provide for a full recovery for the creditors of 420 OpCo. However, High Park's counsel acknowledged that the allocation of the consideration in the Joint Bid was not clear, and that the lack of clarity was caused by the Applicants' deficient form of subscription agreement, which did not allow for the allocation of the consideration.

[42] At page 24 of the Third Report, the Monitor states:

> The Monitor is of the view that it now understands the intent of the Joint Bid with the subsequent clarifications, (the "Clarified Joint Bid"), however, it remains of the view that the initial Joint Bid did not achieve the intent of the Clarified Joint Bid.
>
> The Monitor understands the intent of the Resumed SISP would therefore allow High Park to clarify and resubmit its bid for consideration by the Applicants and their creditors. If the Clarified Joint Bid were advanced as clarified, it would result in the assumption of the Intercompany Claims and a full cash payment of the Affected Claims. However, the Monitor cannot guarantee that the Clarified Joint Bid would be advanced in the manner presented or that this Court would sanction a transaction arising from the Clarified Joint Bid.

[43] As expected in the case of a court-appointed officer, the Monitor confirms in its Third Report that it takes no position in these applications.

3. Should the Court make the Creditors' Meeting Order?

[44] In this section, I will assess whether the Creditors' Meeting Order should be granted by reference to the grounds upon which High Park says it should be refused.

a) Is the Proposed Plan not in the best interests of the Applicants' creditors?

[45] The thrust of High Park's argument can be summarized as follows: the Joint Bid immediately puts more money into the Applicants' creditors' hands than does the Proposed Plan; therefore, the Proposed Plan cannot be in the best interests of the Applicants' creditors, only the Joint Bid is in the best interests of the creditors, and their interests can only be best served by reopening the SISP. I reject High Park's argument for the following reasons.

[46] First, in the context of the *CCAA* proceedings, while the quantum of recovery is an important consideration in assessing the best interests of creditors, it is not the only one. Undoubtedly, unsecured creditors strive for the greatest recovery possible; however, as Counsel for RioCan pointed out, unsecured creditors, such as RioCan, which supports the Proposed Plan, are also interested in "certainty and finality in a speedy process". While not necessarily quantifiable in pecuniary terms, I agree that certainty and finality can provide a range of value to stakeholders, depending on their circumstances, and is an important consideration in the best interests analysis.

[47] Second, while the Proposed Plan does not offer immediate 100% recovery, it does offer a path to full recovery. As currently contemplated, affected creditors are expected to receive 55 cents on the dollar and can elect between two options that may make them whole in the future. One option involves the election to receive such number of 420 Parent shares equal in value to the differential. Some creditors, perhaps those having confidence in 420 Parent's management team and longer-term prospects, may find this option attractive as it represents an opportunity to invest and obtain considerably more than the differential. The other option, a future right to receive the differential via proceeds from the successful prosecution of and recovery from the Tilray Litigation, may be attractive to those affected creditors who value certainty and finality in a speedy process.

[48] Third, I find it essential to consider whose interests the Joint Bid *best* serves. I find the answer is evident: High Park.

[49] When the Applicants sought the SISP Order, they argued that the Tilray Litigation should not be included. High Park strenuously argued that it should be included. In deciding to include the Tilray Litigation in the SISP, Justice Jones posited that the best way to determine the value of the Applicants' assets was to include all of them in the SISP, including the Tilray Litigation, and that some useful information *may* emerge from the process. Based on my review of the information provided by the Monitor in the confidential appendices to its Second and Third Reports, it turns out that very little information regarding the valuation of the Tilray Litigation emerged.

[50] In my view, the fact that very little useful information about the value of the Tilray Litigation emerged is likely explained by the unique nature of this intangible asset. Some intangible assets are not only more easily valued than others, but they may also be more desirable to an investor. Take, for instance, an intangible asset, such as goodwill or a client list. A hypothetical investor may be inclined to acquire and ascribe value to that asset because it contributes positively to the underlying business's profit-making apparatus. Compare that scenario with an interest in a contractual breach lawsuit, which is also an intangible asset. In my view, there are several reasons why a hypothetical investor may be less inclined to acquire or value such an asset. Although potentially lucrative if successful, lawsuits generally do not significantly contribute to a business's profit-making apparatus. They generally don't increase revenue or attract a new business clientele. They require time and often divert management's attention from its focus on the business and its profitability. A hypothetical investor may not wish to retain those in the management group with the requisite information and knowledge to pursue the lawsuit successfully.

[51] Unlike the hypothetical investor, High Park is highly motivated to acquire the Tilray Litigation. By submitting the Joint Bid, which would have resulted in the acquisition of nearly all

the Applicants' assets, including the Tilray Litigation, for a price that results in full recovery to all creditors (which High Park says is the only bid in the stakeholders' best interests), not only can High Park set as low a price as possible for the Tilray Litigation but it can also argue that any arrangement or compromise plan put forward that does not offer full recovery is not in the stakeholders' best interests. It's a circular argument.

[52] I am not persuaded that the Creditors' Meeting Order should not be granted because it is not in the creditors' best interests.

b) Is there no hope that the creditors will approve the Proposed Plan?

[53] High Park submits that there is no hope that the creditors will approve the Proposed Plan as it appears unlikely that those creditors are aware of at least one alternative available that would see them immediately repaid in full: the Joint Bid. At least one unsecured creditor, with knowledge of the Joint Bid, indicated at the hearing of this application that it supported the Proposed Plan, preferring certainty and finality over recovery.

[54] I am not persuaded that the Creditors' Meeting Order should not be granted because there is no hope that the creditors will approve the Proposed Plan.

c) Did the process not evolve fairly or transparently?

[55] High Park submits that, in exercising its discretion whether to grant the Creditors' Meeting Order, I should examine the unique circumstances surrounding the SISP that was conducted and then "abruptly" abandoned. High Park points to the fact that the Applicants "plainly did not want to include the Litigation Asset in the SISP." While it is true that the Applicants argued against the inclusion of the Tilray Litigation in the SISP, they were also clear that they did not view their insolvency as a liquidation, nor were they obliged to put everything on the market, nor complete a sale under the SISP. That the Applicants did not proceed with a transaction under the SISP and instead are now proceeding with the Proposed Plan does not mean the process did not evolve fairly or transparently. I find no unfairness or lack of transparency in how the process evolved.

[56] High Park also advances arguments regarding the funding the Applicants have obtained to fund the Proposed Plan, which High Park says may impact its ability to recover amounts advanced under the Loan Agreement. According to High Park, the details of the proposed financing ought to be disclosed to creditors and the Court. Based on the record before me, I am unable to determine whether the new funding will adversely impact High Park's ability to eventually recover on the Bridge Loan. That said, as Feasby J determined, repayment of the Bridge Loan is contingent on the Court's determination of whether the Arrangement Agreement has been terminated. At this stage, I am not prepared to deny the Creditors' Meeting Order because of the potential impact the proposed financing may have on repayment of the Bridge Loan. Depending on the outcome of the Creditors' Meeting and the hearing in the Court of Appeal, this may be an issue better suited for the Sanction Hearing.

d) Should the Proposed Plan not be approved by the Court?

[57] In its brief, High Park argues that the Court should not approve the Proposed Plan for two main reasons: (i) it is an affected creditor entitled to vote on the Proposed Plan, and (ii) there is no reasonable chance that the applicants will be able to continue their business if the Proposed Plan is approved. I will address these issues in reverse order.

(1) Is there no reasonable chance that the applicants will be able to continue their business if the Proposed Plan is approved?

[58] High Park advances several arguments under this heading, which I find to be largely speculative.

[59] Regarding the appeal of the Feasby Decision, the Court of Appeal's disposition may render the Applicants unable to continue their business if repayment of the Bridge Loan becomes enforceable. However, that is not the current situation, and these *CCAA* proceedings should not be grounded to a halt awaiting the outcome. Nor should they be because the Applicants have not disclosed how they intend to fund the continued pursuit of the Tilray Litigation.

[60] Regarding High Park's submission that 420 Parent has no means to repay the Nomos debt and that that debt will be immediately due upon implementation of the Proposed Plan if approved by the creditors and sanctioned by the Court, I have no information regarding Nomos' intentions if the Proposed Plan is approved. Given that the Applicants were able to obtain financing to fund the Proposed Plan, I surmise that the Applicants and/or the proposal funder may have received some assurances regarding Nomos' intentions.

(2) Is High Park an affected creditor entitled to vote at the Creditors' Meeting?

[61] Although it is generally accepted that creditors with provable claims are usually entitled to vote on plans of arrangement, it is "subject to the proper exercise of discretion by the supervising judge to constrain or bar the creditor's right to vote" (***Callidus***, para 56; ***Delta 9***, para 19). Barring a creditor from voting at a plan approval meeting should only occur "where the circumstances demand such an outcome", which is "necessarily a discretionary, circumstance-specific inquiry" (***Callidus***, para 69). In addition (at para 70):

> ... The exercise of this discretion must further the remedial objectives of the *CCAA* and be guided by the baseline considerations of appropriateness, good faith, and due diligence. This means that, where a creditor is seeking to exercise its voting rights in a manner that frustrates, undermines, or runs counter to those objectives — that is, acting for an "improper purpose" — the supervising judge has the discretion to bar that creditor from voting.

See also: ***Canada v Canada North Group***, 2021 SCC 30, per Côté J at para 21; per Karakatsanis J at para 138.

[62] The Applicants argue that High Park's claim is contingent. They submit that the situation is analogous to that in ***Nalcor Energy v Grant Thornton Poirier Ltd***, 2015 NBQB 20. I agree with High Park that the facts of that case are very different. Importantly, the case did not, like here, involve an advance of money. In the High Park Counterclaim, the issue for determination is the timing of when the advance of money is repayable, an issue which Feasby J determined was not capable of being decided in a summary way. As matters stand, the Bridge Loan is not currently repayable and will not be until after a decision has been made at trial. Several years away.

[63] In my view, this case presents unique circumstances that necessitate denying High Park the right to vote on the Proposed Plan. Repayment of the Bridge Loan is currently not enforceable, and it is unlikely to become enforceable for some time. A trial decision favourable

to 420 Parent may result in the Bridge Loan being set off against damages awarded to 420 Parent. If High Park were allowed to vote at the creditors' meeting, the outcome would be a foregone conclusion. In my view, to allow High Park to vote would unduly prejudice the other creditors, particularly the unsecured creditors, who are not awaiting a trial judgment but are presently owed money, and who may be interested in certainty and finality in a speedy process.

[64] Moreover, a failed creditors' meeting would undoubtedly lead to the resumption of the SISP and the likely liquidation of the Applicants. It is not readily apparent to me that a liquidation of the Applicants is required. As the Applicants' CEO, Mr. Morrow, attests, the Applicants have been able to run on a cashflow positive basis in these proceedings without the need for DIP financing. It must also be recalled that the Applicants find themselves in these *CCAA* proceedings as a result of the High Park Summary Judgment and High Park's enforcement measures. Those measures have ceased in light of the Feasby Decision.

[65] For these reasons, I am exercising my discretion to deny High Park the right to vote on the Proposed Plan at the Creditors' Meeting.

e) Creditors' Meeting Order is granted

[66] For all these reasons, the application seeking an order permitting the filing of the Proposed Plan and calling the Creditors' Meeting is granted.

B. Should the *CCAA* Stay be Extended?

[67] The current *CCAA* Stay is set to expire on Monday. Given my decision to permit the filing of the Proposed Plan and calling the Creditors' Meeting, extending the stay is appropriate. I am satisfied that the Applicants have acted and continue to act in good faith and with due diligence.

[68] Although the Applicants had requested that the stay be extended to April 30, 2025, this may not provide sufficient time to finalize the Proposed Plan and hold the Creditors' Meeting. The Applicants also expressed some willingness to call the meeting for a date after the hearing of the appeal of the Feasby Decision. I express no opinion on the appropriateness of delaying the Creditors' Meeting. Given these considerations and the costs associated with a court application to merely extend the stay, I would order the stay be extended to Friday, May 23, 2025.

C. Resumption of SISP with Enhanced Powers to the Monitor

[69] Given my decision to permit the filing of the Proposed Plan and calling the Creditors' Meeting, I dismiss High Park's application seeking the resumption of the SISP and the granting of enhanced powers to the Monitor.

Heard on the 14th day of March, 2025.
Dated at the City of Calgary, Alberta this 27th day of March, 2025.

Michael Bourque

M.H. Bourque
J.C.K.B.A.

Appearances:

Karen Fellowes KC, Archer Bell, and Matti Lemmens, Stikeman Elliott LLP
for the Applicants, 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.

Kelly J. Bourassa, Jenna Willis and N. Huertas, Blake, Cassels & Graydon LLP
for the Respondents High Park Shops Inc.

S. Miller, JSS Barristers
Litigation Counsel for High Park Shops Inc.

Michael Selnes, Bennett Jones LLP
for the Monitor, KSV Restructuring Inc.

L. Galessiere, Camelino Galessiere LLP
for RioCan REIT

M. Fleming, Loopstra Nixon LLP
for Nomos Capital

G. Schacter for Stoke Inventory Partners Inc.

D. Segal, Justice Canada
for Canada Revenue Agency

This is **Exhibit "D"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025

Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

COURT FILE NUMBER	2401-17986
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF *THE COMPANIES, CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.
DOCUMENT	**ORDER (Creditors' Meeting Order)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**STIKEMAN ELLIOTT LLP** Barristers & Solicitors 4200 Bankers Hall West 888-3rd Street SW Calgary, AB T2P 5C5 **Karen Fellowes, K.C. / Archer Bell** Tel: (403) 724-9469 / (403) 724-9485 Fax: (403) 266-9034 Email: kfellowes@stikeman.com / abell@stikeman.com File No.: 155857.1002

DATE ON WHICH ORDER WAS PRONOUNCED:	March 27, 2025
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice Bourque
LOCATION OF HEARING:	Calgary Courts Centre

UPON the application (the "**Application**") of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**"), and 420 Dispensaries Ltd. ("**420 Dispensaries**" and collectively, "**FOUR20**"), for an Order, among other things: (i) accepting the filing of the Plan of Compromise and Arrangement dated March 4, 2025, attached hereto as Schedule "1", as it may be amended, restated, supplemented, or modified (the "**Plan**") of FOUR20, (ii) authorizing the classification of creditors for purposes of voting on the Plan; (iii) authorizing and directing FOUR20 to call, hold and conduct a meeting of Affected Creditors to vote on a resolution to approve the Plan; (iv) authorizing and directing the mailing and distribution of the Meeting Materials; and (v) approving the procedures to be followed with respect to the creditors' Meeting;

AND UPON reading the Application; the Affidavit of Scott Morrow, sworn March 4, 2025; the Application of High Park Shops Inc. ("**High Park**") filed March 7, 2025; the Affidavit of Carl Merton, affirmed on March

6, 2025; the Affidavit of Lisa Roy, sworn on March 7, 2025; the Third Report dated March 11, 2025 (the "**Monitor's Report**") of KSV Restructuring Inc. in its capacity as monitor of FOUR20 (the "**Monitor**"); the Affidavit of Scott Morrow, sworn on March 12, 2025; and the Affidavit of Lisa Roy, sworn on March 13, 2025;

AND UPON hearing from counsel for the interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. All capitalized terms used but not otherwise defined herein having the meanings ascribed to such terms in the Plan.

THE PLAN

2. The Plan is hereby accepted for filing and FOUR20 is hereby authorized and directed to call the Meeting for the purpose of having the Eligible Voting Creditors vote on the Plan in the manner set out herein.

3. FOUR20 may, at any time prior to or at the Meeting, amend, restate, modify and/or supplement the Plan (each a "**Plan Modification**"), in consultation with the Monitor, provided that:

   (i) prior to the Meeting, notice of any Plan Modification shall be posted on the Monitor's Website; and

   (ii) during the Meeting, notice of any Plan Modification shall be given to all Affected Creditors present (or deemed present) at such meeting in person or by Proxy, promptly posted on the Monitor's Website and filed with the Court as soon as practicable following the Meeting.

4. After the Meeting (and both prior to and subsequent to the obtaining of any Sanction Order), FOUR20 may at any time and from time to time, in consultation with the Monitor, effect a Plan Modification (a) pursuant to an Order of the Court, or (b) where such Plan Modification concerns a matter which, in the opinion of FOUR20, is of an administrative nature required to give effect to the implementation of the Plan and the Sanction Order, or to cure any errors, omissions, or ambiguities, and in either case is not materially prejudicial to the financial or economic interests of the Affected Creditors. The Monitor shall forthwith post on the Monitor's Website any such Plan Modification.

FORMS OF DOCUMENTS

5. The (i) Notice to Affected Creditors substantially in the form attached as Schedule "2" hereto (the "**Notice to Affected Creditors**"), (ii) Affected Creditor Proxy substantially in the form attached as Schedule "3" hereto (the "**Affected Creditor Proxy**"), and (iii) Convenience Election Notice substantially in the form attached as Schedule "4" hereto (the "**Convenience Election Notice**"), as each may be amended, supplemented or restated, are hereby approved and FOUR20, with the consent of the Monitor, is hereby authorized to make changes to such forms as may be necessary to conform the contents thereof to the terms of the Plan or this Meeting Order.

CLASSIFICATION OF CREDITORS

6. For the purposes of considering and voting on the Plan, there will be two (2) classes of Creditors:

   (i) The secured creditors of 420 OpCo; and

   (ii) The unsecured creditors of all FOUR20 entities

   (collectively, the "**Affected Creditors**").

NOTICE TO GENERAL UNSECURED CREDITORS

7. The Monitor shall, within two (2) Business Days following the date of the granting of this Meeting Order, serve copies on the Service List and post electronic copies of meeting materials (the "**Meeting Materials**") comprising the following on the Monitor's Website:

   (i) the Notice to Affected Creditors;

   (ii) this Meeting Order;

   (iii) a blank form of Affected Creditor Proxy, to be submitted to the Monitor by any Eligible Voting Creditor who wishes to vote at the Meeting, whether in person or by proxy; and

   (iv) the Convenience Election Notice.

