

ENTERED

November 30, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

)))	
In re:))	Chapter 15)	
)))	
BIOSTEEL SPORTS NUTRITION INC., <i>et al.</i> , ¹))	Case No. 23-90777 (CML))	
)))	
Debtors in a Foreign Proceeding.))	(Jointly Administered))	
)))	
))	Re: Docket No. <u>62</u>)	

**ORDER (I) RECOGNIZING AND ENFORCING
THE MANUFACTURING VESTING ORDER; (II) APPROVING
THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS
AND ENCUMBRANCES; (III) AUTHORIZING THE ASSUMPTION AND
ASSIGNMENT OF THE LEASE; AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of BioSteel Sports Nutrition Inc., in its capacity as the Foreign Representative, seeking entry of an order (a) recognizing and enforcing the Manufacturing Vesting Order; (b) approving, pursuant to Bankruptcy Code section 363, the sale of the Foreign Debtors’ rights, title and interests in and to the Manufacturing Purchased Assets pursuant to the Manufacturing Purchase Agreement, free and clear of all liens, claims, encumbrances and other interests; (c) authorizing, pursuant to Bankruptcy Code section 365, the assumption and assignment of the Lease; and (d) granting such other relief as the Court deems just and proper, as more fully set forth in the Motion; and upon consideration of the Eskandari Declarations; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the relief requested in the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and that this Court may enter a final order consistent with Article III

¹ The Foreign Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number or other identifier, are as follows: BioSteel Sports Nutrition Inc. (0866), BioSteel Manufacturing LLC (1553) and BioSteel Sports Nutrition USA LLC (2242). The Foreign Representative’s address is: 87 Wingold Avenue, Unit 1, Toronto, ON M6B 1P8 Canada.

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

of the United States Constitution; venue being proper before the Court pursuant to 28 U.S.C. § 1410; adequate and sufficient notice of the Motion having been given by the Foreign Representative; it appearing that the relief requested in the Motion is necessary and beneficial to the Foreign Debtors; and this Court having held a hearing (the “Hearing”) to consider the relief requested in the Motion; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY FOUND AND DETERMINED THAT:

A. This Court previously entered orders recognizing the Canadian Proceedings as foreign main proceedings [Docket Nos. 46, 86] (together, the “Recognition Orders”) on October 11, 2023 and November 30, 2023, respectively, where this Court found that the Foreign Debtors satisfied the requirements of, among others, Bankruptcy Code sections 101(23) and (24), 1502(4), 1504, 1509, 1515, 1517, 1520, 1521 and 1522. All such findings by this Court are hereby incorporated by reference herein and such Recognition Orders shall continue in effect in all respects except to the extent this Order directly modifies or directly contradicts either Recognition Order.

B. On September 21, 2023, the Canadian Court entered the SISP Approval Order that, among other things: (i) authorized BioSteel Inc. to implement a sale and investment solicitation proceeds (the “SISP”) for BioSteel in accordance with the terms thereof; and (ii) provided other relief as set forth therein.

C. On November 16, 2023, the Canadian Court entered the Manufacturing Vesting Order approving, among other things, the sale of BioSteel Manufacturing’s rights, title and interests in and to the Manufacturing Purchased Assets to GPI pursuant to the Manufacturing Purchase Agreement.

D. Based on the affidavits of service filed with, and the representations made to, this Court: (i) notice of this Motion, the Hearing and the Manufacturing Vesting Order was proper, timely, adequate and sufficient under the circumstances of these chapter 15 cases and complied with the various applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and (ii) no other or further notice of the Motion, the Hearing, the Manufacturing Vesting Order or entry of this Order is necessary or shall be required.

E. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

F. The relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policies of the United States, is warranted pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1507, 1520, 1521, 1525 and 1527, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

G. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the Foreign Debtors' advisors conducted the SISP to solicit interest in BioSteel in accordance with the terms of the SISP Approval Order, and such process was non-collusive, duly noticed and provided a reasonable opportunity to make an offer to purchase BioSteel. The Foreign Debtors' designation of the bid from GPI as the Successful Bid (as defined in the SISP Approval Order) is a good, valid and sound exercise of the Foreign Debtors' business judgment.

H. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the relief granted herein relates to assets and interests that, under the laws of the United States, should be administered in the Canadian Proceedings.

I. GPI is not, and shall not be deemed to be, a mere continuation, and is not holding itself out as a mere continuation, of any of the Foreign Debtors and there is no continuity between GPI and the Foreign Debtors. The Manufacturing Transaction does not amount to a consolidation, merger or de facto merger of GPI and any of the Foreign Debtors.

J. Time is of the essence in consummating the Manufacturing Transaction. To maximize the value of the Manufacturing Purchased Assets, it is essential that the Manufacturing Transaction occur and be recognized and enforced in the United States promptly. The Foreign Representative, on behalf of the Foreign Debtors, has demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the immediate approval and consummation of the Manufacturing Transaction as contemplated by the Manufacturing Purchase Agreement. Accordingly, there is cause to waive the stay that would otherwise be applicable under Bankruptcy Rules 6004 and 6006, and the transactions contemplated by the Manufacturing Purchase Agreement can be closed as soon as reasonably practicable upon entry of this Order.

