

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 16TH
)
JUSTICE CONWAY) DAY OF NOVEMBER, 2023

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 BIOSTEEL SPORTS NUTRITION INC.,
BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS
NUTRITION USA LLC

(the "**Applicants**")

BIOSTEEL CANADA APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**"), for an order approving the transaction (the "**BioSteel Canada Transaction**") contemplated by an Asset Purchase Agreement between DC Holdings LTD., dba Coachwood Group of Companies ("**DC Holdings**"), as buyer, and BioSteel Sports Nutrition Inc. ("**BioSteel Canada**"), as seller, dated November 9, 2023 (as amended from time to time, in accordance with the terms thereof, the "**BioSteel Canada Purchase Agreement**") and vesting in DC Holdings, BioSteel Canada's right, title, and interest in and to the Purchased Assets (as defined in the BioSteel Canada Purchase Agreement) was heard this day by judicial videoconference via Zoom.

ON READING the Affidavit of Sarah Eskandari, sworn November 10, 2023, and the Exhibits thereto (the "**Eskandari Affidavit**"), the Second Report of KSV Restructuring, Inc. in its capacity as the court-appointed monitor (the "**Monitor**") dated November 14, 2023 (the "**Second Report**") and such further materials as counsel may advise, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, counsel to DC Holdings, and the other parties listed on the counsel slip, and no one else appearing for any other party on the Service List

although duly served as appears from the affidavit of service of Stephanie Fernandes sworn November 10, 2023.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the BioSteel Canada Purchase Agreement and/or the Amended and Restated Initial Order made in these proceedings on September 21, 2023 (the “**ARIO**”), as applicable.

APPROVAL OF BIOSTEEL CANADA TRANSACTION

3. **THIS COURT ORDERS** that the BioSteel Canada Purchase Agreement and the BioSteel Canada Transaction are hereby approved and the execution of the BioSteel Canada Purchase Agreement by BioSteel Canada is hereby authorized and approved, with such minor amendments as the Applicants, with the consent of the Monitor, may deem necessary. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the BioSteel Canada Transaction and for the conveyance of the Purchased Assets to DC Holdings.

4. **THIS COURT ORDERS** that BioSteel Canada is authorized and directed to perform its obligations under the BioSteel Canada Purchase Agreement and any ancillary documents related thereto.

VESTING OF THE PURCHASED ASSETS

5. **THIS COURT ORDERS** that upon the delivery of a Monitor’s certificate to the Applicants (or their counsel) and to DC Holdings (or its counsel) substantially in the form attached as **Schedule “A”** hereto (the “**Monitor’s Certificate**”), all of BioSteel Canada’s right, title and interest in and to the Purchased Assets shall vest absolutely in DC Holdings as at 12:01 a.m. on the date of the Monitor’s Certificate free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and

whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the ARIO, the SISP Approval Order made in these proceedings on September 21, 2023, or any other Orders made in this CCAA proceeding; (ii) all charges, security interests or claims whether evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec, or the Uniform Commercial Code provisions in the United States, including without limitation those registrations listed on **Schedule “B”** hereto; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof to the Applicants and DC Holdings, or to their respective counsel.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from BioSteel Canada and DC Holdings regarding the fulfilment or waiver of conditions to closing under the BioSteel Canada Purchase Agreement and shall have no liability with respect to delivery of the Monitor’s Certificate.

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

- (a) the pendency of these proceedings;
- (b) the pendency of any applications for a bankruptcy or receivership now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as

amended (the "**BIA**"), in respect of the Applicants or its property, and any bankruptcy or receivership order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provision of any federal or provincial statute,

the BioSteel Canada Purchase Agreement and the vesting of the Purchased Assets in DC Holdings pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of BioSteel Canada or its property and shall not be void or voidable by creditors of BioSteel Canada, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or other legislation.

10. **THIS COURT ORDERS** that, upon delivery of the Monitor's Certificate pursuant to paragraph 5 hereof, the NHL-NHLPA/BioSteel Corporate Marketing Letter Agreement dated as of February 17, 2022 (the "**Sponsorship Agreement**") shall be deemed to be terminated and at an end, effective immediately after the delivery of the Monitor's Certificate. Nothing in this Order precludes or restricts any of the NHL or the NHLPA parties from asserting an unsecured claim against BioSteel Canada for any amounts that they may claim to be owing to them pursuant to the Sponsorship Agreement in connection with a claims process approved by this Court, if any.