8. The Monitor shall, not later than the fifth (5th) Business Day following the date of the granting of this Meeting Order, deliver the Meeting Materials by pre-paid ordinary mail, courier, personal delivery or e-mail to each Affected Creditor, at the address set out in such Affected Creditor's Proof of Claim (or in any other written notice that has been received by the Monitor in advance of such date regarding a change of address for a Affected Creditor).

MONITOR'S REPORT ON PLAN

9. No later than seven (7) Business Days before the date of the Meeting, the Monitor shall serve a report regarding the Plan pursuant to section 23(1)(d.1) of the CCAA by serving a copy of same on the Service List and posting such report on the Monitor's Website.

CONDUCT AT CREDITORS' MEETING

10. FOUR20 is hereby authorized to call, hold and conduct the Meeting on April 11, 2025 at 10:00 a.m. (Calgary time) for the purpose of considering and voting on, with or without variation, the Plan.

11. FOUR20 is authorized to hold the Meeting entirely by electronic means.

12. A representative of the Monitor shall act as chairperson (the "**Chairperson**") of the Meeting and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Meeting.

13. The Monitor may appoint one or more scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Meeting. One or more people designated by the Monitor shall act as secretary at the Meeting.

14. The quorum required at the Meeting shall be at least one Affected Creditor with an Allowed Affected Claim, present at the Meeting in person (by electronic means) or by proxy.

15. If the requisite quorum is not present at the Meeting, the Chairperson may adjourn the meeting, provided that any such adjournment or adjournments must be for a period of not more than seven days in total, unless otherwise agreed to by FOUR20 and the Monitor. In the event of any such adjournment, FOUR20 and the Monitor will not be required to deliver any notice of adjournment of the Meeting or adjourned Meeting provided that the Monitor shall forthwith post notice of the adjournment on the Monitor's Website. Any Affected Creditor Proxy validly delivered in connection with the Meeting will be accepted as a proxy in respect of any adjourned Meeting.

16. The only Persons entitled to attend the Meeting are (i) the Affected Creditors entitled to vote at the Meeting (or, if applicable, any Person holding a valid Affected Creditor Proxy on behalf of one or more such Affected Creditors) and any such Affected Creditor's legal counsel; (ii) Convenience Class Creditors; (iii) the Chairperson, the scrutineers and the secretary; (iv) the Monitor and the Monitor's legal counsel; and (v) one or more representatives of the Board and/or senior management of FOUR20 and FOUR20's legal counsel. Any other person may be admitted to the Meeting on invitation of FOUR20, in consultation with the Monitor.

ASSIGNMENT OF AFFECTED CLAIMS PRIOR TO MEETING

17. Any Affected Creditor may transfer the whole of its Claim prior to the Meeting in accordance with the Plan and this Meeting Order. The Monitor is not obligated to deal with the transferee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee to vote at the Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment ("**Proof of Assignment**") has been given to FOUR20 and the Monitor prior to the commencement of the Meeting, and has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the day that is at least ten (10) Business Days prior to the date of the Meeting. If the Monitor receives and acknowledges such Proof of Assignment in accordance with this Meeting Order and the Plan (i) the transferor of the applicable Claim shall no longer constitute an Affected Creditor in respect of such Claim, and (ii) the transferee or assignee of the applicable Claim shall constitute an Affected Creditor in respect of such Claim and shall be bound by any and all notices previously given to the transferor or assignor in respect thereof and any Affected Creditor Proxy duly submitted in accordance with this Meeting Order. For greater certainty, the Monitor and the Plan Entities shall not recognize partial transfers or assignments of Affected Claims, under any provision of this Order or the Plan.

CONDUCT AND VOTING AT THE MEETING

A. General Voting Procedures

18. At the Meeting, the Chairperson shall direct a vote using the voting options available at the Meeting or by proxy on a resolution to approve the Plan and any amendments thereto.

B. Affected Creditors

19. Affected Creditors (other than Convenience Class Creditors) with Allowed Affected Claims shall be entitled to one (1) vote in the amount equal to their Allowed Affected Claim.

20. An Affected Creditor with Affected Claim exceeding an aggregate of $10,000 may elect to be treated as a Convenience Class Creditor and to receive $10,000 in full satisfaction of such Allowed Affected Claim in accordance with the Plan (to the extent implemented and in accordance with the terms thereof) by submitting a Convenience Election Notice to the Monitor by no later than two (2) Business Days before the Meeting, subject to a later date as FOUR20, in consultation with the Monitor, may agree in the event of an adjournment, postponement or other rescheduling of the Meeting.

21. Any Affected Creditor that is entitled to vote at the Meeting must: (i) duly complete and sign an Affected Creditor Proxy; (ii) specify in the Affected Creditor Proxy the name of the Person with the power to attend and vote at the Meeting on behalf of such Affected Creditor; and (iii) deliver such

Affected Proxy to the Monitor so that it is received at or prior to 5:00 p.m. on the day that is two (2) Business Days before the Meeting and such delivery must be made in accordance with the instructions accompanying such Affected Creditor Proxy.

22. In the event that an Affected Creditor validly submits an Affected Creditor Proxy to the Monitor and subsequently attends the Meeting in person (electronically) and votes inconsistently, such Affected Creditor's vote at the Meeting shall supersede and revoke the earlier received Affected Creditor Proxy.

23. Notwithstanding anything else in in this Meeting Order, the Chairperson shall have the discretion to accept for voting purposes any Affected Creditor Proxy submitted to the Monitor in accordance with this Meeting Order.

C. Convenience Creditors

24. Notwithstanding anything else in this Meeting Order, each Convenience Creditor will be deemed to vote as part of the Affected Class in favour of the Plan. Each vote shall have a value equal to such Convenience Creditor's Convenience Claim. Convenience Creditors shall not be entitled to vote at the Meeting, whether in person or by proxy.

25. Any Affected Creditor with an Allowed Affected Claim greater than $10,000 may elect to receive a Convenience Amount in full satisfaction of its Allowed Affected Claim by filing a Convenience Election by no later than five (5) Business Days prior to the Meeting Date (the "**Convenience Election Deadline**").

VOTING OF DISPUTED CLAIMS

26. Each Affected Creditor with a Disputed Claim against FOUR20 as at the Meeting Date shall be entitled to attend the Meeting and shall be entitled to one vote at said Meeting in respect of such Disputed Claim. Any vote cast in respect of a Disputed Claim shall be dealt with in accordance with paragraph 30 hereof, unless and until (and then only to the extent that) such Disputed Claim is ultimately determined to be: (i) an Allowed Affected Claim, in which case such vote shall have the dollar value attributable to such Allowed Affected Claim; or (ii) a Disallowed Claim (as defined in the Claims Procedure Order), in which case such vote shall be disregarded and not counted for any purpose.

27. The Monitor shall keep a separate record of votes cast by Affected Creditors with Disputed Claims and shall report to the Court with respect thereto at the Sanction Hearing. If approval or non-approval of the Plan by Affected Creditors would be affected by the votes cast in respect of Disputed Claims, such result shall be reported to the Court as soon as reasonably practicable after the Meeting.

28. FOUR20 and the Monitor shall have the right to seek the assistance of the Court at any time in valuing any Disputed Claim if required to ascertain the result of any vote on the Plan.

APPROVAL OF THE PLAN

29. The Plan must receive an affirmative vote of the Required Majority in each of the two classes of Affected Creditors at the Meeting in accordance with section 6 of the CCAA in order to be approved by the Affected Creditors. Following the votes at the Meeting, the scrutineers shall tabulate the votes and the Monitor shall determine whether the Plan has been accepted by the Required Majority.

30. The result of any vote at the Meeting shall be binding on all Affected Creditors, regardless of whether such Affected Creditor was present at or voted at the Meeting or was entitled to be present or vote at the Meeting.

PLAN SANCTION

31. The Monitor shall provide a Monitor's Report to the Court as soon as practicable after the Meeting with respect to:

    (i) the results of voting at the Meeting;

    (ii) whether the Required Majority has approved the Plan;

    (iii) the separate tabulation for Disputed Claims required by this Meeting Order; and

    (iv) in its discretion, any other matters relating to the requested Sanction Order.

32. An electronic copy of the Monitor's Report regarding the Meeting and a copy of the materials filed in respect of the application by FOUR20 for the Sanction Order (the "**Sanction Application**") shall be served on the Service List and posted on the Monitor's Website prior to the Sanction Application.

33. In the event the Plan is approved by the Required Majority, the Sanction Application shall be held on April 24, 2025, or such later date as shall be acceptable to FOUR20 and the Monitor (the "**Sanction Hearing Date**").

34. Any Affected Creditor that wishes to oppose the sanctioning of the Plan must serve on FOUR20, the Monitor, and the service list established in these proceedings (the "**Service List**") copies of all evidence, written argument and/or other materials to be used by the Affected Creditor to oppose the Sanction Application by no later than 5:00 p.m. (Calgary time) on the date that is three (3) Business Days prior to the Sanction Hearing Date.

35. In the event that the Sanction Application is adjourned, only those Persons appearing on the Service List shall be served with notice of the adjourned date.

HIGH PARK'S CROSS-APPLICATION

36. High Park's cross-application returnable March 14, 2025 is dismissed.

GENERAL PROVISIONS

37. Notwithstanding anything contained in this Meeting Order, FOUR20 may decide not to call, hold and conduct the Meeting, provided that:

    (i) in the case of a decision not to conduct a Meeting, the Monitor, FOUR20 or the Chairperson shall communicate such decision to Affected Creditors prior to any vote being taken at the Meeting;

    (ii) FOUR20 shall forthwith provide notice to the Service List of any such decision and shall file a copy thereof with the Court forthwith and in any event prior to the Sanction Application; and

    (iii) the Monitor shall post an electronic copy of any such decision on the Monitor's Website forthwith and in any event prior to the Sanction Application.

38. Nothing in this Meeting Order has the effect of determining Allowed Affected Claims for purposes of distributions or payments under the Plan.

39. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall assist FOUR20 in connection with the matters described herein, and is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by this Meeting Order. The Monitor shall work with the third-party service provider to facilitate the implementation of the Meeting by telephonic or electronic means to the extent necessary or desirable in the sole opinion of the Monitor.

40. FOUR20 and the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this Meeting Order, including with respect to the completion, execution and time of delivery of required forms.

41. The Monitor may, if necessary, apply to this Court for advice and directions regarding its obligations under this Meeting Order.

42. Any notices or other communications to be given under this Meeting Order by any Person to the Monitor or FOUR20 shall be in writing in substantially the form, if any, provided in this Meeting Order and will be deemed sufficiently given only if given by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile, or email addressed to:

FOUR20's Counsel:

STIKEMAN ELLIOTT LLP
4200 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5

Attention: Karen Fellowes, K.C. / Archer Bell
Telephone: (403) 724-9469 / (403) 724-9485
Email: kfellowes@stikeman.com/ abell@stikeman.com

Monitor:

KSV RESTRUCTURING INC.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham
Telephone: (587) 287-2670 / (587) 287-2750
Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

Monitor's Counsel:

BENNETT JONES LLP
4500, 855 2 Street SW
Calgary, AB T2P 4K7

Attention: Michael Selnes
Telephone: (403) 298-3311
Email: selnesm@bennettjones.com

43. Any such notice or communication shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Alberta, the fifth Business Day after mailing in Canada (other than within Alberta), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the date of actual delivery; and (c) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than a Business Day, on the following Business Day.

44. In the event that the day on which any notice or communication required to be delivered pursuant to this Meeting Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

45. If, during any period in which notices or other communications are being given pursuant to this Meeting Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during

the course of any postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Meeting Order.

46. All references to time herein shall mean prevailing local time in Calgary, Alberta, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated.

47. References to the singular herein shall include the plural, references to the plural shall include the singular, and any gender shall include the other gender.

48. Subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the provisions of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

49. This Meeting Order shall have full force and effect in all provinces and territories in Canada.

50. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Meeting Order and to assist FOUR20, the Monitor, and their respective representatives and agents in carrying out the terms of this Meeting Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to FOUR20 and the Monitor, as an officer of this Court, as may be reasonably necessary or desirable to give effect to this Order.

51. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "1"

Plan of Compromise or Arrangement

See attached.

Clerk's Stamp:

COURT FILE NUMBER	2401-17986
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS (EC1) LIMITED, and 420 DISPENSARIES LTD.
DOCUMENT	**PLAN OF COMPROMISE OR ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Stikeman Elliott LLP** 4200 Bankers Hall West 888 3rd St. SW. Calgary, AB T2P 5C5 Attention: Karen Fellowes KC/Archer Bell Phone: (403) 724-9469 Email: kfellowes@stikeman.com/ abell@stikeman.com

PLAN OF COMPROMISE OR ARRANGEMENT
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PLAN OF COMPROMISE OR ARRANGEMENT

WHEREAS:

A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 (the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries)**", (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");

B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.

C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (the "**NOI Proceedings**"). The NOI proceedings were later converted into the CCAA Proceedings.

D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").

E. The Applicants are parties to a binding Loan Agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a pool of cash consideration to be used to compromise and payout the creditors of 420 OpCo and Green Rock in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").

F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

"**Affected Creditor**" means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

"**Affected Creditor Class**" means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

"**Allowed Affected Claims**" means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Applicable Law**" means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

"**Applicants**" has the meaning set out in the recitals hereto.

"**Applicants' Conditions Precedent**" has the meaning set out in Article 7 hereto.

"**Articles**" means the articles of incorporation of the Applicants, as applicable.

"**Assessments**" means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

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

"**Canadian Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

"**Cash Payment**" means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to 55% of such Eligible Voting Creditor's Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

"**CCAA**" has the meaning set out in the recitals hereto.

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

"**Charges**" means the Administration Charge, the Directors' Charge and the KERP Charge.

"**Claim**" means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

"**Claims Bar Date**" has the meaning provided for in the Claims Procedure Order.

"**Claims Procedure Order**" means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

"**Continuing Contract**" means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

"**Convenience Amount**" means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to $10,000; and (b) the amount of such Allowed Affected Claim.

"**Convenience Claim**" means any Affected Claim that is equal to or less than $10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to $10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to $10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

"**Convenience Creditor**" means an Affected Creditor having a Convenience Claim.

"**Convenience Election**" means an election made by an Affected Creditor with an Allowed Affected Claim greater than $10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

"**Convenience Election Deadline**" has the meaning ascribed thereto in the Meeting Order.

"**Convenience Election Notice**" means a notice substantially in the form attached to the Meeting Order.

"**Contingent Claims**" means any claim which the Monitor has marked as Contingent for the purpose of voting in the Plan.

"**Court**" has the meaning set out in the recitals hereto.

"**Creditor**" means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Creditor Cash Pool**" means the amount borrowed by the Companies from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

"**Crown Claims**" means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

"**D&O Claims**" means any or all Pre-Filing D&O Claims and Restructuring Period D&O Clams.

"**D&O Indemnity Claims**" means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

"**Disallowed Claims**" means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Directors**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

"**Directors' Charge**" has the meaning set out in the Initial Order.

"**Disputed Claim**" means an Affected Claim (including a Contingent Affected Claim that may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

"**Eligible Voting Creditors**" means OpCo Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

"**Employee**" means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

"**Employee Priority Claims**" means:

(a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and

(b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants' business during the same period.

"**Employment Agreements**" means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

"**Encumbrance**" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party 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).

"**Equity Claims**" means any or all Claims that meet the definition of "equity claim" in section 2(1) of the CCAA.

"**Equity Claimant**" means any Person with an Equity Claim or holding Existing Equity, in such capacity.

"**Equity Interest**" has the meaning ascribed thereto in section 2(1) of the CCAA.

"**Filing Date**" means June 27, 2024.

"**Final Order**" means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

"**Governmental Entity**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; 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.

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

"**Intercompany Claim**" means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

"**KERP**" has the meaning set out in the Initial Order.

"**KERP Charge**" has the meaning set out in the Initial Order.

"**KERP Prepayment**" has the meaning set out in Section 5.4(c)(iii).

"**List of Claims**" has the meaning set out in the Meeting Order.

"Litigation Proceeds" means a Final Judgment amount or settlement amount in favour of 420 Parent with respect to the Tilray Litigation defined herein;

"Litigation Proceeds Payment" means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an OpCo Unsecured Creditor through participation in the Creditor Cash Pool;

"Litigation Proceeds Payment Process" means the process by which an OpCo Unsecured Creditor will receive the Litigation Proceeds Payment upon their election to choose the Litigation Proceeds Payment;

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

"**Meeting**" means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

"**Meeting Date**" means the date on which the Meeting is held in accordance with the Meeting Order.

"**Meeting Order**" means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Website**" means www.ksvrestructuring.com.

"**Notice to Known Claimants**" means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

"**Officers**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

"**OpCo Unsecured Creditors**" means unsecured creditors of 420 OpCo and Green Rock.

"**Order**" means any order of the Court made in connection with the CCAA Proceeding.

"Parent Shares" means common shares in 420 Investment Ltd., if an Affected Creditor elects to choose the Parent Share Compensation Amount.

"**Parent Share Compensation Amount**" means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

"Parent Share Compensation Amount Process" means the process by which OpCo Unsecured Creditors are issued Parent Shares, upon their election to choose the Parent Share Compensation Amount;

"**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, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Plan**" means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

"**Plan Implementation Fund**" has the meaning set out in Section 4.1.

"**Post-Filing Claim**" means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

"**Pre-Filing Claim**" means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

"**Pre-Filing D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

"**Proof of Claim**" means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

"**Released Claims**" has the meaning set out in Section 8.2.

"**Released Parties**" means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

"**Required Majority**" means a majority in number of OpCo Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

"**Restructuring Period Claim**" means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

"**Restructuring Period D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

"**Implementation Date**" means the Business Day on which the Plan becomes effective.

"**Sanction Order**" means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

"**Secured Claim**" means any or all Claims of a "secured creditor" as defined in section 2(1) of the CCAA.

"Stoke Claim" means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

"Tilray Litigation" means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King's Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

"Tilray Claim" means the counterclaim in the Tilray Litigation.

"**Unaffected Claims**" means any and all:

(a) Secured Claims filed against 420 Parent;

(b) Post-Filing Claims;

(c) Crown Claims;

(d) Claims secured by a Charge;

(e) Employee Priority Claims;

(f) Intercompany Claims, subject to Section 5.4(e);

(g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and

(h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning set out in Section 5.6.