K. Based upon information contained in the Motion, the Eskandari Declarations, the other pleadings filed in these chapter 15 cases and the record made at the Hearing, the Manufacturing Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed and entered into by BioSteel Manufacturing and GPI in good faith, without collusion, and from arm's-length bargaining positions. GPI is a "good faith purchaser" within the meaning of Bankruptcy Code section 363(m) and, as such, is entitled to all the protections afforded thereby. Neither the Foreign Debtors, the Foreign Representative nor GPI has engaged in any conduct that would cause or permit the Manufacturing Purchase Agreement or the consummation of the Manufacturing Transaction to be avoided or costs and damages to be imposed under Bankruptcy Code section 363(n). GPI is not an "insider" of any of the Foreign Debtors, as that

term is defined in Bankruptcy Code section 101, and no common identity of directors, officers, employees or controlling stockholders exists between GPI and the Foreign Debtors. They are wholly separate and unrelated entities and businesses.

L. The Manufacturing Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding any present or future creditors of the Foreign Debtors.

M. The Foreign Representative, on behalf of itself and the Foreign Debtors, may sell the Manufacturing Purchased Assets free and clear of all liens, claims (as defined in Bankruptcy Code section 101(5)), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Foreign Debtors or the Manufacturing Purchased Assets because, with respect to each creditor asserting any liens, claims, encumbrances and other interests, one or more of the standards set forth in Bankruptcy Code section 363(f)(1)–(5) has been satisfied. Each creditor that did not object to the Motion is deemed to have consented to the sale of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests pursuant to Bankruptcy Code section 363(f)(2).

N. The total consideration to be provided under the Manufacturing Purchase Agreement reflects GPI's reliance on this Order to provide it, pursuant to Bankruptcy Code sections 105(a) and 363(f), with title to and possession of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests.

O. The sale of the Manufacturing Purchased Assets to GPI will be a legal, valid and effective sale of the Manufacturing Purchased Assets, and will vest in GPI with all rights, title and interests of the Foreign Debtors in and to the Manufacturing Purchased Assets, free and clear of all liens, claims, encumbrances and other interests.

P. The Foreign Representative, the Foreign Debtors and the Monitor, as appropriate: (i) have full power and authority to execute the Manufacturing Purchase Agreement and all other documents contemplated thereby; (ii) have all the power and authority necessary to consummate the transactions contemplated by the Manufacturing Purchase Agreement; and (iii) upon entry of this Order, need no consent or approval to consummate the Manufacturing Transaction. The Foreign Debtors are the sole and rightful owners of the Manufacturing Purchased Assets, no other Person (as defined in Bankruptcy Code section 101(41)) has any ownership rights, title or interests therein, and the Manufacturing Transaction has been duly and validly authorized by all necessary corporate action of the Foreign Debtors.

Q. The Manufacturing Purchase Agreement is a valid and binding contract between BioSteel Manufacturing and GPI and shall be enforceable pursuant to its terms.

R. GPI would not have entered into the Manufacturing Purchase Agreement and would not consummate the purchase of the Manufacturing Purchased Assets and the related transactions if the sale of the Manufacturing Purchased Assets to GPI was not free and clear of all liens, claims, encumbrances and other interests, or if GPI would, or in the future could, be liable on account of any such lien, claim, encumbrance or any other interest.

S. A sale of the Manufacturing Purchased Assets other than free and clear of all liens, claims, encumbrances and other interests would yield substantially less value than the sale of the Manufacturing Purchased Assets pursuant to the Manufacturing Purchase Agreement; thus, the sale of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests, in addition to all of the relief provided herein, is in the best interests of the Foreign Debtors and their creditors and other parties in interest.

T. The Landlord has consented to BioSteel Manufacturing's assumption and assignment of the Lease to GPI conditioned upon payment of all cure costs.

U. The interests of the Foreign Debtors' creditors in the United States are sufficiently protected. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policies of the United States, and warranted pursuant to Bankruptcy Code sections 1521(b) and 1522.

V. The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

W. Any and all findings of fact and conclusions of law announced by this Court at the Hearing are incorporated herein.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled on the merits.

2. The Manufacturing Vesting Order and all of its respective terms, including any immaterial or administrative amendments thereto, including those necessary to give effect to the substance of such order, either pursuant to the terms therein or as approved by the Canadian Court, are fully recognized and given full force and effect in the United States in their entirety.

3. The Manufacturing Purchase Agreement and the Manufacturing Transaction contemplated thereunder, including, for the avoidance of doubt, the sale of the Manufacturing Purchased Assets and the transfers of the Manufacturing Purchased Assets located within the United States on the terms set forth in the Manufacturing Purchase Agreement, the Manufacturing Vesting Order, including all transactions contemplated thereunder, this Order, including all

transactions contemplated hereunder, and all of the terms and conditions of each of the foregoing are hereby approved and authorized pursuant to Bankruptcy Code sections 105, 363, 365, 1501, 1520, 1521, 1525 and 1527. The failure specifically to include any particular provision of the Manufacturing Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Manufacturing Purchase Agreement and the Manufacturing Transaction be authorized and approved in its entirety.

