



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-00706033-00CL

DATE: February 23, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **BIOSTEEL SPORTS NUTRITION INC.**

BEFORE JUSTICE: **MR. H.J. JUSTICE WILTON-
SIEGEL**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Shayne Kukulowicz	Lawyer for the Applicant	skukulowicz@cassels.com
Rachel Biblo Block Amelia Danovitch	US Lawyers for the Applicant	rbibloblock@akingump.com adanovitch@akingump.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jesse Mighton Thomas Gray	Lawyers for the Monitor	mightonj@bennettjones.com grayt@bennettjones.com
George Benchtrit	Lawyer to Special Committee of the Board of Biosteel Sports Nutrition Inc.	george@chaitons.com
James Satin	Lawyer for Allen Distribution	James.satin@devrylaw.ca

ENDORSEMENT:

The Monitor seeks approval of a sale of the remaining inventory pursuant to the Remaining Inventory Sale Agreement (as defined in the Monitor's Fourth Report dated February 17, 2024). Defined terms in this Endorsement have the meanings ascribed to them in the Monitor's Report.

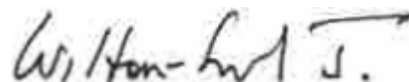
The assets to be sold pursuant to the Remaining Inventory Sale Agreement were not the subject of a sales process in part because of the amount and nature of the assets and in part because the sale to the purchaser was contemplated in the BioSteel Canada Purchase Agreement to the extent of the remaining Qualified Inventory.

The Monitor believes that approval of the Remaining Inventory Sale Transaction is in the best interests of the Applicants and their stakeholders.

The Remaining Inventory Sale Transaction is approved on the basis of the recommendation of the Monitor who supports the transaction for the following reasons, among others: (i) in the Monitor's opinion, the Remaining Inventory Sale Transaction, together with the online sales and the Incremental Sale Transactions, will achieve the best value for the Excluded Inventory in the circumstances; (ii) the Remaining Inventory Sale Transaction is supported by Canopy and its affiliate, being the only stakeholders with an economic interest in these CCAA proceedings; (iii) completion of the Remaining Inventory Sale Transaction will expedite the wind down of the Applicants' business; and (iv), the Monitor does not believe any stakeholder will be prejudiced by such approval.

Allen Distribution ("AD") asserts a purported storage lien in the amount of US\$840,000 (the "Purported Lien Amount") against the inventory to be sold in the Remaining Inventory Sale Transaction. AD is not objecting to the approval, and will not interfere with the completion, of the Remaining Inventory Sale Transaction on the following terms to which the Monitor has consented: (i) the Monitor will segregate and hold a portion of the proceeds of the Remaining Inventory Sale Transaction equal to the Purported Lien Amount (the "Reserved Funds"); (ii) the completion of the Remaining Inventory Sale Transaction shall be without prejudice to AD's purported storage lien against the Reserved Funds; and (iii) the Monitor will not distribute the Reserved Funds except (a) in accordance with a consensual agreement between the Monitor, AD and the Applicants, or (b) upon further order of the Court, provided that if AD has not delivered to the Monitor a motion establishing the validity of AD's purported storage lien and seeking a distribution to it of some or all of the Reserved Funds by 5:00 pm Eastern Time on March 15, 2024, the Monitor shall forthwith thereafter distribute the Reserved Funds in accordance with the Order (Distribution, Stay Extension, and Expansion of Monitor's Powers) granted in the within proceedings on December 14, 2023.

Accordingly, an order shall issue in the form attached.



Wilton-Siegel J.

Date: February 23, 2024