"**Withholding Obligation**" has the meaning set out in Section 5.8.

Section 1.2 Interpretation Not Affected by Headings, etc.

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

Section 1.3 General Construction.

The terms "this Plan", "hereof", "herein" and "hereunder" and similar expressions refer to this Plan 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 Plan.

Section 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.

Section 1.5 Currency

All references in this Plan to dollars, monetary amounts or to $ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

Section 1.6 Statutes

Except as otherwise provided in this Plan, any reference in this Plan 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.

Section 1.7 Date and Time for any Action

For purposes of the Plan:

(a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

Section 1.8 Schedules

The following Schedules are incorporated in and form part of this Plan:

(a) Litigation Proceeds Payment Process Schedule;[1] and

(b) Parent Share Compensation Amount Process Schedule.[2]

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

Section 2.1 Purpose

(a) The purpose of the Plan is to effect the Restructuring pursuant to the terms and conditions of this Plan and to:

(i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;

(ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;

(iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

(b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.

(c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

Section 2.2 Persons Affected

(a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.

(b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

[1] The Litigation Proceeds Payment Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.

[2] The Parent Share Compensation Amount Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.

Section 2.3 Persons Not Affected by the Plan

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

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ARTICLE 3
CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS

Section 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

Section 3.2 Classification of Creditors

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the OpCo Unsecured Creditors and the Stoke Claim.

Section 3.3 Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

Section 3.4 Voting

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

(a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.

(b) Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.

(c) OpCo Unsecured Creditors. Each OpCo Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an OpCo Unsecured Creditors shall be:

(i) the amount shown as owing to such OpCo Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or

(ii) the amount agreed to between such OpCo Unsecured Creditors and the Applicants, and consented to by the Monitor.

Section 3.5 Treatment of Affected Claims

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

(a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;

(b) with respect to OpCo Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Payment at a later date as more fully described under the Litigation Proceeds Election Process, or Parent Share Conversion Payment as more fully described in the Parent Share Conversion Election Process, with such Litigation Proceeds Payment or Parent Share Conversion Payment equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and

(c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Cash Collateral Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

Section 3.6 Treatment of Unaffected Claims

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

Section 3.7 Treatment of Intercompany Claims

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a cash payment, or be able to exercise any election including the litigation proceeds election or the Parent Co. Share Election.

Section 3.8 Treatment of D&O Claims

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

Section 3.9 Treatment of Tilray Claim

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan. Subject to the terms and conditions of the Plan, from and after the final and binding decision from the Alberta Court of King's Bench or Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants. For certainty:

(a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Judgment, or Settlement.

Section 3.10 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

Section 3.11 Extinguishment of Claims

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

Section 3.12 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan, or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

Section 3.13 Set-Off

The law of set-off applies to all Affected Claims.

ARTICLE 4
PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE

Section 4.1 Plan Implementation Fund

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on

behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

Section 4.2 Administrative Expense Reserve

On or prior to the Implementation Date, the Aplicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any post- Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the "**Administration Expenses**"). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

ARTICLE 5
DISTRIBUTIONS AND PAYMENTS

Section 5.1 Distributions Generally

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

Section 5.2 Distributions to Convenience Creditors

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

Section 5.3 Distributions of Cash and Litigation Proceeds Election

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment on the Implementation Date, and such distributions, in combination with remuneration received pursuant to either the Parent Share Compensation Amount Process or the Litigation Proceeds Payment Process, as is applicable, shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who elects to participate in the Litigation Proceeds Payment Process, shall be entitled to receive their Litigation Proceeds Payment by way of the Litigation Proceeds Payment Process, as set out in accordance with a Schedule to this Plan.

If the Plan is approved by the Required Majority of the OpCo Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who elects to participate in the Parent Share Compensation Amount Process, shall be entitled to receive their Parent Co. Shares by way of the Parent Shares Process, as set out in accordance with a Schedule to this Plan.

Section 5.4 Distributions, Payments and Settlements of Unaffected Claims

(a) Post-Filing Claims;

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicant Entities and the Plan Implementation Fund.

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(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of $270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

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Section 5.5 Allocation of Distributions

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

Section 5.6 Treatment of Undeliverable Distributions

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

Section 5.7 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

Section 5.8 Withholding Rights

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the

case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

ARTICLE 6
COURT SANCTION

Section 6.1 Application for Sanction Order

If the Required Majority of OpCo Unsecured Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

Section 6.2 Sanction Order

The Applicants shall seek a Sanction Order that, among other things:

(a) declares that the Meeting was duly called and held in accordance with the Meeting Order;

(b) declares that the Applicants were authorized to present the Plan;

(c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

(d) declares that as of the Restructuring Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the Restructuring Effective Time;

(f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;

(g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:

(i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;

(ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;

(iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or

(v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;

(h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;

(i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;

(j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;

(k) confirms the releases contemplated in Article 8;

(l) declares that the the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and

(m) such other relief which the the Applicants or the Monitor may request.

ARTICLE 7
CONDITIONS PRECEDENT & IMPLEMENTATION

Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the "**Applicants' Conditions Precedent**" prior to or at the Restructuring Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

(a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;

(b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;

(c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;

(d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;

(e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and

(f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

Section 7.2 Failure to Satisfy Conditions Precedent

If the Conditions Precedent are not satisfied or waived on or before the Outside Date, , the applicable Party may provide written notice to the other Party and the Monitor that such Party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each Party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 8
EFFECT OF PLAN; RELEASES

Section 8.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the Restructuring Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

(a) full, final and absolute settlement of all rights of any Affected Creditor; and

(b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

Section 8.2 Released Parties

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the Restructuring Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Restructuring Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "**Released Claims**").

Except for those claims described in Section 8.3, from and after the Restructuring Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the Restructuring Effective Time, with respect to any and all Released Claims against the Released Parties, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including,

without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Lien or Encumbrance of any kind against the Released Parties or their property; or

(e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the Restructuring Effective Time shall, forthwith after the Restructuring Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

Section 8.3 Claims Not Released

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

(a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;

(b) a Released Party if,

(i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or

(ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

Section 8.4 Consents and Agreements at the Restructuring Effective Time

At the Restructuring Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Restructuring Effective Time; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the Restructuring Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

Section 8.5 Waiver of Defaults

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA

Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

ARTICLE 9
GENERAL

Section 9.1 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

Section 9.2 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 9.3 Modification of the Plan

(a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.

(b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.

(c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.

(d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

Section 9.4 Paramountcy

From and after the Restructuring Effective Time, any conflict between:

(a) the Plan or any Order in the CCAA Proceeding; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

Section 9.5 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

Section 9.6 Reviewable Transactions

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

Section 9.7 Responsibilities of the Monitor

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

Section 9.8 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

Section 9.9 Notice

(a) Any notice or other communication under this Agreement shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

Stikeman Elliott LLP
4200 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5Calgary, AB T2P 0B4
Attention: Karen Fellowes, K.C. / Archer Bell
Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham
Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

Bennett Jones LLP
4500, 855 2 Street SW
Calgary, AB T2P 4K7
Attention: Michael Selnes
Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

(b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary 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. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

(c) 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.

(d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

Section 9.10 Further Assurances

Each of the Persons directly or indirectly named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the March 4, 2025.

SCHEDULE "2"

NOTICE TO AFFECTED CREDITORS

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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT

NOTICE OF CREDITORS' MEETING

TO: The Affected Creditors of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**") and / or 420 Dispensaries Ltd. ("**420 Dispensaries**", and together with 420 Parent, 420 OpCo and Green Rock, "**FOUR20**")

NOTICE IS HEREBY GIVEN that a virtual meeting (not an "**in person**" meeting) of the Affected Creditor Classes will be held on April 11, 2025 at 10:00. a.m. (Calgary time) by live audio webcast online or by telephone at:

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

(the "**Creditors' Meeting**") for the following purposes:

to consider and, if deemed advisable, to pass, with or without variation, a resolution of the Affected Creditors (the "**CCAA Plan Resolution**") approving the Plan of Compromise or Arrangement of FOUR20 pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") dated March 4, 2025 (as may be amended, restated, supplemented or modified from time to time in accordance with the terms thereof, the "**CCAA Plan**"); and

to transact such other business as may properly come before the Creditors' Meeting or any adjournment or postponement thereof.

The Creditors' Meeting is being held pursuant to an order (the "**Creditors' Meeting Order**") of the Court of King's Bench of Alberta (the "**Court**") made on March 14, 2025. Capitalized but undefined terms are defined in the CCAA Plan or the Creditors' Meeting Order.

The CCAA Plan contemplates a compromise or arrangement of the Claims of Affected Creditors. The Creditors' Meeting Order has established that quorum for the Creditors' Meeting is the presence, in person (by electronic means) or by proxy of at least one member of the Affected Creditors with an Allowed Affected Claim.

In order for the CCAA Plan to be approved and binding in accordance with the CCAA, the CCAA Plan Resolution must be approved by a required majority of each of the two classes of the Affected Creditors who validly vote, in person "virtually", or by proxy, or were deemed to do so, at the Creditors' Meeting.

Each Affected Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim.[1]

If the CCAA Plan is approved at the Creditors' Meeting, the CCAA Plan must then be sanctioned by the Court before it can be implemented. Subject to Court sanction and the satisfaction of the other conditions precedent to implementation of the CCAA Plan, all Affected Creditors will then receive the treatment set forth in the CCAA Plan.

Attendance at the Creditors' Meeting

The Creditors' Meeting will be a virtual meeting, rather than an "in person" meeting, conducted by way of live audio webcast online or by telephone through Microsoft Teams at:

Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

Affected Creditors with an Allowed Affected Claim and a duly appointed proxy holder will be able to attend the virtual meeting, submit questions and vote in real time, provided they are connected by telephone.

It is the Affected Creditors' and proxy holders' responsibility to ensure internet and/or phone connectivity for the duration of the Creditors' Meeting and you should allow ample time to log in to the meeting online or dial into the meeting by phone before it begins.

Proxy Form

An Affected Creditor entitled to vote at the Creditors' Meeting may attend at the applicable Creditors' Meeting using the information above or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of proxy (the "Affected Creditor Proxy" or "Affected Creditor Proxies") provided to Affected Creditors by the Monitor. Persons appointed as proxyholders need not be Affected Creditors.

In order to be effective, Affected Creditor Proxies must be received by the Monitor by 5:00 p.m. (Calgary time) on the day that is two (2) Business Days before the Creditors' Meeting.

The address of the Monitor is:

[1] Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

If an Affected Creditor specifies a choice with respect to voting on the CCAA Plan Resolution on a Affected Creditor Proxy, the Affected Creditor Proxy will be voted in accordance with the specification so made. **In absence of such specification, an Affected Creditor Proxy will be voted FOR the CCAA Plan Resolution provided that the proxyholder does not otherwise exercise its right to vote at the Creditors' Meeting.**

NOTICE IS ALSO HEREBY GIVEN that if the CCAA Plan is approved at the Creditors' Meeting, FOUR20 intends to bring an application before the Court on April 24, 2025 at 2:00pm (Calgary time) or such later date (the "**Sanction Hearing Date**") as may be posted on the Monitor's Website and on the CaseLines Filesite, at the Court of King's Bench by Zoom or Webex, for which a virtual courtroom link will be circulated to the Service List at a later date. The application will seek an order sanctioning the CCAA Plan under the CCAA and ancillary relief consequent upon such sanction ("**Plan Sanction Order**"). Any Affected Creditor that wishes to oppose the sanctioning of the CCAA Plan pursuant to the Sanction Order must serve on FOUR20, the Monitor and the Service List for FOUR20's CCAA Proceedings a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the application no later than 4:00pm (Calgary time) on the date that is 3 Business Days prior to the Sanction Hearing Date.

This Notice is given by FOUR20 pursuant to the Creditors' Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at https://www.ksvadvisory.com/experience/case/420.

DATED this ___ day of March, 2025.

SCHEDULE "3"

FORM OF AFFECTED CREDITOR PROXY

PROXY AND INSTRUCTIONS

FOR AFFECTED CREDITORS

IN THE MATTER OF THE PROPOSED

PLAN OF COMPROMISE OR ARRANGEMENT OF

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

MEETING OF THE AFFECTED CREDITOR CLASS

to be held pursuant to an Order of the Court of King's Bench of Alberta (the "**Court**") made on March 14, 2025 (the "**Creditors' Meeting Order**") in connection with the Plan of Compromise or Arrangement of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**") and 420 Dispensaries Ltd. ("**420 Dispensaries**", and together with 420 Parent, 420 OpCo, and Green Rock, "**FOUR20**") dated March 4, 2025 (as amended, restated, modified and/or supplemented from time to time, the "**CCAA Plan**"), on April 11, 2025 at 10:00 a.m. (Calgary time) by live audio webcast or telephone through Microsoft Teams at:

Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

and / or at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

PLEASE COMPLETE, SIGN AND DATE THIS PROXY (THE "**PROXY**" OR "**PROXIES**") AND RETURN IT TO KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE MONITOR OF FOUR20 (THE "**MONITOR**") BY 5:00 P.M. (CALGARY TIME) ON APRIL 9, 2025, OR AT LEAST TWO (2) BUSINESS DAYS PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING (THE "**PROXY DEADLINE**"). PLEASE RETURN OR SEND YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors' Meeting to vote in person "virtually" but wish to appoint a proxyholder to attend the Creditors' Meeting "virtually", vote the aggregate amount of your Allowed Affected Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

A copy of the CCAA Plan is attached as Schedule "1" to the Creditors' Meeting Order. Capitalized but undefined terms are defined the CCAA Plan or the Creditors' Meeting Order.

You should review the CCAA Plan before you vote. In addition, on March 27, 2025, the Court issued the Creditors' Meeting Order establishing certain procedures for the conduct of the Creditors' Meeting. A copy of the Creditors' Meeting Order was included with the meeting materials set to you along with this form of Proxy and is also available on the Monitor's website at https://www.ksvadvisory.com/experience/case/420. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked or the information listed below is not sufficiently provided, the Monitor will act as your proxyholder*):

☐ _____ (name of proxyholder)

_____ (telephone of proxyholder)

_____ (email address of proxyholder)

or

a representative of KSV Restructuring Inc., in its capacity as Monitor of FOUR20

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor's Allowed Affected Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor's Allowed Affected Claim as follows (mark only one):

Vote **FOR** the approval of the CCAA Plan, or
Vote **AGAINST** the approval of the CCAA Plan

Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the CCAA Plan at the Creditors' Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors' Meeting.

The proxyholder can log in and attend the Creditors' Meeting by using either the link or telephone number provided above.

DATED this ____ day of _____, 2025

AFFECTED CREDITOR'S SIGNATURE:

_____

(Print Legal Name of Affected Creditor)

_____

(Print Legal Name of Assignee, if applicable)

_____

(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

_____

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

_____

(Mailing Address of the Affected Creditor/Assignee)

_____

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

YOUR PROXY MUST BE <u>RECEIVED</u> BY THE MONITOR BY MAIL, COURIER, EMAIL OR FACSIMILE AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS,

PLEASE CONTACT THE MONITOR AT THE ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

INSTRUCTIONS FOR COMPLETION OF PROXY

All capitalized terms used but not defined in this Proxy shall have the meanings given to such terms in the CCAA Plan (a copy of which is attached as Schedule "1" to the Creditors' Meeting Order) or the Creditors' Meeting Order

Please read and follow these instructions carefully. Your Proxy must actually be received by the Monitor at:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

prior to **5:00 p.m. (Calgary time) on April 9, 2025**, or at least two (2) Business Days prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

Your Allowed Affected Claim will be the amount as determined by the Monitor in accordance with the Claims Procedure Order and the Creditors' Meeting Order. This Proxy may only be used to vote the amount of your Allowed Affected Claim.

Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name, telephone and email address of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, or if the contact information for such proxyholder is not sufficiently provided, the Affected Creditor will be deemed to have appointed an officer of KSV Restructuring Inc., in its capacity as Monitor, or such other person as KSV Restructuring Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof. The proxyholder will be able to log in and attend the Creditors' Meeting using the link or telephone numbers provided in the Affected Creditor Proxy.

Check the appropriate box to vote for or against the CCAA Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the CCAA Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**

Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. An electronic signature will be accepted and deemed to be an original with respect to any Proxy submitted by email or facsimile. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

If you need additional Proxies, please immediately contact the Monitor.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same

date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

If an Affected Creditor validly submits a Proxy to the Monitor and subsequently "virtually" attends and votes at the Creditors' Meeting, it will be revoking the earlier received Proxy. If an Affected Creditor wishes to attend the Creditors' Meeting but does not wish to revoke its Proxy, it may log in and decline to vote at the Creditors' Meeting when prompted to do so.

Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Unsecured Creditor voting in person "virtually" at the Creditors' Meeting, without the prior consent of the Monitor and FOUR20.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THIS PROXY, PLEASE CONTACT THE MONITOR AT THE ADDRESS LISTED IN THE PROXY FORM OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

SCHEDULE "4"

CONVENIENCE ELECTION

TO: KSV RESTRUCTURING INC., in its capacity as Court-appointed Monitor of 420 Investments Ltd. ("420 Parent"), 420 Premium Markets Ltd. ("420 OpCo"), Green Rock Cannabis (EC 1) Limited ("Green Rock") and 420 Dispensaries Ltd. ("420 Dispensaries", and together with 420 Parent, 420 OpCo, and Green Rock, "FOUR20")

In connection with the Plan of Compromise or Arrangement of FOUR20 pursuant to the *Companies' Creditors Arrangement Act* (Canada) (as may be amended, restated, modified or supplemented from time to time, the "**Plan**") filed with the Court of King's Bench of Alberta, Affected Creditors with one or more Allowed Affected Claims in an amount in excess of CA$10,000 may file a Convenience Election pursuant to which such Affected Creditor elects to be treated as a Convenience Creditor and thereby receive only the Convenience Amount of CA$10,000 and be deemed thereby to vote in favour of the Plan.

By submitting this Convenience Election, the undersigned hereby elects to be treated as a Convenience Creditor and receive the Convenience Amount which is the lesser of (i) a cash amount equal to $10,000; and (ii) the amount of such Allowed Affected Claim, in full and final satisfaction of the Allowed Affected Claim of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote its Allowed Affected Claim in favour of the Plan at the Creditors' Meeting.

For the purposes of this election, capitalized but undefined terms are defined in the Plan.