11. **THIS COURT ORDERS** that, upon delivery of the Monitor's Certificate pursuant to paragraph 5 hereof, the BioSteel Endorsement Agreement between BioSteel Sports Nutrition Inc. and Connor Bedard, dated as of August 3, 2022 (the "**Bedard Agreement**"), shall be deemed to be terminated and at an end, effective immediately after the delivery of the Monitor's Certificate. Nothing in this Order precludes or restricts Connor Bedard from asserting an unsecured claim against BioSteel Canada for any amounts that he may claim to be owing to him pursuant to the Bedard Agreement in connection with a claims process approved by this Court, if any.

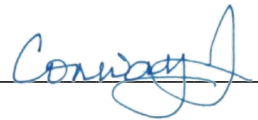
GENERAL

12. **THIS COURT ORDERS** that the Applicants, the Monitor or DC Holdings may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

14. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:02 a.m. Eastern Prevailing Time on the date of this Order without any need for filing or entry.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

Schedule “A” – Form of Monitor’s Certificate

Court File No. CV-23-00706033-00CL

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IN THE MATTER OF THE *COMPANIES’ CREDITORS
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NUTRITION USA LLC

(the “**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 14, 2023 (as amended and restated, and as may be further amended and restated from time to time, the “**Initial Order**”), KSV Restructuring, Inc. was appointed as monitor of BioSteel Sports Nutrition Inc. (in such capacity, the “**Monitor**”) in proceedings commenced by BioSteel Sports Nutrition Inc. (“**BioSteel Canada**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceeding**”).

B. Pursuant to an Order of the Honourable Justice Conway of the Court dated November 16, 2023, BioSteel Manufacturing LLC and BioSteel Sports Nutrition USA LLC were made Applicants in the CCAA Proceeding and the terms of the Initial Order were made applicable to BioSteel Manufacturing and BioSteel Sports Nutrition USA LLC.

C. Pursuant to the BioSteel Canada Approval and Vesting Order of the Court dated November 16, 2023 (the “**BioSteel Canada Approval and Vesting Order**”), the Court approved the Asset Purchase Agreement between DC Holdings LTD., dba Coachwood Group of Companies (“**DC Holdings**”), as buyer, and BioSteel Canada, as seller, dated November 9, 2023 (as amended from time to time in accordance with the terms thereof, the “**BioSteel Canada Purchase Agreement**”), providing for the vesting in DC Holdings, of all of BioSteel Canada’s right, title and interest in and to all of the Purchased Assets (as defined in the BioSteel Canada

Purchase Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to DC Holdings (or its counsel) and the Applicants (or their counsel) of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the BioSteel Canada Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing set forth in the BioSteel Canada Purchase Agreement have been satisfied or waived by BioSteel Canada and DC Holdings.
2. DC Holdings has paid or satisfied the Purchase Price, subject to applicable adjustments (if any), for the Purchased Assets payable on the Closing Date pursuant to the BioSteel Canada Approval and Vesting Order and/or the BioSteel Canada Purchase Agreement.
3. The BioSteel Canada Transaction has been completed to the satisfaction of the Applicants, the Monitor and DC Holdings.

DATED at Toronto, Ontario this _____ day of _____, 2023.

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

Per: _____



Name:

Title:

Schedule “B” – Registrations to be Released

- *Personal Property Security Act* (Ontario) financing statement filed against BioSteel Sports Nutrition Inc. with registration number 20190124 1141 1590 8558 and file number 747828531 in favour of Canopy Growth Corporation.
- *Personal Property Security Act* (Ontario) financing statement filed against BioSteel Sports Nutrition Inc. with registration number 20210826 0915 1532 0998 and file number 775780416 in favour of Royal Bank of Canada.

Schedule "C" – Encumbrances

CIPO App No.	Trademark	Status	Encumbrance Vested Out
TMA1155752	BIOSTEEL SPORTS NUTRITION		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA946144	BIOSTEEL SPORTS		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
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TMA1155751	BIOSTEEL Design		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA911839	BIOSTEEL SPORTS 		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA1155753	S Design 		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA957069	BIOSTEEL		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA952162	#DRINKTHEPINK		Security Agreement: Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06

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Court File No. CV-23-00706033-00CL

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COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

BIOSTEEL CANADA APPROVAL AND VESTING ORDER

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