4. Pursuant to sections Bankruptcy Code 105, 363, 365, 1501, 1520, 1521, 1525 and 1527, the Manufacturing Vesting Order and this Order, the Foreign Debtors, GPI and the Foreign Representative (as well as their respective officers, employees, and agents) are authorized to take any and all actions necessary or appropriate to: (a) consummate the Manufacturing Transaction, including the sale of the Manufacturing Purchased Assets to GPI, in accordance with the Manufacturing Agreement, the Manufacturing Vesting Order and this Order; and (b) perform, consummate, implement and close fully the Manufacturing Transaction, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Manufacturing Purchase Agreement and the Manufacturing Transaction and to take such additional steps and all further actions as may be necessary or appropriate to the performance of the obligations contemplated by the Manufacturing Purchase Agreement, all without further order of the Court, and are hereby authorized and empowered to cause to be executed and filed such statements, instruments, releases and other documents on behalf of such Person with respect to the Manufacturing Purchased Assets that are necessary or appropriate to effectuate the Manufacturing Transaction, any related agreements, the Manufacturing Vesting Order and this Order, and all such other actions, filings or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Foreign Debtors

or GPI may determine are necessary or appropriate, and are hereby authorized and empowered to cause to be filed, registered or otherwise recorded a certified copy of the Manufacturing Vesting Order, this Order or the Manufacturing Purchase Agreement, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances and other interests against the Manufacturing Purchased Assets. The Manufacturing Vesting Order and this Order are deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state or local government agency, department or office.

5. All Persons that are currently in possession of some or all of the Manufacturing Purchased Assets located in the United States or that are otherwise subject to the jurisdiction of this Court are hereby directed to surrender possession of such Manufacturing Purchased Assets to GPI prior to the Closing Date (as defined in the Manufacturing Purchase Agreement).

6. This Court shall retain exclusive jurisdiction to enforce any and all terms and provisions of the Manufacturing Vesting Order in the United States.

7. Pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1520, 1521, 1525 and 1527, on the Closing Date, all rights, title and interests of the Foreign Debtors in the Manufacturing Purchased Assets shall be transferred and absolutely vest in GPI, without further instrument of transfer or assignment, and such transfer shall: (a) be a legal, valid, binding and effective transfer of the Manufacturing Purchased Assets to GPI; (b) vest GPI with all rights, title and interests of the Foreign Debtors in Manufacturing Purchased Assets; and (c) be free and clear of all liens, claims, encumbrances and other interests.

8. Pursuant to Bankruptcy Code sections 105(a), 363(f), 365, 1501, 1520, 1521, 1525 and 1527, upon the closing of the Manufacturing Transaction: (a) no holder of a lien, claim,

encumbrance or other interest shall interfere, and each and every holder of a lien, claim, encumbrance or other interest is enjoined from interfering, with GPI's rights and title to or use and enjoyment of the Manufacturing Purchased Assets; and (b) the sale of the Manufacturing Purchased Assets, the Manufacturing Purchase Agreement and any instruments contemplated thereby shall be enforceable against and binding upon, and not subject to rejection or avoidance by, the Foreign Debtors or any successor thereof. All Persons holding a lien, claim, encumbrance or other interest are forever barred and enjoined from asserting such lien, claim, encumbrance or other interest against the Manufacturing Purchased Assets, GPI or its affiliates and their respective officers, directors, employees, managers, partners, members, financial advisors, attorneys, agents, and representatives and their respective affiliates, successors and assigns from and after closing of the Manufacturing Transaction.

9. Each and every federal, state and local governmental agency or department is authorized and directed to accept (and not impose any fee, charge or tax in connection therewith) any and all documents and instruments necessary or appropriate to consummate the sale of the Manufacturing Purchased Assets to GPI and the Manufacturing Transaction generally. Effective as of the Closing Date, the Manufacturing Vesting Order and this Order shall constitute for any and all purposes a full and complete conveyance and transfer of the Foreign Debtors' interests in the Manufacturing Purchased Assets to GPI free and clear of all liens, claims, encumbrances and other interests.

10. This Order (a) shall be effective as a determination that, as of the Closing Date, all liens, claims, encumbrances and other interests have been unconditionally released, discharged and terminated as to GPI and the Manufacturing Purchased Assets, and that the conveyances and transfers described herein have been effected, and (b) is and shall be binding upon and govern the

acts of all Persons, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials and all other Persons who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease. Each of the foregoing is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Manufacturing Purchase Agreement and effect the discharge of all liens, claims, encumbrances and other interests pursuant to this Order and the Manufacturing Vesting Order and not impose any fee, charge or tax in connection therewith.

11. GPI is not and shall not be deemed to: (a) be a legal successor, or otherwise be deemed a successor, to any of the Foreign Debtors; (b) have, de facto or otherwise, merged with or into any or all Foreign Debtors; or (c) be a mere continuation or substantial continuation of any or all Foreign Debtors or the enterprise or operations of any or all Foreign Debtors.