Please complete, sign and date this Convenience Election and return it to KSV Restructuring Inc. at the address below by 5:00 p.m. (Calgary time) on April 9, 2025.

Dated this ____ day of _____,

AFFECTED CREDITOR'S SIGNATURE:

_____
(Print Legal Name of Affected Creditor)

_____
(Signature of the Affected Creditor or an Authorized Signing Officer of the Affected Creditor)

_____
(Print Name and Title of Authorized Signing Officer of the Affected Creditor, if applicable)

_____
(Mailing Address of the Affected Creditor)

_____
(Telephone Number of the Affected Creditor)

_____
(E-mail Address of the Affected Creditor)

YOUR CONVENIENCE ELECTION MUST BE <u>RECEIVED</u> BY THE MONITOR AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.

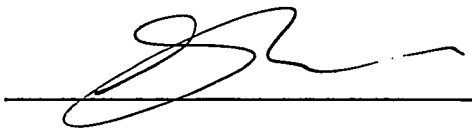
KSV Restructuring Inc., in its capacity as court appointed officer of 420 Investments Ltd., 420 Premium Markets Ltd., Green Rock Cannabis (EC 1) Limited and 420 Dispensaries Ltd.

1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2

Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

This is **Exhibit "E"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025



Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

COURT FILE NUMBER	**2401-17986**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED AND 420 DISPENSARIES LTD.**
DOCUMENT	**SUPPLEMENT TO THE THIRD REPORT OF THE MONITOR** **APRIL 8, 2025**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MONITOR
KSV Restructuring Inc.
324-8th Avenue SW, Suite 1165
Calgary, AB
T2P 2Z2

Attention: Andrew Basi/Ross Graham
Telephone: (587) 287-2670/(587) 287-2750
Facsimile: (416) 932-6266
Email: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

MONITOR'S COUNSEL
Bennett Jones LLP
4500, 855 2nd Ave SW
Calgary, AB
T2P 4K7

Attention: Michael Selnes
Telephone: (403) 298-3311
Facsimile: (403) 265-7219
E-Mail: selnesm@bennettjones.com

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1.0 Introduction

1. This report (the "**Supplemental Report**") supplements the Monitor's third report to the Court dated March 11, 2025 (the "**Third Report**").

2. Unless otherwise stated, capitalized terms in this Supplemental Report and not otherwise defined herein have the meanings given to them in the Third Report.

1.1 Purposes of this Supplemental Report

1. The purposes of this Supplemental Report are to discuss:

   a) the amended terms of the Applicants' Plan (the "**Amended Plan**");

   b) the amended terms of the Applicants' Amended Plan Funding Loan Agreement; and

   c) the Monitor's views on the Amended Plan.

1.2 Scope and Terms of Reference

1. This Supplemental Report is subject to the restrictions in Section 1.2 of the Third Report.

1.3 Currency

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

1.4 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/420 (the "**Case Website**").

2.0 Plan Amendments

1. The Third Report details the Applicants' original Plan. The Applicants' have amended certain terms in the Plan since the Third Report, a summary of the key amendments is below. A copy of the Amended Plan and a blackline documenting the changes to the original Plan is attached hereto as **Appendix "A" and "B"**, respectively.

2. This Supplemental Report provides a summary of the key amendments made to the original Plan and does not address each and every provision of the Amended Plan. Accordingly, creditors should carefully read the Amended Plan in its entirety and should consult such advisors as they consider necessary. In particular, creditors should review whether or not they are affected under the Amended Plan. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Supplemental Report and the Amended Plan, the provisions of the Amended Plan, as applicable, govern.

2.1 Terms and Conditions of the Amended Plan

1. The following section provides an overview of the key amended aspects of the Amended Plan.

   a) **Classification of Creditors:** The definition of the Unsecured Creditors Class has been revised to include the unsecured creditors of all of the Applicants.

   b) **Parent Share Compensation and Litigation Proceeds Election:** The Amended Plan has been updated to include the mechanics of the Parent Share Compensation and the Litigation Proceeds Election (collectively the "**Election Consideration**"). Pursuant to the Amended Plan, each Affected Creditor shall complete an Election Form (attached as Schedule "B" to the Amended Plan) indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025. Any Affected Creditor who does not provide a fully documented Election Form by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

   c) **Distribution to Creditors:**

      i. **Affected Creditors Other than Convenience Class Creditors:** the Plan has been amended to clarify that on the Implementation Date, each Affected Creditor with Accepted Claims, other than a Convenience Class Creditor, will receive, in full satisfaction of such Accepted Claim, a Cash Payment on the Implementation Date, and the remaining balance of their Affected Claim shall be paid pursuant to the Affected Creditor's election of either the Parent Share Compensation or the Litigation Proceeds;

ii. **Parent Share Compensation:** an Affected Creditor may elect to receive Parent Shares equating to the full value of an Affected Creditor's Claim, less any amounts received through participation in the Creditor Cash Pool. The Monitor understands the Amended Plan contemplates a valuation of the common shares of 420 Investments to be valued at $0.30 per share. The Applicants arrived at this valuation based on a multiple of the Applicants' EBITDA, which was established from the offers received during the Applicants' SISP. The Monitor expresses no opinion on the appropriateness of the valuation of the shares; and

iii. **Litigation Proceeds Election:** an Affected Creditor may also elect to receive the Litigation Proceeds, less any amounts received through participation in the Creditor Cash Pool. Each Affected Creditor who elected the Litigation Proceeds Election shall receive a Litigation Proceeds Promissory Note that provides for payment on the day that the Litigation Proceeds become available to the Applicants.

d) **Estimated Distributions on the Implementation Date:** the Amended Plan reflects a higher distribution for Affected Creditors from of the Creditor Cash Pool, which is now estimated to be $2.27 million (being approximately 70 cents on the dollar value of remaining Affected Claims, after accounting for the full payment being made for the Stoke Claim and Convenience Class Creditors). The table below has been amended to reflect the adjustments made to the Creditor Cash Pool:

Description	Amount ($000s)
Funds Available for Distribution (estimated)	2,270
Stoke Claim[1]	(410)
Convenience Claims Creditor payout (estimated)	(16)
Estimated Distribution	**1,843**
Total Affected Claims (excluding Convenience Class Creditors) [2]	2,639
Estimated Return Payable in Cash	**70%**

[1] Includes an estimate of interest incurred through to the Plan Implementation Date.

[2] Total Affected Claims is calculated as the total of $848,575 in unsecured trade creditor claims; [+] $384,518 in unsecured shareholder loans; [+] $1,422,361 in Landlord Claims; [-] approximately $16,000 in Convenience Class Creditors.

Based on the foregoing calculations, for each $1.00 of Proven Claim, an Affected Creditor will receive approximately $0.70, with the remaining $0.30 compensated through the Election Consideration.

2. The Monitor has also reviewed Section 9.6 of the Amended Plan related to Reviewable Transactions and believes it is in reasonable in the circumstances and is unaware of any transactions that these provisions would apply to.

3.0 Amended Plan Funding

1. As described in the Third Report, the Applicants entered into the Amended Plan Funding Loan Agreement for the purposes of funding the Plan. The Creditor Cash Pool offered under the Amended Plan necessitates the Applicants' having access to more funding than was offered under the original Amended Plan Funding Loan Agreement. Accordingly, on April 7, 2025, the Applicants entered into a revised funding agreement which amended the Amended Plan Funding Loan Agreement for the following terms:

   a) Availability: The modified Amended Plan Funding Loan Agreement now provides for an advance of up to $2,750,000; and

   b) Commitment Fee: The Commitment Fee has been increased to a sum of $250,000.

4.0 Conclusion and Monitor's Recommendation

1. Based on the foregoing, the Monitor continues to recommend the Affected Creditors vote in favour of the Amended Plan as it is anticipated to provide for an even greater recovery than that which would be realized in the Sale Scenario or in the original Plan.[3]

[3] Please refer to section 5 of the Monitor's Third Report for the Monitor's original analysis regarding the Plan,

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of the Applicants,
and not in its personal capacity

Appendix “A”

Clerk's Stamp:

COURT FILE NUMBER	2401-17986
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS (EC1) LIMITED, and 420 DISPENSARIES LTD.
DOCUMENT	**PLAN OF COMPROMISE OR ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Stikeman Elliott LLP** 4200 Bankers Hall West 888 3rd St. SW Calgary, AB T2P 5C5 Attention: Karen Fellowes, KC / Archer Bell Phone: (403) 724-9469 Email: kfellowes@stikeman.com / abell@stikeman.com

PLAN OF COMPROMISE OR ARRANGEMENT
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PLAN OF COMPROMISE OR ARRANGEMENT

WHEREAS:

A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 (the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries)**", (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");

B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.

C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). The NOI Proceedings were later converted into the CCAA Proceedings.

D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").

E. The Applicants are parties to a binding loan agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a pool of cash consideration to be used to compromise and payout the Applicants' unsecured creditors and 420 OpCo's secured creditor in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").

F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

"**Affected Creditor**" means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

"**Affected Creditor Class**" means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

"**Allowed Affected Claims**" means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Applicable Law**" means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

"**Applicants**" has the meaning set out in the recitals hereto.

"**Applicants' Conditions Precedent**" has the meaning set out in Article 7 hereto.

"**Articles**" means the articles of incorporation of the Applicants, as applicable.

"**Assessments**" means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

"**BIA**" has the meaning set out in the recitals hereto.

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

"**Bylaws**" means the bylaws of the Applicants, as applicable.

"**Canadian Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

"**Cash Payment**" means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to 70% of such Eligible Voting Creditor's Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

"**CCAA**" has the meaning set out in the recitals hereto.

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

"**Charges**" means the Administration Charge, the Directors' Charge and the KERP Charge.

"**Claim**" means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

"**Claims Bar Date**" has the meaning provided for in the Claims Procedure Order.

"**Claims Procedure Order**" means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

"**Continuing Contract**" means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

"**Convenience Amount**" means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to $10,000; and (b) the amount of such Allowed Affected Claim.

"**Convenience Claim**" means any Affected Claim that is equal to or less than $10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to $10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to $10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

"**Convenience Creditor**" means an Affected Creditor having a Convenience Claim.

"**Convenience Election**" means an election made by an Affected Creditor with an Allowed Affected Claim greater than $10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

"**Convenience Election Deadline**" has the meaning ascribed thereto in the Meeting Order.

"**Convenience Election Notice**" means a notice substantially in the form attached to the Meeting Order.

"**Court**" has the meaning set out in the recitals hereto.

"**Creditor**" means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Creditor Cash Pool**" means the amount borrowed by the Applicants from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

"**Crown Claims**" means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

"**D&O Claims**" means any or all Pre-Filing D&O Claims and Restructuring Period D&O Claims.

"**D&O Indemnity Claims**" means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

"**Disallowed Claims**" means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Directors**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

"**Directors' Charge**" has the meaning set out in the Initial Order.

"**Disputed Claim**" means an Affected Claim or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly

disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Implementation Date.

"**Election Form**" means the form found at Schedule "B" hereto used by Affected Creditors to elect to receive either the Litigation Proceeds Amount or the Parent Shares Compensation Amount.

"**Eligible Voting Creditors**" means Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

"**Employee**" means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

"**Employee Priority Claims**" means:

(a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and

(b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former Employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants' business during the same period.

"**Employment Agreements**" means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

"**Encumbrance**" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party 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).

"**Equity Interest**" has the meaning ascribed thereto in section 2(1) of the CCAA.

"**Filing Date**" means May 29, 2024.

"**Final Judgment**" means a final order, ruling or judgment of the Court, or any other court of competent jurisdiction, in the Tilray Litigation (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

"**Final Judgment Amount**" means any amount received by the Applicants from a Final Judgment.

"**Final Order**" means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

"**Governmental Entity**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; 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.

"**Implementation Date**" means the Business Day on which the Plan becomes effective.

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

"**Intercompany Claim**" means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

"**KERP**" has the meaning set out in the Initial Order.

"**KERP Charge**" has the meaning set out in the Initial Order.

"**KERP Prepayment**" has the meaning set out in Section 5.4(c)(iii) of this Plan.

"**List of Claims**" has the meaning set out in the Meeting Order.

"**Litigation Proceeds**" means a Final Judgment Amount or Settlement Amount in favour of 420 Parent with respect to the Tilray Litigation defined herein.

"**Litigation Proceeds Amount**" means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an Unsecured Creditor through participation in the Creditor Cash Pool.

"**Litigation Proceeds Election**" means an election on the Election Form by an Affected Creditor to receive the Litigation Proceeds Amount.

"**Litigation Proceeds Promissory Note**" means a promissory note in the form found at Schedule "A" to this Plan.

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

"**Meeting**" means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

"**Meeting Date**" means the date on which the Meeting is held in accordance with the Meeting Order.

"**Meeting Order**" means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Website**" means www.ksvrestructuring.com.

"**Notice to Known Claimants**" means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

"**Officers**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

"**Unsecured Creditors**" means the unsecured creditors of all of the Applicants with Allowed Affected Claims.

"**Order**" means any order of the Court made in connection with the CCAA Proceeding.

"**Outside Date**" means June 30, 2025.

"**Parent Shares**" means common shares in 420 Investment Ltd. which are nominally valued at CAD $0.30 per share, if an Affected Creditor elects to choose the Parent Share Compensation Amount.

"**Parent Share Compensation Amount**" means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

"**Parent Share Election**" means an election on the Election Form by an Affected Creditor to receive the Parent Share Compensation Amount.

"**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, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental Entity or other entity however designated or constituted.

"**Plan**" means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

"**Plan Implementation Fund**" has the meaning set out in Section 4.1.

"**Post-Filing Claim**" means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

"**Pre-Filing Claim**" means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

"**Pre-Filing D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for

contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

"**Proof of Claim**" means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

"**Released Claims**" has the meaning set out in Section 8.2.

"**Released Parties**" means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current Employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

"**Required Majority**" means a majority in number of Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

"**Restructuring Period Claim**" means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

"**Restructuring Period D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

"**Sanction Order**" means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

"**Secured Claim**" means any or all Claims of a "secured creditor" as defined in section 2(1) of the CCAA.

"**Settlement Amount**" means any amount received by the Applicants from any settlement of the Tilray Litigation.

"**Stoke Claim**" means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

"**Tilray Litigation**" means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King's Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

"**Tilray Claim**" means the counterclaim in the Tilray Litigation.

"**Unaffected Claims**" means any and all:

(a) Secured Claims filed against 420 Parent;

(b) Post-Filing Claims;

(c) Crown Claims;

(d) Claims secured by a Charge;

(e) Employee Priority Claims;

(f) Intercompany Claims, subject to Section 5.4(e);

(g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and

(h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning set out in Section 5.6.

"**Withholding Obligation**" has the meaning set out in Section 5.8.

Section 1.2 Interpretation Not Affected by Headings, etc.

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

Section 1.3 General Construction

The terms "this Plan", "hereof", "herein" and "hereunder" and similar expressions refer to this Plan 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 Plan.

Section 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.

Section 1.5 Currency

All references in this Plan to dollars, monetary amounts or to $ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

Section 1.6 Statutes

Except as otherwise provided in this Plan, any reference in this Plan 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.

Section 1.7 Date and Time for any Action

For purposes of the Plan:

(a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

Section 1.8 Schedules

The following Schedules are incorporated in and form part of this Plan:

(a) Schedule "A"; and

(b) Schedule "B".

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

Section 2.1 Purpose

(a) The purpose of the Plan is to effect the restructuring of the Applicants pursuant to the terms and conditions of this Plan and to:

(i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;

(ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;

(iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Tilray Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

(b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.

(c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

Section 2.2 Persons Affected

(a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.

(b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

Section 2.3 Persons Not Affected by the Plan

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS

Section 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

Section 3.2 Classification of Creditors

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the Unsecured Creditors and the Stoke Claim.

Section 3.3 Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

Section 3.4 Voting

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

(a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.

(b) Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.

(c) Unsecured Creditors. Each Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an Unsecured Creditors shall be:

(i) the amount shown as owing to such Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or

(ii) the amount agreed to between such Unsecured Creditors and the Applicants, and consented to by the Monitor.

Section 3.5 Treatment of Affected Claims

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

(a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;

(b) with respect to Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds Amount or Parent Share Compensation Amount, with such Litigation Proceeds Amount or Parent Share Compensation Amount equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and

(c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Creditor Cash Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

Section 3.6 Treatment of Unaffected Claims

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

Section 3.7 Treatment of Intercompany Claims

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a Cash Payment, or be able to exercise any election including the litigation proceeds election or the Parent Share Election.

Section 3.8 Treatment of D&O Claims

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

Section 3.9 Treatment of Tilray Claim

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan. Subject to the terms and conditions of the Plan, from and after the final and binding decision from the Court or the Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants. For certainty:

(a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Final Judgment, or settlement.

Section 3.10 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

Section 3.11 Extinguishment of Claims

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

Section 3.12 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan, or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

Section 3.13 Set-Off

The law of set-off applies to all Affected Claims.

ARTICLE 4
PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE

Section 4.1 Plan Implementation Fund

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

Section 4.2 Administrative Expense Reserve

On or prior to the Implementation Date, the Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any post-Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the "**Administration Expenses**"). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

ARTICLE 5
DISTRIBUTIONS AND PAYMENTS

Section 5.1 Distributions Generally

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

Section 5.2 Distributions to Convenience Creditors

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

Section 5.3 Distributions of Cash and Litigation Proceeds Election

Each Affected Creditor shall complete an Election Form in the form set out in Schedule "B" indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. The Election Form must be returned electronically via email to the Applicants and the Monitor in accordance with

Section 9.9 herein. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025.

Any Affected Creditor that fails to return the Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment and Parent Share Compensation Amount or Litigation Proceeds Amount, as applicable, on the Implementation Date, and such distributions shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who make the Litigation Proceeds Election shall receive a Litigation Proceeds Promissory Note in the form contained in Schedule "A" to this Plan guaranteeing payment of their Litigation Proceeds Amount on the date that Litigation Proceeds become available to the Applicants.

If the Plan is approved by the Required Majority of the Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who makes the Parent Share Election shall be entitled to receive their Parent Share Compensation Amount on the Implementation Date.

Section 5.4 Distributions, Payments and Settlements of Unaffected Claims

(a) Post-Filing Claims;

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund.