12. The Manufacturing Transaction, including the purchase of the Manufacturing Purchased Assets, is undertaken by GPI in good faith, as that term is used in Bankruptcy Code section 363(m), and accordingly, the reversal or modification on appeal of the authorizations provided herein shall not affect the validity of the Manufacturing Transaction or the transfer of the Manufacturing Purchased Assets to GPI free and clear of all liens, claims, encumbrances and other interests, unless such authorization is duly stayed before the closing of the Manufacturing Transaction pending such appeal.

13. Neither the Foreign Debtors nor GPI has engaged in any conduct that would cause or permit the Manufacturing Purchase Agreement to be avoided or costs and damages to be imposed under Bankruptcy Code section 363(n).

14. BioSteel Manufacturing is authorized, pursuant to Bankruptcy Code section 365, to assume and assign the Lease to GPI effective as of the Closing Date, and to deliver to GPI such documents or other instruments as may be necessary to assign and transfer the Lease to GPI.

15. The Lease shall be transferred to, and remain in full force and effect for the benefit of, GPI in accordance with its terms, notwithstanding any provision in the Lease that prohibits, restricts or conditions such assignment or transfer. There shall be no rent acceleration, assignment fees, increases or any other fees or charge as a result of the assumption and assignment of the Lease. The Lease may not be terminated, or the rights of any party modified in any respect, as a result of the transaction contemplated by the Manufacturing Purchase Agreement.

16. In accordance with Bankruptcy Code section 365(k), upon BioSteel Manufacturing's assumption and assignment of the Lease to GPI, BioSteel Manufacturing shall be relieved from any liability for any breach of the Lease occurring thereafter.

17. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rules 6004 and 6006 and the Local Rules are satisfied by such notice.

18. The terms and provisions of the Manufacturing Purchase Agreement, the Manufacturing Vesting Order and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Foreign Debtors, GPI, the Foreign Representative, the Foreign Debtors' creditors and all other parties in interest, and any successors of the Foreign Debtors, GPI, the Foreign Representative and the Foreign Debtors' creditors, including any foreign representative(s)

of the Foreign Debtors, trustee(s), examiner(s) or receiver(s) appointed in any proceeding, including, without limitation, any proceeding under any chapter of the Bankruptcy Code, the CCAA or any other law, and all such terms and provisions shall likewise be binding on such foreign representative(s), trustee(s), examiner(s) or receiver(s) and shall not be subject to rejection or avoidance by the Foreign Debtors, their creditors or any trustee(s), examiner(s) or receiver(s).

19. Subject to the terms and conditions of the Manufacturing Vesting Order, the Manufacturing Purchase Agreement and any related agreements, documents or other instruments, may be modified, amended or supplemented by the parties thereto, in a writing signed by each party, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment or supplement does not materially change the terms of the Manufacturing Transaction, the Manufacturing Purchase Agreement or any related agreements, documents or other instruments and is otherwise in accordance with the terms of the Manufacturing Vesting Order.

20. The provisions of this Order and the Manufacturing Agreement are non-severable and mutually dependent. To the extent that there are any inconsistencies between the terms of this Order and the Manufacturing Vesting Order, on the one hand, and the Manufacturing Purchase Agreement, on the other, this Order and the Manufacturing Vesting Order shall govern.

21. Nothing in this Order shall be deemed to waive, release, extinguish or estop the Foreign Debtors or the Foreign Representative from asserting, or otherwise impair or diminish, any right (including, without limitation, any right of recoupment), claim, cause of action, defense, offset or counterclaim in respect of any asset or interest that is not a Manufacturing Purchased Asset.

22. All Persons subject to the jurisdiction of the United States are permanently enjoined and restrained from taking any actions inconsistent with, or interfering with, the enforcement and implementation of the Manufacturing Vesting Order or any documents incorporated by the foregoing.

23. The Foreign Representative and the Foreign Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion and the Manufacturing Vesting Order.

24. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

25. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Signed: November 30, 2023



Christopher Lopez
United States Bankruptcy Judge

EXHIBIT 1

Manufacturing Purchase Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

This Agreement is made as of the 9th day of November, 2023 (the “**Effective Date**”)

AMONG:

BIOSTEEL MANUFACTURING LLC, a Delaware limited liability company (“**BioSteel**” or the “**Vendor**”)

- and -

GREGORY PACKAGING, INC., a New Jersey corporation (the “**Purchaser**”)

WHEREAS:

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued September 14, 2023 (as may be further amended or amended and restated from time to time, the “**Initial Order**”), BioSteel Sports Nutrition Inc., a corporation incorporated pursuant to the laws of Canada (“**BioSteel Canada**”), was granted, among other things, creditor protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the “**CCA**”), and KSV Restructuring Inc. was appointed as Monitor of BioSteel Canada (in such capacity, the “**Monitor**”).

B. In connection with the proceedings initiated by the Initial Order (the “**CCA Proceedings**”), on September 21, 2023, BioSteel Canada sought and obtained an order of the Court approving, among other things, a sale and investment solicitation process (the “**SISP**”), to be conducted by BioSteel Canada, with the assistance of its advisors and under the oversight of the Monitor, to solicit interest in, and opportunities for, one or more or any combination of executable transactions involving the business and/or assets of BioSteel Canada and/or the equity or all or substantially all of the assets of each of its affiliates, BioSteel Sports Nutrition USA LLC and BioSteel.

C. BioSteel Canada filed a Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of the Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Bankruptcy Court**”) commencing Case No. 23-90777 (the “**Chapter 15 Proceedings**”), and the Bankruptcy Court entered an order on October 11, 2023 recognizing the CCA Proceedings as a foreign main proceeding (the “**CCA Proceedings Recognition Order**”) under chapter 15 of title 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”).

D. In accordance with the terms of the SISP, the Purchaser has submitted an offer to purchase the Purchased Assets (as defined herein) from BioSteel.

E. As set forth below, BioSteel Canada shall bring a motion to add BioSteel as an applicant in the CCA Proceedings and shall, among other things, obtain entry of the BioSteel Recognition Order (as defined herein).

The Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Purchased Assets, subject to, and in accordance with, the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the “**Parties**”, and each, a “**Party**”) hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**Agreement**” means this asset purchase agreement, including any schedules or exhibits appended to this asset purchase agreement, in each case as may be supplemented, amended or amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

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

“**Approval and Vesting Order**” means an order of the Court, in form and substance satisfactory to the Purchaser, BioSteel Canada, BioSteel and the Monitor, each acting reasonably, among other things, approving and authorizing this Agreement and the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of BioSteel in and to the Purchased Assets owned by BioSteel.

“**Approved Customers and Suppliers**” has the meaning set out in Section 5.4.

“**Assignment Order**” means an order of the Court pursuant to section 11.3 of the CCAA, in form and substance satisfactory to the Purchaser, BioSteel and the Monitor, each acting reasonably, assigning to the Purchaser the rights and obligations of BioSteel under the Lease, from and after Closing.

“**Assumed Liabilities**” means all Liabilities of the Vendor under the Lease from and after the Closing Time; provided, however, no Liabilities shall be assumed unless and until the execution of the Lease Assignment and Landlord Consent or the Court has granted the Assignment Order.

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

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

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

“**Bankruptcy Court Assignment Order**” means an order of the Bankruptcy Court in the Chapter 15 Proceedings under section 365 of the Bankruptcy Code in form and substance satisfactory to the

Purchaser recognizing and enforcing the Assignment Order and approving the assignment of the Lease to Purchaser.

“Bankruptcy Court Sale Order” means an order of the Bankruptcy Court in the Chapter 15 Proceedings in form and substance satisfactory to the Purchaser (i) recognizing and enforcing the Approval and Vesting Order, (ii) approving, under section 363 of the Bankruptcy Code, the sale of the Debtors’ rights, title, and interests in and to the Purchased Assets to the Purchaser pursuant to this Agreement, free and clear of all liens, claims, encumbrances, and other interests, (ii) finding that Purchaser is a Good Faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, (iii) approving and authorizing Vendor to consummate the transactions contemplated hereby.¹

“BioSteel” has the meaning set out in the recitals hereto.

“BioSteel Canada” has the meaning set out in the recitals hereto.

“BioSteel Recognition Order” means an Order of the Bankruptcy Court recognizing the CCAA Proceedings of BioSteel in the Chapter 15 Proceedings.

“Books and Records” means all production reports and records, equipment logs, operating guides and manuals (whether stored or maintained in hard copy, digital electronic format or otherwise) relating to the Purchased Assets and in the possession of the Vendor or its affiliates.

“Business Day” means a day on which banks are open for business in New York, New York, but does not include a Saturday, Sunday or statutory holiday in the New York.

“Cash Purchase Price” has the meaning set out in Section 3.3(b).

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

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

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

“Chapter 15 Proceedings” has the meaning set out in the recitals hereto.

“Claims” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment or reassessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person, complaints, grievance, petition, application, charge, investigation, indictment, prosecution, judgement, debt, liability, damage, or loss, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, known or unknown, disputed or undisputed, contractual, legal or equitable.

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

“Closing Date” means the date that is three (3) Business Days after the date upon which the conditions set forth in Article 7 have been satisfied or waived, other than any conditions set forth

¹ For greater certainty, a 363 sale process is not required for the entry of this order.

in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing, each acting reasonably); provided that the Closing Date shall be no later than the Outside Date; provided further that the Closing shall not occur prior to November 30, 2023 without the mutual agreement of Vendor and Purchaser.

“**Closing Time**” means 12:01 a.m. (New York time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

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

“**Deposit**” has the meaning set out in Section 3.3(a).

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

“**Employee**” means any individual who is employed by Canopy Growth Corporation or Canopy Growth USA, LLC and in such capacity provided services to Vendor prior to the Closing Date.

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

“**Excluded Assets**” means any assets of the Vendor that are not Purchased Assets.

“**Excluded Liabilities**” means all Liabilities of the Vendor and its affiliates relating to the operation of their respective businesses or assets (including the Purchased Assets) prior to Closing (including any cure costs), other than the Assumed Liabilities.