(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of $270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

Section 5.5 Allocation of Distributions

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

Section 5.6 Treatment of Undeliverable Distributions

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

Section 5.7 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

Section 5.8 Withholding Rights

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

ARTICLE 6
COURT SANCTION

Section 6.1 Application for Sanction Order

If the Required Majority of Affected Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

Section 6.2 Sanction Order

The Applicants shall seek a Sanction Order that, among other things:

(a) declares that the Meeting was duly called and held in accordance with the Meeting Order;

(b) declares that the Applicants were authorized to present the Plan;

(c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

(d) declares that as of the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the Effective Time;

(f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;

(g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:

(i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;

(ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;

(iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or

(v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;

(h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;

(i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;

(j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;

(k) confirms the releases contemplated in Article 8;

(l) declares that the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and

(m) such other relief which the Applicants or the Monitor may request.

ARTICLE 7
CONDITIONS PRECEDENT & IMPLEMENTATION

Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the "**Applicants' Conditions Precedent**") prior to or at the Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

(a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;

(b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;

(c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;

(d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;

(e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and

(f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

Section 7.2 Failure to Satisfy Conditions Precedent

If the Applicants' Conditions Precedent are not satisfied or waived on or before the Outside Date, the applicable party may provide written notice to the other party and the Monitor that such party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 8
EFFECT OF PLAN; RELEASES

Section 8.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

(a) full, final and absolute settlement of all rights of any Affected Creditor; and

(b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

Section 8.2 Released Parties

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "**Released Claims**").

Except for those claims described in Section 8.3, from and after the Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the Effective Time, with respect to any and all Released Claims against the Released Parties, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or

(e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the Effective Time shall, forthwith after the Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

Section 8.3 Claims Not Released

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

(a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;

(b) a Released Party if,

(i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or

(ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

Section 8.4 Consents and Agreements at the Effective Time

At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Effective Time; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

Section 8.5 Waiver of Defaults

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

ARTICLE 9
GENERAL

Section 9.1 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

Section 9.2 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 9.3 Modification of the Plan

(a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.

(b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.

(c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.

(d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

Section 9.4 Paramountcy

From and after the Effective Time, any conflict between:

(a) the Plan or any Order in the CCAA Proceeding; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

Section 9.5 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

Section 9.6 Reviewable Transactions

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

Section 9.7 Responsibilities of the Monitor

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

Section 9.8 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

Section 9.9 Notice

(a) Any notice or other communication under this Plan shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

Stikeman Elliott LLP
4200 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5
Attention: Karen Fellowes, KC / Archer Bell
Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham
Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

Bennett Jones LLP
4500, 855 2 Street SW
Calgary, AB T2P 4K7
Attention: Michael Selnes
Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

(b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary 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. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

(c) 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.

(d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

Section 9.10 Further Assurances

Each of the Persons directly or indirectly named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of April 7, 2025.

Schedule "A"

PROMISSORY NOTE

AMOUNT: CAD $_____ **DUE: ON THE DUE DATE (AS DEFINED BELOW)**

The undersigned, 420 Investments Ltd. ("**420 Parent**") hereby promises to pay to the order of _____ (the "**Holder**") the sum of CAD $_____, which amount shall be non-interest bearing (the "**Amount**").

The Amount shall be due and payable on the date that 420 Parent receives payment (the "**Tilray Payment**") from either:

(a) a final order, ruling or judgment of the Alberta Court of King's Bench, or any other court of competent jurisdiction, in Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc. (the "**Tilray Litigation**") (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable; or

(b) settlement of the Tilray Litigation

(the "**Due Date**"), provided that:

(a) any amounts owing by 420 Parent pursuant to any applicable litigation funding agreement (the "**Litigation Expenses**") are paid first; and

(b) the Tilray Payment is sufficient to pay any Litigation Expenses and the full amounts owing under all Promissory Notes issued by 420 Parent that are contingent on the Tilray Litigation (the "**Litigation Promissory Notes**").

In the event that the Tilray Payment is not sufficient to pay any Litigation Expenses and the full amounts owing under the Litigation Promissory Notes, the Litigation Expenses shall be paid in full and any remaining portion of the Tilray Payment shall be distributed to holders of the Litigation Promissory Notes, including this Promissory Note, on a pro-rata basis. In such event, such pro-rata payment shall be in full and final satisfaction of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

DATED at Calgary, Alberta on _____, 2025.

420 Investments Ltd.

Per: _____
Scott Morrow
CEO

Schedule "B"

ELECTION FORM

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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

The undersigned, _____, hereby elects to receive the:

___ Litigation Proceeds Amount (as defined in the Plan of Arrangement); or

___ Parent Shares Compensation Amount (as defined in the Plan of Arrangement).

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before April 18, 2025. This Election Form shall be emailed to the following recipients:

FOUR20's Counsel:	**STIKEMAN ELLIOTT LLP**	
	Attention:	Karen Fellowes, K.C. / Archer Bell
	Email:	kfellowes@stikeman.com/ abell@stikeman.com
Monitor:	**KSV RESTRUCTURING INC.**	
	Attention:	Andrew Basi / Ross Graham
	Email:	abasi@ksvadvisory.com / rgraham@ksvadvisory.com
Monitor's Counsel:	**BENNETT JONES LLP**	
	Attention:	Michael Selnes
	Email:	selnesm@bennettjones.com

Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at _____ on _____, 2025.

Name of Affected Creditor:

Per: _____

Appendix “B”

Clerk's Stamp:

COURT FILE NUMBER	2401-17986
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED
	AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD. and GREEN ROCK CANNABIS (EC1) LIMITED, and 420 DISPENSARIES LTD.
DOCUMENT	**PLAN OF COMPROMISE OR ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Stikeman Elliott LLP** 4200 Bankers Hall West 888 3rd St. SW~~.~~ Calgary, AB T2P 5C5 Attention: Karen Fellowes, KC / Archer Bell Phone: (403) 724-9469 Email: kfellowes@stikeman.com / abell@stikeman.com

PLAN OF COMPROMISE OR ARRANGEMENT
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PLAN OF COMPROMISE OR ARRANGEMENT

WHEREAS:

A. Pursuant to the order of the Honourable Justice Jones of the Court of King's Bench of Alberta (the "**Court**") issued September 19, 2024 (the "**Initial Order**"), 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Ltd. ("**Green Rock**") and 420 Dispensaries Ltd. ("**Dispensaries)**", (the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV Restructuring Inc. was appointed Monitor of the Applicants (in such capacity, the "**Monitor**") for the proceedings commenced by the Initial Order (the "**CCAA Proceedings**");

B. 420 OpCo and Green Rock operate a chain of retail cannabis stores in Alberta and Ontario. 420 Parent owns all the shares of its subsidiaries, including Dispensaries, and is currently engaged in litigation with a contingent creditor, High Park Shops Ltd.

C. On April 28, 2024, 420 Parent, 420 OpCo and Green Rock filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") (the "**NOI Proceedings**"). The NOI ~~proceedings~~Proceedings were later converted into the CCAA Proceedings.

D. On October 2, 2024, the Court issued an order approving, and authorizing the Monitor to conduct, a sales and investment solicitation process for the business and/or assets of the Applicants (the "**SISP**").

E. The Applicants are parties to a binding ~~Loan Agreement~~loan agreement dated February 11, 2025, pursuant to which they have obtained funding for a plan of compromise or arrangement to the Applicants' creditors for the purpose of, among other things, effecting a transaction whereby the applicants will borrow a pool of cash consideration to be used to compromise and payout the Applicants' unsecured creditors ~~of~~and 420 ~~OpCo and Green Rock~~OpCo's secured creditor in accordance with the within Plan, and the secured creditors of 420 Parent and Dispensaries would be unaffected (the "**Plan**").

F. The Applicants hereby propose and present this Plan to the Affected Creditors (as defined below) under and pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Plan, including the recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings, and grammatical variations of such words and phrases shall have the corresponding meanings, set out below:

"**Administration Charge**" has the meaning set out in the Initial Order.

"**Administration Expenses**" has the meaning set out in Section 4.2.

"**Administrative Expense Reserve**" means an amount to be determined as between the Applicants and the Monitor, each acting reasonably.

"**Affected Claim**" means any Claim that is not an Unaffected Claim.

"**Affected Creditor**" means any Creditor of the Applicants with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

"**Affected Creditor Class**" means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

"**Allowed Affected Claims**" means any Affected Claim of a Creditor against the Applicants, or such portion thereof, that is not barred by any provision of the Claims Procedure Order and which has been finally accepted and allowed for the purposes of voting at the Meeting and receiving distributions under the Plan, in accordance with the provisions of the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Applicable Law**" means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Entity.

"**Applicants**" has the meaning set out in the recitals hereto.

"**Applicants' Conditions Precedent**" has the meaning set out in Article 7 hereto.

"**Articles**" means the articles of incorporation of the Applicants, as applicable.

"**Assessments**" means Claims of His Majesty the King in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority.

"**BIA**" ~~means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.~~has the meaning set out in the recitals hereto.

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

"**Bylaws**" means the bylaws of the Applicants, as applicable.

"**Canadian Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended.

"**Cash Payment**" means the entitlement of an Eligible Voting Creditor to receive such share of the Creditor Cash Pool, which shall be equivalent to ~~55~~70% of such Eligible Voting Creditor's Allowed Affected Claim, with such percentage potentially being subject to change depending on final values of all Allowed Affected Claims.

"**CCAA**" has the meaning set out in the recitals hereto.

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

"**Charges**" means the Administration Charge, the Directors' Charge and the KERP Charge.

"**Claim**" means any or all Pre-Filing Claims, Restructuring Period Claims including any Claim arising through subrogation against any Applicant or any Director or Officer.

"**Claims Bar Date**" has the meaning provided for in the Claims Procedure Order.

"**Claims Procedure Order**" means the Order of the Court granted on September 19, 2024, establishing a claims procedure in respect of the Applicants, as same may be further amended, restated or varied from time to time.

"**Continuing Contract**" means a contract, arrangement, or other agreement (oral or written) for which a notice of disclaimer pursuant to section 32 of the CCAA has not been sent by any of the Applicants.

"**Convenience Amount**" means, in respect of any Allowed Affected Claim that is a Convenience Claim, the lesser of: (a) a cash amount equal to $10,000; and (b) the amount of such Allowed Affected Claim.

"**Convenience Claim**" means any Affected Claim that is equal to or less than $10,000, provided that: (a) any Claim denominated in a foreign currency will be converted to Canadian dollars at the Bank of Canada noon spot exchange rate (if available) or the spot exchange rate in effect on the Filing Date for the sole purpose of determining whether or not it is less than or equal to $10,000; (b) Creditors shall not be entitled to divide a Claim for the purpose of qualifying such Claim as a Convenience Claim; and (c) Creditors shall be permitted to make a Convenience Election to reduce the amount of their Allowed Affected Claim to $10,000 to qualify as a Convenience Claim and shall be deemed to have released and waived the balance of any such Allowed Affected Claim.

"**Convenience Creditor**" means an Affected Creditor having a Convenience Claim.

"**Convenience Election**" means an election made by an Affected Creditor with an Allowed Affected Claim greater than $10,000 by delivery of a duly completed and executed Convenience Election Notice to the Applicants and the Monitor by no later than the Convenience Election Deadline, electing to receive the Convenience Amount in full satisfaction of its Allowed Affected Claim.

"**Convenience Election Deadline**" has the meaning ascribed thereto in the Meeting Order.

"**Convenience Election Notice**" means a notice substantially in the form attached to the Meeting Order.

~~"**Contingent Claims**" means any claim which the Monitor has marked as Contingent for the purpose of voting in the Plan.~~

"**Court**" has the meaning set out in the recitals hereto.

"**Creditor**" means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Creditor Cash Pool**" means the amount borrowed by the ~~Companies~~Applicants from a third party lender in accordance with the Plan that is available for distribution to Creditors pursuant to the Plan.

"**Crown Claims**" means any Claim of His Majesty in Right of Canada or any Governmental Entity of a kind that could be subject to demand under section 6(3) of the CCAA that were outstanding at the Filing Date and which have not been paid by the Implementation Date.

"**D&O Claims**" means any or all Pre-Filing D&O Claims and Restructuring Period D&O ~~Clams~~Claims.

"**D&O Indemnity Claims**" means any existing or future right of any Director or Officer against any of the Applicants which arose or arises as a result of any D&O Claim for which such Director or Officer is entitled to be indemnified by any of the Applicants.

"**Disallowed Claims**" means any Claim of a Creditor against the Applicants, or such portion thereof, that has been barred or finally disallowed in accordance with the Claims Procedure Order or any other Final Order of the Court in the CCAA Proceedings.

"**Directors**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Applicants.

"**Directors' Charge**" has the meaning set out in the Initial Order.

"**Disputed Claim**" means an Affected Claim ~~(including a Contingent Affected Claim that may crystallize upon the occurrence of an event or events occurring after the Filing Date)~~ or such portion thereof which is not barred by any provision of the Claims Procedure Order, which has not been allowed as an Allowed Affected Claim, which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order.

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Implementation Date.

"**Election Form**" means the form found at Schedule "B" hereto used by Affected Creditors to elect to receive either the Litigation Proceeds Amount or the Parent Shares Compensation Amount.

"**Eligible Voting Creditors**" means ~~OpCo~~ Unsecured Creditors with Allowed Affected Claims that are not Convenience Claims.

"**Employee**" means an individual who is employed by an Applicant, whether on a full-time or a part-time basis, and includes an employee on disability leave.

"**Employee Priority Claims**" means:

(a) Claims equal to the amounts that such Employees and former employees would have been entitled to receive under paragraph 136(l)(d) of the BIA if the Applicants had become bankrupt on the Filing Date; and

(b) Claims for wages, salaries, commissions or compensation for services rendered by such Employees and former ~~employees~~Employees after the Filing Date and on or before the Implementation Date together with disbursements properly incurred by them in and about the Applicants' business during the same period.

"**Employment Agreements**" means, collectively, the employment agreements, the management compensation plans, and indemnification agreements of, or for the benefit of, the Directors, Officers, and employees of any of the Applicants that were in effect as at the Filing Date.

"**Encumbrance**" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party 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).

~~"**Equity Claims**" means any or all Claims that meet the definition of "equity claim" in section 2(1) of the CCAA.~~

~~"**Equity Claimant**" means any Person with an Equity Claim or holding Existing Equity, in such capacity.~~

"**Equity Interest**" has the meaning ascribed thereto in section 2(1) of the CCAA.

"**Filing Date**" means ~~June 27~~May 29, 2024.

"**Final Judgment**" means a final order, ruling or judgment of the Court, or any other court of competent jurisdiction, in the Tilray Litigation (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

"**Final Judgment Amount**" means any amount received by the Applicants from a Final Judgment.

"**Final Order**" means any order, ruling or judgment of the Court, or any other court of competent jurisdiction: (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable.

"**Governmental Entity**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; 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.

"**Implementation Date**" means the Business Day on which the Plan becomes effective.

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

"**Intercompany Claim**" means any claim that may be asserted against any of the Applicants by or on behalf of any other Applicant or any of their affiliated companies, partnerships, or other corporate entities.

"**KERP**" has the meaning set out in the Initial Order.

"**KERP Charge**" has the meaning set out in the Initial Order.

"**KERP Prepayment**" has the meaning set out in Section 5.4(c)(iii) of this Plan.

"**List of Claims**" has the meaning set out in the Meeting Order.

"**Litigation Proceeds**" means a Final Judgment ~~amount or settlement amount~~Amount or Settlement Amount in favour of 420 Parent with respect to the Tilray Litigation defined herein~~;~~.

"**Litigation Proceeds ~~Payment~~Amount**" means an amount equal to 100% of an Allowed Affected Claim, to be paid from the Litigation Proceeds, less any amounts received by an ~~OpCo~~ Unsecured Creditor through participation in the Creditor Cash Pool~~;~~.

"**Litigation Proceeds ~~Payment Process~~**~~" means the process by which an OpCo Unsecured Creditor will~~**Election**" means an election on the Election Form by an Affected Creditor to receive the Litigation Proceeds ~~Payment upon their election to choose the Litigation Proceeds Payment;~~ Amount.

"**Litigation Proceeds Promissory Note**" means a promissory note in the form found at Schedule "A" to this Plan.

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Applicants, taken as a whole.

"**Meeting**" means a meeting of Affected Creditors to be held on the Meeting Date called for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meeting Order.

"**Meeting Date**" means the date on which the Meeting is held in accordance with the Meeting Order.

"**Meeting Order**" means the Order of the Court granted in these CCAA Proceedings, among other things, setting the date for the Meeting, as same may be amended, restated or varied from time to time.

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Website**" means www.ksvrestructuring.com.

"**Notice to Known Claimants**" means a notice that shall be referred to in the Claims Procedure Order, advising each known Creditor of its Claim against an Applicant as determined by the Monitor based on the books and records of the Applicants.

"**Officers**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Applicants, in such capacity.

"~~**OpCo** **Unsecured Creditors**~~" means the unsecured creditors of ~~420 OpCo and Green Rock~~all of the Applicants with Allowed Affected Claims.

"**Order**" means any order of the Court made in connection with the CCAA Proceeding.

"**Outside Date**" means June 30, 2025.

"**Parent Shares**" means common shares in 420 Investment Ltd. which are nominally valued at CAD $0.30 per share, if an Affected Creditor elects to choose the Parent Share Compensation Amount.

"**Parent Share Compensation Amount**" means the issuance of Parent Shares in a value which equates to 100% of an Allowed Affected Claim, less any amounts received through participation in the Creditor Cash Pool;

~~"~~"**Parent Share ~~Compensation Amount Process"~~** ~~means the process by which OpCo Unsecured Creditors are issued Parent Shares, upon their election to choose~~**Election**" means an election on the Election Form by an Affected Creditor to receive the Parent Share Compensation Amount~~;~~.

"**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, receiver, liquidator, monitor, executor, administrator or other legal personal representative, Governmental ~~Authority~~Entity or other entity however designated or constituted.

"**Plan**" means this Plan of Compromise or Arrangement filed by the Applicants pursuant to the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof.

"**Plan Implementation Fund**" has the meaning set out in Section 4.1.