“**General Conveyance**” means a bill of sale and general conveyance evidencing the conveyance to the Purchaser of the Vendor’s interest in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), judicial body, regulatory authority, 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 having jurisdiction over the Vendor, the Purchaser, or the Purchased Assets.

“**Holdback**” means \$ [REDACTED].

“**Holdback Outside Date**” means December 15, 2023.

“**Holdback Payment**” means an amount equal to the product obtained from the following formula:

$A \times (B / 15)$

where:

A = the Holdback

B = the number of clear calendar days (up to a maximum of 15 days) between the Closing Date and the Property Acquisition Date, provided the Property Acquisition Date occurs after the Closing Date. In the event that the Property Acquisition Date occurs on or before the Closing Date, B shall be equal to 0 and the Holdback Payment shall be nil.

“Holdback Refund” means an amount equal to the Holdback less the Holdback Payment.

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

“Interim Period” means the period beginning on the Effective Date and ending at the Closing Time.

“Landlord” means Hansen Partners, LLC, or any successor or assign of Hansen Partners, LLC.

“Lease” means the Deed of Lease made February 13, 2019 by and between the Landlord, as landlord, and Flow Beverages, Inc., as tenant, for the Property as assigned by Flow Beverages, Inc. as tenant to the Vendor pursuant to a lease assignment and landlord consent made effective as of November 8, 2022 by and among Flow Beverages Inc., as the assignor, the Vendor, as the assignee, the Landlord, as landlord, and Canopy Growth Corporation, as indemnifier.

“Lease Assignment and Landlord Consent” means a lease assignment and landlord consent evidencing the assignment to the Purchaser of the Vendor’s interest in, to and under the Lease and the assumption by the Purchaser of all of the Liabilities of the Vendor in respect of the Lease, the Landlord’s consent thereto and release of the Vendor’s obligations under the Lease after the Closing Date, in form and substance satisfactory to the Parties, acting reasonably.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

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

“Monitor’s Certificate” means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Purchase Price.

“Non-Disclosure Agreement” means the non-disclosure agreement dated September 26, 2023 between the Purchaser and BioSteel Canada, on behalf of itself and its affiliates.

“**Order**” means any award, writ, injunction, consent, settlement, determination, assessment, judgement, stay, temporary restraining order, order, decree or other restraint entered, issued, made or rendered by any Governmental Authority.

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

“**Outside Date**” means 11:59 pm (New York time) on November 30, 2023 or such later date and time as the Vendor, with the consent of the Monitor, and the Purchaser may agree to in writing, each acting reasonably; provided, however, that if the Bankruptcy Court determines not to hear the petition for entry of the BioSteel Recognition Order and the motion for entry of the Bankruptcy Court Sale Order on an expedited basis, then the Parties agree that the Outside Date will be extended to the date that is 10 Business Days after the date of the Bankruptcy Court’s ruling on such petition and motion; provided further that in no event should the Outside Date be extended beyond December 15, 2023.

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

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

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

“**Property**” means the property located at 33 Lakeview Court, Verona, Virginia 24482 being Lot 12 of Mill Place Commerce Park, Middle River District, Augusta County, Virginia.

“**Property Acquisition Date**” means the date that the Purchaser, or an affiliate of the Purchaser, acquires the Property from the Landlord.

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

“**Purchased Assets**” means all of the Vendor’s right, title and interest in and to each of the assets listed at Schedule “B” hereto, including relevant Books and Records, rights and claims of the Vendor related to the Purchased Assets on the Closing Date (excluding any rights or claims relating to or arising from any contract of the Vendor but including any transferable manufacturer warranties relating to the Purchased Assets), in each case, other than the Excluded Assets.

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

“**Representatives**” means, with respect to a Person, such Person’s directors, officers, accountants, investment bankers, auditors, legal, financial and other advisors, consultants, agents and other representatives acting on its behalf.

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

“**Taxes**” means, with respect to any Person, all national, federal, provincial, state, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, customs duties, fees, assessments, imposts, levies and other charges of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, fines, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Transaction**” means the purchase and sale of the Purchased Assets contemplated by this Agreement.

“**Transfer Taxes**” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges imposed by a Governmental Authority, including any related penalties and interest, in connection with the sale, transfer or registration of the transfer of the Purchased Assets.

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

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

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

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in the lawful currency of the United States of America unless otherwise specifically indicated.

1.6 Statutes

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

1.7 Schedules & Amendments to Schedules

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

SCHEDULES

- Schedule "A" - Allocation Schedule
- Schedule "B" - Purchased Assets
- Schedule "C" - Approved Customers and Suppliers

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

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and assume from the Vendor, all of the Vendor's right, title and interest in, to and under the Purchased Assets, free and clear of all Encumbrances.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of, and rights in, the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities, if any, from and after the Closing Date.

2.3 Intentionally Omitted

2.4 Excluded Liabilities

The Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any Excluded Liabilities.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Assets shall be \$ [REDACTED] plus the assumption of the Assumed Liabilities, if any, and less the amount of the Holdback paid to the Purchaser, if any (the “**Purchase Price**”). The Purchase Price shall be satisfied in accordance with Section 3.3. The Purchase Price shall not be subject to any claim for set off, reduction or adjustment or any similar claim or mechanism of any kind whatsoever.