"**Post-Filing Claim**" means any or all indebtedness, liability, or obligation of the Applicants of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Implementation Date in respect of services rendered or supplies provided to the Applicants during such period or under or in accordance with any Continuing Contract; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim.

"**Pre-Filing Claim**" means any or all right or claim of any Person against any of the Applicants, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Applicant to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any Equity Interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any Equity Claim, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any D&O Indemnity Claim.

"**Pre-Filing D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments, any claim brought by any proposed or confirmed representative plaintiff on behalf of a class in a class action, and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

"**Proof of Claim**" means the Proof of Claim referred to in the Claims Procedure Order to be filed by unknown Creditors.

"**Released Claims**" has the meaning set out in Section 8.2.

"**Released Parties**" means, collectively, and in their capacities as such: (a) the Applicants; (b) the past and current ~~employees~~Employees, legal and financial advisors, and other representatives of the Applicants; (c) the Directors and Officers; (d) the Monitor and its legal advisors; and (f) any other Person who is the beneficiary of a release under the Plan.

"**Required Majority**" means a majority in number of ~~OpCo~~ Unsecured Creditors representing at least two thirds in value of the Allowed Affected Claims of Affected Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving the Plan at the Meeting.

"**Restructuring Period Claim**" means any or all right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by such Applicant on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment.

"**Restructuring Period D&O Claim**" means any or all right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or

otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

~~"**Implementation Date**" means the Business Day on which the Plan becomes effective.~~

"**Sanction Order**" means an Order of the Court sanctioning and approving the Plan, as it may be amended by the Court.

"**Secured Claim**" means any or all Claims of a "secured creditor" as defined in section 2(1) of the CCAA.

"**Settlement Amount**" means any amount received by the Applicants from any settlement of the Tilray Litigation.

"**Stoke Claim**" means the Secured Claim in favour of Stoke Canada Finance Corp. at 420 OpCo.

"**Tilray Litigation**" means Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc., in the Court of King's Bench of Alberta, and the counterclaim commenced by Tilray Inc. and High Park Shops Inc. against 420 Parent.

"**Tilray Claim**" means the counterclaim in the Tilray Litigation.

"**Unaffected Claims**" means any and all:

(a) Secured Claims filed against 420 Parent;

(b) Post-Filing Claims;

(c) Crown Claims;

(d) Claims secured by a Charge;

(e) Employee Priority Claims;

(f) Intercompany Claims, subject to Section 5.4(e);

(g) D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA; and

(h) Claims that cannot be compromised pursuant to the provisions of section 19(2) of the CCAA,

and for certainty, shall include any Unaffected Claim arising through subrogation.

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning set out in Section 5.6.

"**Withholding Obligation**" has the meaning set out in Section 5.8.

Section 1.2 Interpretation Not Affected by Headings, etc.

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

Section 1.3 General Construction~~.~~

The terms "this Plan", "hereof", "herein" and "hereunder" and similar expressions refer to this Plan 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 Plan.

Section 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.

Section 1.5 Currency

All references in this Plan to dollars, monetary amounts or to $ are expressed in the lawful currency of Canada unless otherwise specifically indicated.

Section 1.6 Statutes

Except as otherwise provided in this Plan, any reference in this Plan 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.

Section 1.7 Date and Time for any Action

For purposes of the Plan:

(a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

Section 1.8 Schedules

The following Schedules are incorporated in and form part of this Plan:

(a) ~~Litigation Proceeds Payment Process~~ Schedule~~,~~[4] "A"; and

[4] ~~The Litigation Proceeds Payment Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.~~

(b) ~~Parent Share Compensation Amount Process~~ Schedule~~.~~[2] "B".

ARTICLE 2
PURPOSE AND EFFECT OF PLAN

Section 2.1 Purpose

(a) The purpose of the Plan is to effect the ~~Restructuring~~restructuring of the Applicants pursuant to the terms and conditions of this Plan and to:

(i) effect a compromise, settlement, release and discharge of all Affected Claims in exchange for distributions to Affected Creditors with Allowed Affected Claims;

(ii) facilitate the distribution of the Creditor Cash Pool, along with the election of the Litigation Proceeds Election or Parent Share Election to fully compensate Affected Creditors with Allowed Affected Claims;

(iii) ensure the continuation of the operations of the 420 OpCo and Green Rock entities and to hold and continue the Tilray Litigation for the benefit of all stakeholders;

to ensure that Persons with a valid economic interest in the Applicants will, collectively, derive a greater benefit from the implementation of this Plan than they would derive from a bankruptcy or liquidation of the Applicants.

(b) The Monitor will report to Affected Creditors and the Court regarding the Plan prior to the date Affected Creditors are to vote on the Plan. Creditors wishing to review copies of Court orders and other materials filed in these proceedings, including copies of the Monitor's reports, are directed to the Monitor's Website.

(c) All Creditors should review this Plan and the Monitor's report on the Plan before voting to accept or to reject this Plan.

Section 2.2 Persons Affected

(a) The Plan provides for, among other things, the compromise, discharge and release of all Affected Claims, and the settlement of, and consideration for, all Allowed Affected Claims.

(b) The Plan will become effective at the Effective Time on the Implementation Date in accordance with the terms and conditions contained herein, and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, and all other Persons directly or indirectly named, referred to in, subject to, or receiving the benefit of, the Plan, and each of their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with the terms hereof.

Section 2.3 Persons Not Affected by the Plan

This Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect the Applicants' rights and defences, both legal and equitable, with

[2] ~~The Parent Share Compensation Amount Process Schedule is being finalized and will be provided in an updated version of the Plan in due course.~~

respect to any Unaffected Claims including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS, VOTING AND TREATMENT OF CLAIMS

Section 3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims and for resolving Disputed Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

Section 3.2 Classification of Creditors

In accordance with the Meeting Order, for the purposes of considering and voting on the Plan and receiving a distribution hereunder, the Affected Creditors shall constitute two classes of Creditors, being the ~~OpCo~~ Unsecured Creditors and the Stoke Claim.

Section 3.3 Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order, and any further Order of the Court in the CCAA Proceedings. The only Persons entitled to attend the Meeting, are representatives of the Applicants, the Monitor, and their respective legal counsel and advisors, and Eligible Voting Creditors or their respective duly appointed proxyholders and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Meeting or as permitted under the Meeting Order or any further Order of the Court.

Section 3.4 Voting

Pursuant to and in accordance with the Meeting Order, each of the following Creditors shall be entitled to vote on the Plan at the Meeting for the Affected Creditors Class:

(a) Convenience Creditors. Each Affected Creditor with an Allowed Affected Claim or a Disputed Claim that constitutes a Convenience Claim, including Affected Creditors that have made a Convenience Election, shall be deemed to vote in favour of the Plan.

(b) Stoke Claim. The secured creditor holding the Stoke Claim shall be paid in full and deemed to vote in favour of the Plan.

(c) ~~OpCo~~ Unsecured Creditors. Each ~~OpCo~~ Unsecured Creditor with an Allowed Affected Claim that does not constitute a Convenience Claim shall be entitled to one vote for the purpose of determining a majority in number, in the amount equal to such Creditor's Allowed Affected Claim. For voting purposes only, the dollar value of an Allowed Affected Claim held by an ~~OpCo~~ Unsecured Creditors shall be:

(i) the amount shown as owing to such ~~OpCo~~ Unsecured Creditors as of the Filing Date (to the extent such amount continues to remain unpaid), as set out in the List of Claims; or

(ii) the amount agreed to between such ~~OpCo~~ Unsecured Creditors and the Applicants, and consented to by the Monitor.

Section 3.5 Treatment of Affected Claims

An Affected Creditor shall receive distributions as set forth below only to the extent that such Affected Creditor's Claim is an Allowed Affected Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Under the supervision of the Monitor, and in full and final satisfaction of all Affected Claims, each Affected Creditor with an Allowed Affected Claim will receive the following consideration:

(a) with respect to Affected Creditors with Allowed Affected Claims that constitute Convenience Claims, including Affected Creditors that have made a Convenience Election, each such Convenience Creditor shall receive a Cash Payment on the Implementation Date equal to the Convenience Amount;

(b) with respect to ~~OpCo~~ Unsecured Creditors with Allowed Affected Claims that do not constitute Convenience Claims, each such Eligible Voting Creditor shall receive a Cash Payment on the Implementation Date, and shall additionally receive their choice of a Litigation Proceeds ~~Payment at a later date as more fully described under the Litigation Proceeds Election Process,~~Amount or Parent Share ~~Conversion Payment as more fully described in the Parent Share Conversion Election Process~~Compensation Amount, with such Litigation Proceeds ~~Payment~~Amount or Parent Share ~~Conversion Payment~~Compensation Amount equivalent to the remaining total of such Eligible Voting Creditor's Allowed Affected Claim following receipt of the Cash Payment; and

(c) with respect to the Affected Creditor holding the Stoke Claim, payment in full from the Creditor Cash ~~Collateral~~ Pool.

All Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date.

Section 3.6 Treatment of Unaffected Claims

Unaffected Claims shall not be compromised, released, discharged, cancelled or barred by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, unless specifically provided for under and pursuant to the Plan, and they shall not be entitled to vote on the Plan at the Meeting in respect of their Unaffected Claims.

Section 3.7 Treatment of Intercompany Claims

In no instance will the holder of an Intercompany Claim be entitled to a vote in the Plan, to receive a ~~cash payment~~Cash Payment, or be able to exercise any election including the litigation proceeds election or the Parent ~~Co.~~ Share Election.

Section 3.8 Treatment of D&O Claims

All D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. All D&O Indemnity Claims shall be treated for all purposes under the Plan as Pre-Filing Claims and shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished and barred on the Implementation Date. Any D&O Claims that cannot be compromised pursuant to the provisions of Section 5.1(2) of the CCAA shall constitute Unaffected Claims and shall continue to exist against the Directors or Officers of the Applicants, as applicable; provided that in no event shall such D&O Claims become obligations or liabilities of the Applicants.

Section 3.9 Treatment of Tilray Claim

As a contingent litigation claim, the Tilray Claim shall constitute an Unaffected Claim under the Plan. Subject to the terms and conditions of the Plan, from and after the final and binding decision from the ~~Alberta~~ Court ~~of King's Bench~~ or the Alberta Court of Appeal ordering payment of the Tilray Claim, the Tilray Claim shall constitute valid outstanding indebtedness of the Applicants. For certainty:

(a) All security held by Tilray will remain valid and effective as against the Applicants unaffected by the Plan in all respects, and shall only be discharged upon the full and final satisfaction or dismissal of the Tilray Claim or the Tilray Litigation by way of Court Order, Final Judgment, or ~~Settlement~~settlement.

Section 3.10 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of such Disputed Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Claim becomes an Allowed Affected Claim in accordance with the Meeting Order and the Claims Procedure Order. Distributions pursuant to and in accordance with this Plan shall be paid or distributed in respect of any Disputed Claim that is finally determined to be an Allowed Affected Claim in accordance with this Plan and the Meeting Order.

Section 3.11 Extinguishment of Claims

On the Implementation Date, and in accordance with the provisions of the Sanction Order, the treatment of Affected Claims, as set forth herein, shall be final and binding on the Applicants and all Affected Creditors (and, in each case, their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Applicants shall thereupon have no further obligation whatsoever in respect of the Affected Claims; provided that nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan and provided further that such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Claims Procedure Order so that such Disputed Claim may become an Allowed Affected Claim entitled to receive consideration under Section 3.5 hereof.

Section 3.12 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan, or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan, shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

Section 3.13 Set-Off

The law of set-off applies to all Affected Claims.

ARTICLE 4
PLAN IMPLEMENTATION FUND; ADMINISTRATIVE EXPENSE RESERVE

Section 4.1 Plan Implementation Fund

On or prior to the Implementation Date, the funder shall deliver, or cause to be delivered, to the Monitor, an amount equal to the Creditor Cash Pool, together with funding sufficient to satisfy the Allowed Affected Claims of Convenience Creditors (the "**Plan Implementation Fund**"). The Plan Implementation Fund

shall be held by the Monitor in a segregated account of the Monitor, and shall be used by the Monitor to pay, on behalf of the Applicants, all amounts payable to Eligible Voting Creditors and Convenience Creditors under the Plan.

Section 4.2 Administrative Expense Reserve

On or prior to the Implementation Date, the ~~Aplicants~~Applicants shall pay to the Monitor the Administrative Expense Reserve. From and after the Implementation Date, the Monitor shall pay from the Administrative Expense Reserve, the reasonable and documented fees and disbursements (plus any applicable taxes thereon) for any ~~post- Implementation~~post-Implementation Date services incurred by the Applicants and their legal counsel, the Monitor, its legal counsel, and any other Persons from time to time retained or engaged by the Monitor, in connection with administrative and estate matters (collectively, the "**Administration Expenses**"). Any unused portion of the Administrative Expense Reserve shall be transferred by the Monitor to the Applicants.

ARTICLE 5
DISTRIBUTIONS AND PAYMENTS

Section 5.1 Distributions Generally

All distributions to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set forth herein. All cash distributions to be made under the Plan to Convenience Creditors and Eligible Voting Creditors shall be made by the Monitor on behalf of the Applicants by cheque or by wire transfer and: (a) in the case of a cheque, will be sent, via regular mail, to such Creditor to the address specified in the Proof of Claim filed by such Creditor or such other address as the Creditor may from time to time notify the Monitor in writing in accordance with Section 9.9; or (b) in the case of a wire transfer, shall be sent to an account specified by such Creditor to the Monitor in writing to the satisfaction of the Monitor. Notwithstanding any other provision of the Plan, an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes an Allowed Affected Claim.

Section 5.2 Distributions to Convenience Creditors

If the Plan is approved by the Required Majority of the ~~OpCo~~ Unsecured Creditors and the Sanction Order is granted by the Court, then the Monitor, on behalf of the Applicants, shall make a payment to each Convenience Creditor on the Implementation Date equal to such Convenience Creditor's Convenience Amount, and such payment shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Convenience Creditor's Affected Claim.

Section 5.3 Distributions of Cash and Litigation Proceeds Election

Each Affected Creditor shall complete an Election Form in the form set out in Schedule "B" indicating their choice of either the Parent Share Compensation Amount or Litigation Proceeds Amount. The Election Form must be returned electronically via email to the Applicants and the Monitor in accordance with Section 9.9 herein. Election Forms must be completed and returned to the Applicants and the Monitor on or before April 18, 2025.

Any Affected Creditor that fails to return the Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

If the Plan is approved by the Required Majority of the Affected Creditor Class and the Sanction Order is granted by the Court, then each Eligible Voting Creditor shall be entitled to receive their Cash Payment and Parent Share Compensation Amount or Litigation Proceeds Amount, as applicable, on the Implementation Date, and such distributions~~, in combination with remuneration received pursuant to either the Parent Share Compensation Amount Process or the Litigation Proceeds Payment Process, as is~~

~~applicable,~~ shall be in full consideration for the irrevocable, full and final compromise and satisfaction of such Affected Creditor's Affected Claim.

If the Plan is approved by the Required Majority of the ~~OpCo~~ Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who ~~elects to participate in~~make the Litigation Proceeds ~~Payment Process, shall be entitled to receive~~Election shall receive a Litigation Proceeds Promissory Note in the form contained in Schedule "A" to this Plan guaranteeing payment of their Litigation Proceeds ~~Payment by way of the~~Amount on the date that Litigation Proceeds ~~Payment Process, as set out in accordance with a Schedule to this Plan~~become available to the Applicants.

If the Plan is approved by the Required Majority of the ~~OpCo~~ Unsecured Creditors and the Sanction Order is granted by the Court, then each Eligible Voting Creditor who ~~elects to participate in~~makes the Parent Share ~~Compensation Amount Process,~~Election shall be entitled to receive their Parent ~~Co. Shares by way of the Parent Shares Process, as set out in accordance with a Schedule to this Plan~~Share Compensation Amount on the Implementation Date.

Section 5.4 Distributions, Payments and Settlements of Unaffected Claims

(a) Post-Filing Claims;

All Post-Filing Claims outstanding as of the Implementation Date, if any, shall be paid by the applicable Applicant in the ordinary course consistent with past practice.

(b) Crown Claims;

On or as soon as reasonably practicable following the Implementation Date, the applicable Applicant shall pay or cause to be paid in full all Crown Claims, if any, outstanding as at the Filing Date or related to the period ending on the Filing Date, to the applicable Governmental Entity.

(c) Claims secured by a Charge;

(i) Administration Charge

On the Implementation Date, all outstanding obligations, liabilities, fees, and disbursements secured by the Administration Charge which are evidenced by invoices of the beneficiaries thereof delivered to the Monitor as at the Implementation Date, shall be fully paid by the Applicants. Following such payment, the Administration Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants and the Plan Implementation Fund. Following the Implementation Date, Administrative Expenses shall be paid from the Administrative Expense Reserve.

(ii) Directors Charge

On the Implementation Date, all D&O Claims shall be fully, finally, and irrevocably compromised, released, discharged, cancelled, extinguished, and barred in accordance with Article 8 and the Directors' Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the ~~Applicant Entities~~Applicants and the Plan Implementation Fund.

~~.~~

(iii) KERP Charge

On the Implementation Date, the Applicants will pay the lesser of $270,000 and the maximum possible payment remaining pursuant to the KERP, to the Monitor, in trust (the "**KERP Prepayment**"), and following such payment the KERP Charge shall be and be deemed to be fully and finally satisfied and discharged from and against any and all assets of the Applicants, and the Plan Implementation Fund. The

Monitor shall, from the KERP Prepayment, make all KERP Payments, as defined in the KERP, upon such payments becoming due and payable under the KERP. Any unused portion of the KERP Prepayment shall be transferred by the Monitor to the Applicants.

(d) Employee Priority Claims

On the Implementation Date, applicable Applicants shall pay or cause to be paid in full all Employee Priority Claims due and accrued to the Implementation Date, to each holder of an Employee Priority Claim to the full amount of his, her, or their respective Employee Priority Claim.

(e) Intercompany Claims

On or prior to the Implementation Date, Intercompany Claims shall be set-off, cancelled, maintained, re-instated, contributed or distributed, or otherwise addressed, in each case, as set forth on the books and records of, and/or in documents executed by, the applicable Applicant.

Section 5.5 Allocation of Distributions

All distributions made to Affected Creditors pursuant to the Plan shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Claim.

Section 5.6 Treatment of Undeliverable Distributions

If any Creditor's distribution under this Plan is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Applicants and the Monitor are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is six months following the Implementation Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the relevant Applicant. Nothing contained in the Plan shall require the Applicants or the Monitor to attempt to locate any Person to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

Section 5.7 Assignment of Claims for Voting and Distribution Purposes

(a) Assignment of Claims Prior to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims prior to the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment has been given to the Applicants and the Monitor prior to the commencement of the Meeting. In the event of such notice of transfer or assignment prior to the Meeting, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any and all notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by any and all notices given and by the Orders of the Court in the CCAA Proceeding. For greater certainty, other than as described above, the Applicants shall not recognize partial transfers or assignments of Claims.

(b) Assignment of Claims Subsequent to Meeting

Subject to any restrictions contained in Applicable Laws, Affected Creditors may transfer or assign the whole of their Claims after the Meeting provided that the Applicants and the Monitor shall not be obliged to deal with any transferee or assignee as an Affected Creditor and the Monitor shall not be obliged to make any distributions to the transferee or assignee in respect thereof unless and until actual notice of the transfer or assignment, together with evidence of the transfer or assignment and a letter of direction executed by the transferor or assignor, all satisfactory to the Applicants and the Monitor, has been given to the Applicants and the Monitor by 5:00 p.m. on the day that is at least one (1) Business Day immediately prior to the Implementation Date, or such other date as the Monitor may agree. Thereafter, the transferee or assignee shall, for all purposes, be treated as the Affected Creditor of the assigned or transferred Claim, will be bound by any notices previously given to the transferor or assignor in respect of such Claim and shall be bound, in all respects, by notices given and steps taken, and by the orders of the Court in the CCAA Proceedings.

Section 5.8 Withholding Rights

The Applicants, and the Monitor shall be entitled to deduct and withhold consideration otherwise payable to an Affected Creditor in such amounts (a "**Withholding Obligation**") as the Applicants or Monitor, as the case may be, is required or entitled to deduct and withhold with respect to such payment under the Canadian Tax Act or any other provision of any Applicable Law. To the extent that amounts are so deducted or withheld and remitted to the applicable Governmental Entity or as required by Applicable Law, such amounts deducted or withheld shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made. For greater certainty, and notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Withholding Obligations imposed by any Governmental Entity on account of such distribution; and (b) no consideration shall be paid to or on behalf of a holder of an Allowed Affected Claim pursuant to the Plan unless and until such Person has made arrangements satisfactory to the Applicants or the Monitor, as the case may be, for the payment and satisfaction of any Withholding Obligations imposed on the Applicants or the Monitor by any Governmental Entity.

ARTICLE 6
COURT SANCTION

Section 6.1 Application for Sanction Order

If the Required Majority of ~~OpCo Unsecured~~Affected Creditors approves the Plan, the Applicants shall apply to the Court for the Sanction Order.

Section 6.2 Sanction Order

The Applicants shall seek a Sanction Order that, among other things:

(a) declares that the Meeting was duly called and held in accordance with the Meeting Order;

(b) declares that the Applicants were authorized to present the Plan;

(c) declares that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of the Applicants have been in good faith and in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicants have not done or

purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

(d) declares that as of the ~~Restructuring~~ Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved pursuant to section 6 of the CCAA, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers and all other Persons named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(e) declares that the steps to be taken and the compromises and releases to be effective on the Implementation Date are deemed to occur and be effected on the Implementation Date, beginning at the ~~Restructuring~~ Effective Time;

(f) declares that the releases effected by this Plan shall be approved and declared to be binding and effective as of the Implementation Date upon all Affected Creditors and all other Persons affected by this Plan and shall enure to the benefit of such Persons;

(g) declares that, except as provided in the Plan, all obligations, agreements or leases to which the Applicants are a party on the Implementation Date, including all Continuing Contracts, shall be and remain in full force and effect, unamended, as at the Implementation Date, except as they may have been amended by the parties thereto subsequent to the Filing Date, and no party to any such obligation or agreement shall on or following the Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right (including any right of set-off, option, dilution or other remedy) or remedy under or in respect of any such obligation or agreement, by reason:

(i) of any event which occurred prior to, and is not continuing after, the Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled such party to enforce those rights or remedies;

(ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA, or that the Plan has been implemented;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;

(iv) of the effect upon the Applicants of the completion of any of the transactions contemplated by the Plan, including any change of control of the Applicants arising from the implementation of the transactions contemplated by the Plan; or

(v) of any compromises, settlements, restructuring, recapitalizations, reorganizations or steps effected pursuant to the Plan;

and declares that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any non-competition agreement or obligation, provided that such agreement shall terminate or expire in accordance with the terms thereof or as otherwise agreed by the Applicants and the applicable Persons;

(h) authorizes the establishment of the Plan Implementation Fund with the Monitor and authorizes the Monitor to perform its functions and fulfil its obligations under the Plan and to facilitate the implementation of the Plan on and after the Implementation Date, including resolution of the

Disputed Claims, distributions and payments from the Plan Implementation Fund and the termination of the CCAA Proceedings;

(i) subject to payment of any amounts secured thereby, declares that each of the Charges shall be dealt with as set out in Section 5.4(c) effective on the Implementation Date;

(j) declares all Allowed Affected Claims and Disallowed Claims determined in accordance with the Claims Procedure Order are final and binding on the Applicants and all Creditors and that all Encumbrances of Affected Creditors (other than Encumbrances in respect of Unaffected Claims), including all security registrations in respect thereof, are discharged and extinguished, and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all related filings (whether pursuant to personal property security legislation or otherwise) against the Applicants in any jurisdiction without any further action or consent required whatsoever;

(k) confirms the releases contemplated in Article 8;

(l) declares that ~~the~~ the Applicants or the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan; and

(m) such other relief which ~~the~~ the Applicants or the Monitor may request.

ARTICLE 7
CONDITIONS PRECEDENT & IMPLEMENTATION

Section 7.1 Conditions Precedent to Implementation in favour of Applicants

The implementation of the Plan shall be conditional upon the satisfaction of the following conditions precedent (the "**Applicants' Conditions Precedent**") prior to or at the ~~Restructuring~~ Effective Time, each of which is for the benefit of the Applicants and may be waived only by the Applicants in writing:

(a) the Plan shall have been approved by the Required Majority in accordance with the CCAA;

(b) the Sanction Order shall have been issued by the Court, and it shall have become a Final Order;

(c) the Plan Implementation Fund and Administrative Expense Reserve shall have been paid to the Monitor;

(d) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Plan or any part thereof or requires or purports to require a variation of the Plan;

(e) all agreements, resolutions, documents, and other instruments, which are reasonably necessary to be executed and delivered in order to implement the Plan or perform its respective obligations under the Plan or the Sanction Order, shall have been executed and delivered, and shall be in form and in content satisfactory to the Applicants; and

(f) all Material filings under Applicable Laws shall have been made and any regulatory consents or approvals that are required in connection with the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired

or been terminated, and the Applicants shall be satisfied that the Applicants have the requisite approvals, permissions and authorizations to operate subsequent to the Implementation Date and in accordance with the Plan.

Section 7.2 Failure to Satisfy Conditions Precedent

If the Applicants' Conditions Precedent are not satisfied or waived on or before the Outside Date, ~~,~~ the applicable ~~Party~~party may provide written notice to the other ~~Party~~party and the Monitor that such ~~Party~~party is revoking or withdrawing the Plan and, upon delivery of such notice: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void.

Upon delivery of written notice from the each ~~Party~~party of the satisfaction or waiver of the conditions set out herein and Section 7.1, the Monitor shall forthwith deliver to the Applicants a certificate stating that the Implementation Date has occurred and that the Plan, as it relates to the Restructuring, is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 8
EFFECT OF PLAN; RELEASES

Section 8.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order, will become effective and binding at the ~~Restructuring~~ Effective Time, and the Plan will be binding on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

(a) full, final and absolute settlement of all rights of any Affected Creditor; and

(b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of the Applicants in respect of any Affected Creditor, except as otherwise provided herein.

Section 8.2 Released Parties

Subject to Section 8.3, in consideration of the distribution described herein to Affected Creditors, and other good and valuable consideration from the Applicants pursuant, or in relation, to this Plan, from and after the ~~Restructuring~~ Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Affected Creditors (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all claims in respect of statutory liabilities of Directors and Officers other than as set out in Section 8.3 below, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the ~~Restructuring~~ Effective Time or, with respect to the time of such matters, relating to, arising out of or in connection with any claim, including without limitation any claim arising out of: (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, by the Applicants; (ii) the business of the Applicants; (iii) the Plan, including any transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings (collectively, the "**Released Claims**").

Except for those claims described in Section 8.3, from and after the ~~Restructuring~~ Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, partners, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed, and enjoined, on and after the ~~Restructuring~~ Effective Time, with respect to any and all Released Claims against the Released Parties, from:

(a) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit, demand or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties;

(b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property;

(c) commencing, conducting or continuing in any manner, directly or indirectly, any action, claim, suit or demand, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim in any manner or forum, against one or more of the Released Parties;

(d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any ~~Lien or~~ Encumbrance of any kind against the Released Parties or their property; or

(e) taking any actions to interfere with the implementation or consummation of the Plan or the transactions contemplated therein.

All Persons who have previously commenced a Released Claim in any court, which has not been finally determined, discontinued or dismissed prior to the ~~Restructuring~~ Effective Time shall, forthwith after the ~~Restructuring~~ Effective Time take all steps necessary to discontinue or dismiss such Released Claim, without costs.

Section 8.3 Claims Not Released

For clarity, nothing in Sections Section 8.1 and Section 8.2 will release or discharge:

(a) the Applicants from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any order of the Court made in the CCAA Proceedings;

(b) a Released Party if,

(i) in connection with a Released Claim, the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed a breach of trust (whether common law or statutory), fraud or willful misconduct or to have been grossly negligent; or

(ii) in the case of Directors, in respect of any claim referred to in Section 5.1(2) of the CCAA.

Section 8.4 Consents and Agreements at the ~~Restructuring~~ Effective Time

At the ~~Restructuring~~ Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the ~~Restructuring~~ Effective Time; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Applicant with respect to an Affected Claim as at the ~~Restructuring~~ Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

Section 8.5 Waiver of Defaults

From and after the Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants (except under the Plan) then existing or previously committed or caused by the Applicants, or any Applicant, the commencement of the CCAA Proceedings, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps or transactions contemplated in the Plan, or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants, or any Applicant, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants from performing their obligations under the Plan or be a waiver of defaults by the Applicants under the Plan and the related documents.

ARTICLE 9
GENERAL

Section 9.1 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Affected Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

Section 9.2 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 9.3 Modification of the Plan

(a) The Applicants reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan with the agreement of the Applicants and the Monitor, provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors prior to or at the Meeting; and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors. For

certainty, the Applicants may increase the consideration payable or otherwise provided under this Plan upon notice to the Applicants and Monitor and without their consent.

(b) Notwithstanding Section 9.3(a), any amendment, restatement, modification or supplement may be made by the Applicants and Monitor, without further Court Order or approval, provided that it: (i) concerns a matter which, in the opinion of the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order; (ii) cures any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors; or (iii) increases the consideration payable or otherwise provided to one or more Affected Creditors hereunder and does not decrease any consideration payable or otherwise provided to any Affected Creditor.

(c) Any amended, restated, modified or supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to constitute the Plan.

(d) Subject to the terms herein, in the event that this Plan is amended, the Monitor shall post such amended Plan on the Monitor's Website and such posting shall constitute adequate notice of such amendment.

Section 9.4 Paramountcy

From and after the ~~Restructuring~~ Effective Time, any conflict between:

(a) the Plan or any Order in the CCAA Proceeding; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the Implementation Date or the Articles or Bylaws of the applicable Applicant at the Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority, provided that any settlement agreement executed by any applicable Applicant and any Person asserting a Claim that was entered into from and after the Filing Date shall be read and interpreted in a manner that assumes such settlement agreement is intended to operate congruously with, and not in conflict with, the Plan.

Section 9.5 Severability of Plan Provisions

If, prior to the date of the Sanction Order, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

Section 9.6 Reviewable Transactions

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments made in connection with transactions entered into by the Applicants after the Filing Date, including to any and all of the payments and transactions contemplated by and to be implemented pursuant to this Plan.

Section 9.7 Responsibilities of the Monitor

KSV Restructuring Inc. is acting in its capacity as Monitor in the CCAA Proceeding with respect to the Applicants, the CCAA Proceeding and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicants under the Plan or otherwise.

Section 9.8 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided to the contrary herein, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

Section 9.9 Notice

(a) Any notice or other communication under this ~~Agreement~~Plan shall be in writing and may be delivered personally, by courier or by email, addressed:

If to the Applicants:

Stikeman Elliott LLP
4200 Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P ~~5C5Calgary, AB T2P 0B4~~5C5
Attention: Karen Fellowes, ~~K.C.~~KC / Archer Bell
Email: kfellowes@stikeman.com / abell@stikeman.com

If to the Monitor:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham
Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

with a copy to:

Bennett Jones LLP
4500, 855 2 Street SW
Calgary, AB T2P 4K7
Attention: Michael Selnes
Email: selnesm@bennettjones.com

If to an Affected Creditor:

To the mailing address, facsimile address or email address provided on such Affected Creditor's Notice to Known Claimants or Proof of Claim;

or to such other address as any party may from time to time notify the others in accordance with this Section.

(b) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Calgary 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. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

(c) Sending a copy of a notice or other communication to a ~~Party's~~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~~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~~party.

(d) If, during any period during which notices or other communications are being given pursuant to this Plan, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Section.

Section 9.10 Further Assurances

Each of the Persons directly or indirectly named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of ~~the March 4~~April 7, 2025.

Schedule "A"

PROMISSORY NOTE

AMOUNT: **CAD $_____** **DUE:** **ON THE DUE DATE (AS DEFINED BELOW)**

The undersigned, 420 Investments Ltd. ("**420 Parent**") hereby promises to pay to the order of _____ (the "**Holder**") the sum of CAD $_____, which amount shall be non-interest bearing (the "**Amount**").

The Amount shall be due and payable on the date that 420 Parent receives payment (the "**Tilray Payment**") from either:

(a) a final order, ruling or judgment of the Alberta Court of King's Bench, or any other court of competent jurisdiction, in Court Action No. 2001-02873 commenced by 420 Parent against Tilray Inc. and High Park Shops Inc. (the "**Tilray Litigation**") (a) that is in full force and effect; (b) that has not been reversed, modified or vacated and is not subject to any stay; and (c) in respect of which all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving such order, ruling or judgment wholly operable; or

(b) settlement of the Tilray Litigation

(the "**Due Date**"), provided that:

(a) any amounts owing by 420 Parent pursuant to any applicable litigation funding agreement (the "**Litigation Expenses**") are paid first; and

(b) the Tilray Payment is sufficient to pay any Litigation Expenses and the full amounts owing under all Promissory Notes issued by 420 Parent that are contingent on the Tilray Litigation (the "**Litigation Promissory Notes**").

In the event that the Tilray Payment is not sufficient to pay any Litigation Expenses and the full amounts owing under the Litigation Promissory Notes, the Litigation Expenses shall be paid in full and any remaining portion of the Tilray Payment shall be distributed to holders of the Litigation Promissory Notes, including this Promissory Note, on a pro-rata basis. In such event, such pro-rata payment shall be in full and final satisfaction of this Promissory Note.

This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.

DATED at Calgary, Alberta on _____, 2025.

420 Investments Ltd.

Per: _____
Scott Morrow
CEO

Schedule "B"

ELECTION FORM

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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

The undersigned, _____, hereby elects to receive the:

___ Litigation Proceeds Amount (as defined in the Plan of Arrangement); or

___ Parent Shares Compensation Amount (as defined in the Plan of Arrangement).

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before April 18, 2025. This Election Form shall be emailed to the following recipients:

FOUR20's Counsel:	**STIKEMAN ELLIOTT LLP** Attention: Karen Fellowes, K.C. / Archer Bell Email: kfellowes@stikeman.com/ abell@stikeman.com
Monitor:	**KSV RESTRUCTURING INC.** Attention: Andrew Basi / Ross Graham Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com
Monitor's Counsel:	**BENNETT JONES LLP** Attention: Michael Selnes Email: selnesm@bennettjones.com

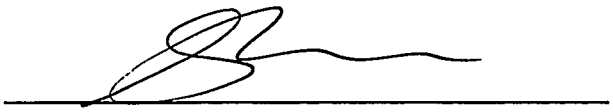
Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at _____ on _____, 2025.

Name of Affected Creditor:

Per: _____

This is **Exhibit "F"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025



Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

SCHEDULE "3"

FORM OF AFFECTED CREDITOR PROXY

PROXY AND INSTRUCTIONS

FOR AFFECTED CREDITORS

IN THE MATTER OF THE PROPOSED

PLAN OF COMPROMISE OR ARRANGEMENT OF

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

MEETING OF THE AFFECTED CREDITOR CLASS

to be held pursuant to an Order of the Court of King's Bench of Alberta (the "**Court**") made on March 14, 2025 (the "**Creditors' Meeting Order**") in connection with the Plan of Compromise or Arrangement of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**") and 420 Dispensaries Ltd. ("**420 Dispensaries**", and together with 420 Parent, 420 OpCo, and Green Rock, "**FOUR20**") dated March 4, 2025 (as amended, restated, modified and/or supplemented from time to time, the "**CCAA Plan**"), on April 11, 2025 at 10:00 a.m. (Calgary time) by live audio webcast or telephone through Microsoft Teams at:

Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

and / or at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

PLEASE COMPLETE, SIGN AND DATE THIS PROXY (THE "**PROXY**" OR "**PROXIES**") AND RETURN IT TO KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE MONITOR OF FOUR20 (THE "**MONITOR**") BY 5:00 P.M. (CALGARY TIME) ON APRIL 9, 2025, OR AT LEAST TWO (2) BUSINESS DAYS PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING (THE "**PROXY DEADLINE**"). PLEASE RETURN OR SEND YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors' Meeting to vote in person "virtually" but wish to appoint a proxyholder to attend the Creditors' Meeting "virtually", vote the aggregate amount of your Allowed Affected Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

A copy of the CCAA Plan is attached as Schedule "1" to the Creditors' Meeting Order. Capitalized but undefined terms are defined the CCAA Plan or the Creditors' Meeting Order.