3.2 Allocation of the Purchase Price

The Purchaser and the Vendor agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown in the allocation schedule attached hereto as Schedule “A”. For greater certainty, the value of the Assumed Liabilities has been taken into account with respect to the determination of the aggregate Purchase Price payable pursuant to this Article 3 and the assumption of such Assumed Liabilities, if any, by the Purchaser does not constitute separate or additional consideration hereunder in respect of the Purchased Assets.

3.3 Satisfaction of Purchase Price

The Purchaser shall pay the Purchase Price in accordance with the following:

- (a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of \$ [REDACTED], being 10% of the Purchase Price (the “**Deposit**”), which Deposit is being held by the Monitor in trust, and, subject to Section 8.2, shall (inclusive of all interest earned thereon, if any) be credited against the Purchase Price at Closing;
- (b) Balance of Purchase Price. An amount equal to the Purchase Price less the Deposit (the “**Cash Purchase Price**”) shall be paid in cash by the Purchaser to the Monitor on the Closing Date, by wire transfer of immediately available funds;
- (c) Assumed Liabilities. An amount equal to the value of the Assumed Liabilities, if any, which the Purchaser shall assume on the Closing Date, shall be satisfied by the Purchaser paying, performing, and/or discharging such Assumed Liabilities as and when they become due; and
- (d) Holdback Payment. If applicable, a portion of the Cash Purchase Price equal to the Holdback shall be held by the Monitor in trust until the earlier of the Property Acquisition Date or the Holdback Outside Date. If the Holdback Outside Date occurs prior to the Property Acquisition Date, the Monitor shall refund the entire amount of the Holdback to the Purchaser within two Business Days of the Holdback Outside Date, by wire transfer of immediately available funds. If the Property Acquisition Date occurs on or prior to the Holdback Outside Date, the Monitor shall release the Holdback Refund to the Vendor within two Business Days of the Property Acquisition Date and the Monitor shall refund the Holdback Payment, if any, to the Purchaser within two Business Days of the Property Acquisition Date, by wire transfer of immediately available funds. The Monitor’s determination of the Holdback Payment and the Holdback Refund shall be final and binding on both the Purchaser and the Vendor.

3.4 Transfer Taxes

The Parties agree that:

- (a) The Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets.
- (b) The Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner.
- (c) The Purchaser shall indemnify the Vendor and the Monitor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor or the Monitor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

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

- (a) Incorporation and Status. The Vendor is a limited liability company, duly organized and validly existing and in good standing under the laws of Delaware and is qualified to do business in every jurisdiction in which the nature of its business or ownership of property requires it to be so qualified (except in such jurisdictions where the failure to be so duly qualified and in good standing would not reasonably be expected to have a material adverse effect on the Vendor, its business or ownership of the Purchased Assets), and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Company Authorization. The execution, delivery and, subject to obtaining of Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order in respect of the matters to be approved therein, performance by the Vendor of this Agreement has been authorized by all necessary company action on the part of the Vendor.
- (c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order.
- (d) No Proceedings. To the knowledge of the Vendor, there are no proceedings pending or threatened against the Vendor that would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.
- (e) Lease in Good Standing: The Lease is in full force and effect and in good standing, including that all rent has been paid as and when due, including all rent for November,

2023, and, to the Vendor's knowledge, there are no Liabilities of Vendor under the Lease (other than the requirement to perform in accordance with the terms of the Lease in the ordinary course, including the obligation to pay rent when due).

4.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of New Jersey, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Company Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order.
- (e) No Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order, and any consents, approvals or waivers required in connection with the transfer of the Purchased Assets, if applicable, no consent, approval, waiver or other Authorization is required from any Governmental Authority or any other Person, in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder, except for any Authorizations, consents, approvals, filings or notices of any Governmental Authority, court or Person that would not have a material effect on or materially delay or impair the ability of the Purchaser to consummate the Transaction.
- (g) Brokers' or Finders' Fees. The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction for which the Vendor shall have any obligation or liability to pay.

- (h) Solvency. The Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

4.3 Good Faith

The Purchaser and Vendor acknowledge, agree and confirm that this Agreement and the Transaction were negotiated, proposed and entered into by the Vendor and the Purchaser in good faith, without collusion, and from arms' – length bargaining positions and that the Purchaser is a good faith purchaser within the meaning of section 363(m) of the United States Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

4.4 As is, Where is

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser on an “*as is, where is*” basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that: (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Assets; and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transaction contemplated hereby, including with respect to the Purchased Assets. The disclaimer in this Section 4.3 is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser. The Purchaser further acknowledges, agrees and confirms that it has conducted its own investigations, due diligence and analysis in satisfying itself as to all matters relating to the Vendor and its assets, liabilities and business, including without limitation, the Purchased Assets and the Assumed Liabilities, if any. Until Closing, the Purchased Assets shall remain at the risk of the Vendor. After Closing occurs, the Purchased Assets shall be at the sole risk of the Purchaser regardless of the location of the Purchased Assets.