You should review the CCAA Plan before you vote. In addition, on March 27, 2025, the Court issued the Creditors' Meeting Order establishing certain procedures for the conduct of the Creditors' Meeting. A copy of the Creditors' Meeting Order was included with the meeting materials set to you along with this form of Proxy and is also available on the Monitor's website at https://www.ksvadvisory.com/experience/case/420. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked or the information listed below is not sufficiently provided, the Monitor will act as your proxyholder*):

☐ _____ (name of proxyholder)

_____ (telephone of proxyholder)

_____ (email address of proxyholder)

or

X a representative of KSV Restructuring Inc., in its capacity as Monitor of FOUR20

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor's Allowed Affected Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor's Allowed Affected Claim as follows (mark only one):

X Vote **FOR** the approval of the CCAA Plan, or
Vote **AGAINST** the approval of the CCAA Plan

Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the CCAA Plan at the Creditors' Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors' Meeting.

The proxyholder can log in and attend the Creditors' Meeting by using either the link or telephone number provided above.

DATED this 9 day of APRIL, 2025

AFFECTED CREDITOR'S SIGNATURE:

MCCARTHY TETRAULT LLP

(Print Legal Name of Affected Creditor)

(Print Legal Name of Assignee, if applicable)

(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

PANTELIS KYRIAKAKIS, PARTNER

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

Suite 4000, 421-7th Ave SW, Calgary AB T2P 4K9

(Mailing Address of the Affected Creditor/Assignee)

403-260-3500 pkyriakakis@mccarthy.ca

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

YOUR PROXY MUST BE RECEIVED BY THE MONITOR BY MAIL, COURIER, EMAIL OR FACSIMILE AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS,

PLEASE CONTACT THE MONITOR AT THE ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

INSTRUCTIONS FOR COMPLETION OF PROXY

All capitalized terms used but not defined in this Proxy shall have the meanings given to such terms in the CCAA Plan (a copy of which is attached as Schedule "1" to the Creditors' Meeting Order) or the Creditors' Meeting Order

Please read and follow these instructions carefully. Your Proxy must actually be received by the Monitor at:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

prior to **5:00 p.m. (Calgary time) on April 9, 2025**, or at least two (2) Business Days prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

Your Allowed Affected Claim will be the amount as determined by the Monitor in accordance with the Claims Procedure Order and the Creditors' Meeting Order. This Proxy may only be used to vote the amount of your Allowed Affected Claim.

Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name, telephone and email address of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, or if the contact information for such proxyholder is not sufficiently provided, the Affected Creditor will be deemed to have appointed an officer of KSV Restructuring Inc., in its capacity as Monitor, or such other person as KSV Restructuring Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof. The proxyholder will be able to log in and attend the Creditors' Meeting using the link or telephone numbers provided in the Affected Creditor Proxy.

Check the appropriate box to vote for or against the CCAA Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the CCAA Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**

Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. An electronic signature will be accepted and deemed to be an original with respect to any Proxy submitted by email or facsimile. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

If you need additional Proxies, please immediately contact the Monitor.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same

date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

If an Affected Creditor validly submits a Proxy to the Monitor and subsequently "virtually" attends and votes at the Creditors' Meeting, it will be revoking the earlier received Proxy. If an Affected Creditor wishes to attend the Creditors' Meeting but does not wish to revoke its Proxy, it may log in and decline to vote at the Creditors' Meeting when prompted to do so.

Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Unsecured Creditor voting in person "virtually" at the Creditors' Meeting, without the prior consent of the Monitor and FOUR20.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THIS PROXY, PLEASE CONTACT THE MONITOR AT THE ADDRESS LISTED IN THE PROXY FORM OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

Schedule "B"

ELECTION FORM

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 420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

The undersigned, MCCARTHY TETRAULT LLP, hereby elects to receive the:

X **Litigation Proceeds Amount (as defined in the Plan of Arrangement); or**

___ **Parent Shares Compensation Amount (as defined in the Plan of Arrangement).**

Each Affected Creditor shall complete this Election Form and return it electronically via email to the Applicants and the Monitor on or before April 18, 2025. This Election Form shall be emailed to the following recipients:

FOUR20's Counsel: **STIKEMAN ELLIOTT LLP**

Attention: Karen Fellowes, K.C. / Archer Bell
Email: kfellowes@stikeman.com/ abell@stikeman.com

Monitor: **KSV RESTRUCTURING INC.**

Attention: Andrew Basi / Ross Graham
Email: abasi@ksvadvisory.com / rgraham@ksvadvisory.com

Monitor's Counsel: **BENNETT JONES LLP**

Attention: Michael Selnes
Email: selnesm@bennettjones.com

Any Affected Creditor that fails to return this Election Form to the Applicants and the Monitor by April 18, 2025 shall be deemed to have made the Litigation Proceeds Election.

DATED at CALGARY, ALBERTA on APRIL 9, 2025.

Name of Affected Creditor: MCCARTHY TETRAULT LLP

Per: _____

This is **Exhibit "G"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025

Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

FORM OF AFFECTED CREDITOR PROXY

PROXY AND INSTRUCTIONS

FOR AFFECTED CREDITORS

IN THE MATTER OF THE PROPOSED

PLAN OF COMPROMISE OR ARRANGEMENT OF

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

MEETING OF THE AFFECTED CREDITOR CLASS

to be held pursuant to an Order of the Court of King's Bench of Alberta (the "**Court**") made on March 14, 2025 (the "**Creditors' Meeting Order**") in connection with the Plan of Compromise or Arrangement of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**") and 420 Dispensaries Ltd. ("**420 Dispensaries**", and together with 420 Parent, 420 OpCo, and Green Rock, "**FOUR20**") dated March 4, 2025 (as amended, restated, modified and/or supplemented from time to time, the "**CCAA Plan**"), on April 11, 2025 at 10:00 a.m. (Calgary time) by live audio webcast or telephone through Microsoft Teams at:

Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

and / or at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

PLEASE COMPLETE, SIGN AND DATE THIS PROXY (THE "**PROXY**" OR "**PROXIES**") AND RETURN IT TO KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE MONITOR OF FOUR20 (THE "**MONITOR**") BY 5:00 P.M. (CALGARY TIME) ON APRIL 9, 2025, OR AT LEAST TWO (2) BUSINESS DAYS PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING (THE "**PROXY DEADLINE**"). PLEASE RETURN OR SEND YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors' Meeting to vote in person "virtually" but wish to appoint a proxyholder to attend the Creditors' Meeting "virtually", vote the aggregate amount of your Allowed Affected Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

A copy of the CCAA Plan is attached as Schedule "1" to the Creditors' Meeting Order. Capitalized but undefined terms are defined the CCAA Plan or the Creditors' Meeting Order.

You should review the CCAA Plan before you vote. In addition, on March 27, 2025, the Court issued the Creditors' Meeting Order establishing certain procedures for the conduct of the Creditors' Meeting. A copy of the Creditors' Meeting Order was included with the meeting materials set to you along with this form of Proxy and is also available on the Monitor's website at https://www.ksvadvisory.com/experience/case/420. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked or the information listed below is not sufficiently provided, the Monitor will act as your proxyholder*):

☒ Mitchell Gendel (name of proxyholder)

917-209-4695 (telephone of proxyholder)

mitchell.gendel@aphria.com (email address of proxyholder)

or

☐ a representative of KSV Restructuring Inc., in its capacity as Monitor of FOUR20

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor's Allowed Affected Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor's Allowed Affected Claim as follows (mark only one):

☐ Vote **FOR** the approval of the CCAA Plan, or
☒ Vote **AGAINST** the approval of the CCAA Plan

Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the CCAA Plan at the Creditors' Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors' Meeting.

The proxyholder can log in and attend the Creditors' Meeting by using either the link or telephone number provided above.

DATED this 2nd day of April, 2025

AFFECTED CREDITOR'S SIGNATURE:

McCarthy Tetrault LLP

(Print Legal Name of Affected Creditor)

Stephen Te

(Print Legal Name of Assignee, if applicable)

Stephen Te

(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

Director Billing & Collections

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

Suite 4000, 421 7 Ave SW, Calgary AB T2P 4K9

(Mailing Address of the Affected Creditor/Assignee)

ste@mccarthy.ca 416-806-8941
ebarak@mccarthy.ca 416-601-8191

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

YOUR PROXY MUST BE RECEIVED BY THE MONITOR BY MAIL, COURIER, EMAIL OR FACSIMILE AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS,

PLEASE CONTACT THE MONITOR AT THE ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

INSTRUCTIONS FOR COMPLETION OF PROXY

All capitalized terms used but not defined in this Proxy shall have the meanings given to such terms in the CCAA Plan (a copy of which is attached as Schedule "1" to the Creditors' Meeting Order) or the Creditors' Meeting Order

Please read and follow these instructions carefully. Your Proxy must actually be received by the Monitor at:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

prior to **5:00 p.m. (Calgary time) on April 9, 2025**, or at least two (2) Business Days prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

Your Allowed Affected Claim will be the amount as determined by the Monitor in accordance with the Claims Procedure Order and the Creditors' Meeting Order. This Proxy may only be used to vote the amount of your Allowed Affected Claim.

Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name, telephone and email address of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, or if the contact information for such proxyholder is not sufficiently provided, the Affected Creditor will be deemed to have appointed an officer of KSV Restructuring Inc., in its capacity as Monitor, or such other person as KSV Restructuring Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof. The proxyholder will be able to log in and attend the Creditors' Meeting using the link or telephone numbers provided in the Affected Creditor Proxy.

Check the appropriate box to vote for or against the CCAA Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the CCAA Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**

Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. An electronic signature will be accepted and deemed to be an original with respect to any Proxy submitted by email or facsimile. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

If you need additional Proxies, please immediately contact the Monitor.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same

date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

If an Affected Creditor validly submits a Proxy to the Monitor and subsequently "virtually" attends and votes at the Creditors' Meeting, it will be revoking the earlier received Proxy. If an Affected Creditor wishes to attend the Creditors' Meeting but does not wish to revoke its Proxy, it may log in and decline to vote at the Creditors' Meeting when prompted to do so.

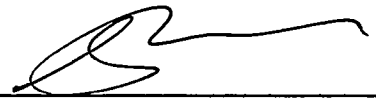
Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Unsecured Creditor voting in person "virtually" at the Creditors' Meeting, without the prior consent of the Monitor and FOUR20.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THIS PROXY, PLEASE CONTACT THE MONITOR AT THE ADDRESS LISTED IN THE PROXY FORM OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

This is **Exhibit "H"** referred to in the Affidavit of Scott Morrow, sworn before me at City of Calgary, in the Province of Alberta, this 17th day of April 2025



Commissioner in and for the Province of Alberta

Sahil Gaur
Student-at-Law

SCHEDULE "3"

FORM OF AFFECTED CREDITOR PROXY

PROXY AND INSTRUCTIONS

FOR AFFECTED CREDITORS

IN THE MATTER OF THE PROPOSED

PLAN OF COMPROMISE OR ARRANGEMENT OF

420 INVESTMENTS LTD., 420 PREMIUM MARKETS LTD., GREEN ROCK CANNABIS (EC 1) LIMITED and 420 DISPENSARIES LTD.

MEETING OF THE AFFECTED CREDITOR CLASS

to be held pursuant to an Order of the Court of King's Bench of Alberta (the "**Court**") made on March 14, 2025 (the "**Creditors' Meeting Order**") in connection with the Plan of Compromise or Arrangement of 420 Investments Ltd. ("**420 Parent**"), 420 Premium Markets Ltd. ("**420 OpCo**"), Green Rock Cannabis (EC 1) Limited ("**Green Rock**") and 420 Dispensaries Ltd. ("**420 Dispensaries**", and together with 420 Parent, 420 OpCo, and Green Rock, "**FOUR20**") dated March 4, 2025 (as amended, restated, modified and/or supplemented from time to time, the "**CCAA Plan**"), on April 11, 2025 at 10:00 a.m. (Calgary time) by live audio webcast or telephone through Microsoft Teams at:

Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDQ1NDY3ODAtZmNkNC00ODc4LTk1MjYtMDEzN2MzZDVkNDU2%40thread.v2/0?context=%7b%22Tid%22%3a%22394646df-a118-4f83-a4f4-6a20e463e3a8%22%2c%22Oid%22%3a%22ab28a7f9-d523-4338-b3a5-0c14fc50de41%22%7d

Meeting ID: 250 240 156 890

Passcode: we2TD3wS

Dial in by phone

+1 403-910-7168,,516304200# Canada, Calgary

Find a local number

Phone conference ID: 516 304 200#

and / or at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**").

PLEASE COMPLETE, SIGN AND DATE THIS PROXY (THE "**PROXY**" OR "**PROXIES**") AND RETURN IT TO KSV RESTRUCTURING INC., IN ITS CAPACITY AS THE MONITOR OF FOUR20 (THE "**MONITOR**") BY 5:00 P.M. (CALGARY TIME) ON APRIL 9, 2025, OR AT LEAST TWO (2) BUSINESS DAYS PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING (THE "**PROXY DEADLINE**"). PLEASE RETURN OR SEND YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors' Meeting to vote in person "virtually" but wish to appoint a proxyholder to attend the Creditors' Meeting "virtually", vote the aggregate amount of your Allowed Affected Claim to accept or reject the CCAA Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

A copy of the CCAA Plan is attached as Schedule "1" to the Creditors' Meeting Order. Capitalized but undefined terms are defined the CCAA Plan or the Creditors' Meeting Order.

You should review the CCAA Plan before you vote. In addition, on March 27, 2025, the Court issued the Creditors' Meeting Order establishing certain procedures for the conduct of the Creditors' Meeting. A copy of the Creditors' Meeting Order was included with the meeting materials set to you along with this form of Proxy and is also available on the Monitor's website at https://www.ksvadvisory.com/experience/case/420. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the CCAA Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked or the information listed below is not sufficiently provided, the Monitor will act as your proxyholder*):

☑ Mitchell Gendel (name of proxyholder)

(917) 209 - 4695 (telephone of proxyholder)

mitchell.gendel@aphria.com (email address of proxyholder)

or

☐ a representative of KSV Restructuring Inc., in its capacity as Monitor of FOUR20

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditor's Allowed Affected Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the CCAA Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor's Allowed Affected Claim as follows (mark only one):

☑ Vote **FOR** the approval of the CCAA Plan, or
☐ Vote **AGAINST** the approval of the CCAA Plan

Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the CCAA Plan at the Creditors' Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors' Meeting.

The proxyholder can log in and attend the Creditors' Meeting by using either the link or telephone number provided above.

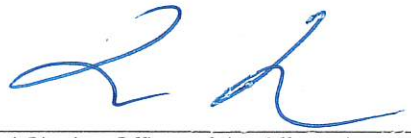
DATED this 8 day of April,

2025 **AFFECTED CREDITOR'S SIGNATURE:**

The Meadowlands Development Corporation

(Print Legal Name of Affected Creditor)

(Print Legal Name of Assignee, if applicable)



(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

Curtis Presber, Chief Operations Officer

(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

The Meadowlands Development Corporation
201, 46 Carry Drive SE, Medicine Hat, AB T1B 4E1

(Mailing Address of the Affected Creditor/Assignee)

(403) 526 - 4500 cpresber@mlands.ca

(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

YOUR PROXY MUST BE RECEIVED BY THE MONITOR BY MAIL, COURIER, EMAIL OR FACSIMILE AT THE ADDRESS LISTED BELOW BEFORE THE PROXY DEADLINE.

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS,

PLEASE CONTACT THE MONITOR AT THE ADDRESS ABOVE OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.

INSTRUCTIONS FOR COMPLETION OF PROXY

All capitalized terms used but not defined in this Proxy shall have the meanings given to such terms in the CCAA Plan (a copy of which is attached as Schedule "1" to the Creditors' Meeting Order) or the Creditors' Meeting Order

Please read and follow these instructions carefully. Your Proxy must actually be received by the Monitor at:

KSV Restructuring Inc.
1165, 324 – 8th Ave SW
Calgary, Alberta T2P 2Z2
Attention: Andrew Basi / Ross Graham

E-mail: abasi@ksvadvisory.com
rgraham@ksvadvisory.com

prior to **5:00 p.m. (Calgary time) on April 9, 2025**, or at least two (2) Business Days prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting. If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.

Your Allowed Affected Claim will be the amount as determined by the Monitor in accordance with the Claims Procedure Order and the Creditors' Meeting Order. This Proxy may only be used to vote the amount of your Allowed Affected Claim.

Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name, telephone and email address of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, or if the contact information for such proxyholder is not sufficiently provided, the Affected Creditor will be deemed to have appointed an officer of KSV Restructuring Inc., in its capacity as Monitor, or such other person as KSV Restructuring Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the CCAA Plan and at any and all adjournments, postponements or other rescheduling thereof. The proxyholder will be able to log in and attend the Creditors' Meeting using the link or telephone numbers provided in the Affected Creditor Proxy.

Check the appropriate box to vote for or against the CCAA Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the CCAA Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.**

Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. An electronic signature will be accepted and deemed to be an original with respect to any Proxy submitted by email or facsimile. If you are completing the Proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing and, if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

If you need additional Proxies, please immediately contact the Monitor.

If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same

date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

If an Affected Creditor validly submits a Proxy to the Monitor and subsequently "virtually" attends and votes at the Creditors' Meeting, it will be revoking the earlier received Proxy. If an Affected Creditor wishes to attend the Creditors' Meeting but does not wish to revoke its Proxy, it may log in and decline to vote at the Creditors' Meeting when prompted to do so.

Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Proxy Deadline.

Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

After the Proxy Deadline, no Proxy may be withdrawn or modified, except by a General Unsecured Creditor voting in person "virtually" at the Creditors' Meeting, without the prior consent of the Monitor and FOUR20.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THIS PROXY, PLEASE CONTACT THE MONITOR AT THE ADDRESS LISTED IN THE PROXY FORM OR VISIT THE MONITOR'S WEBSITE AT: https://www.ksvadvisory.com/experience/case/420.