ARTICLE 5 COVENANTS

5.1 Closing Date

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

5.2 Motion for Orders

As soon as practicable after the Parties' execution of this Agreement, BioSteel Canada shall (a) serve and file with the Court a motion for the issuance of an order adding BioSteel as an applicant in the CCAA Proceedings and authorizing BioSteel Canada to act as foreign representative on behalf of BioSteel; (b)

serve and file with the Court a motion seeking (i) the Approval and Vesting Order, and (c) serve and file with the Bankruptcy Court a motion for the issuance of (i) the BioSteel Recognition Order, and (ii) the Bankruptcy Court Sale Order. The Purchaser shall cooperate with BioSteel Canada in its efforts to obtain the issuance and entry of the Orders contemplated under this Section 5.2; provided, however, the Parties agree that the submissions to the Bankruptcy Court will be filed following the submissions to the Court in recognition of the fact that the issued and entered Approval and Vesting Order will need to be submitted to the Bankruptcy Court. The service list and draft motion materials shall be provided to the Purchaser in advance for its review and comment and shall be in a form satisfactory to the Purchaser, acting reasonably.

5.3 Assignment Order

In the event that the Property Acquisition Date has not occurred and the Lease Assignment and Landlord Consent cannot reasonably be obtained by November 9, 2023 (or such other date agreed to between the Vendor and the Purchaser), BioSteel shall (i) serve and file with the Court a motion for the issuance of the Assignment Order, and (ii) serve and file with the Bankruptcy Court a motion for the Bankruptcy Court Assignment Order, provided, however, the Parties agree that the submissions to the Bankruptcy Court will be filed following the submissions to the Court in recognition of the fact that the issued and entered Assignment Order will need to be submitted to the Bankruptcy Court. For greater certainty, the Parties agree that the Assignment Order may form part of the Approval and Vesting Order, and the Bankruptcy Court Assignment Order may form part of the Bankruptcy Court Sale Order.

5.4 Interim Period; Inspection

During the Interim Period, except (a) as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), (b) as necessary in connection with the CCAA Proceedings, (c) as otherwise provided in the Initial Order and any other Court orders prior to the Closing Time, or (d) as consented to by the Purchaser and the Vendor, such consent not to be unreasonably withheld, conditioned or delayed, the Vendor shall: (i) use commercially reasonable efforts to continue to maintain and safeguard the Purchased Assets in substantially the same manner as on the Effective Date (including without limitation uniformed security presence at all times and at least two people in the facility during normal business hours), (ii) afford the Purchaser and its Representatives reasonable access during normal business hours to all of the properties owned or leased by the Vendor and the Purchased Assets, and (iii) permit and use commercially reasonable efforts to facilitate communications between the Purchaser and those suppliers and customers of the Vendor set forth in Schedule "C" hereto (the "**Approved Customers and Suppliers**"). Before the Closing, without the prior written consent of the Vendor, which may be withheld for any reason, the Purchaser and its affiliates and Representatives shall not contact any suppliers to, or customers of, the Vendor, save and except for the Approved Customers and Suppliers (which list may be modified by written agreement between the Parties with email being sufficient). The Purchaser shall, and shall cause its and its affiliates and Representatives to, abide by the terms of the Non-Disclosure Agreement with respect to any access or information provided under this Section 5.4.

5.5 Insurance Matters; Risk of Loss; Inspection of Purchased Assets

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies in relation to the Purchased Assets (if any) and give any notice or present any Claim under any such insurance policies consistent with past practice of the Vendor or its affiliates in the ordinary course of business. The risk of loss or damage to the Purchased Assets shall be borne by the Purchaser from and after the Closing Time. The risk of loss or damage to the Purchased Assets shall be borne by the Vendor during the Interim Period. If an insured loss does occur during the Interim Period and the Closing occurs, the insurance proceeds attributable to the damaged or destroyed Purchased Assets will be payable to the Purchaser on Closing, and

all right, title and interest of the Vendor to any such amounts not paid as of the Closing Time will be assigned to the Purchaser.

For the purpose of the immediately preceding paragraph, Purchaser and its Representatives shall have the right to inspect the Purchased Assets at the Property immediately prior to Closing (which inspection may be attended by Vendor and its Representatives) in order to confirm that (i) Vendor possesses at the Property and will deliver to Purchaser at Closing all or substantially all the Purchased Assets and (ii) all or substantially all of the Purchased Assets are not lost, damaged or destroyed beyond repair or otherwise damaged in a manner that materially impacts the value, use or operation of the Purchased Assets.

5.6 Employee Matters

- (a) The Vendor and its affiliates will provide to the Purchaser such information with respect to the Employees as may be reasonably required for the Purchaser to assess whether the Purchaser will offer employment to the Employees following the Closing.
- (b) Before Closing, the Vendor and its affiliates will use commercially reasonable efforts to facilitate communications between the Purchaser and its Representatives and the Employees in order for Purchaser to discuss with the Employees the potential for post-Closing employment with Purchaser (including the terms of any such employment). Purchaser shall, and shall cause its and its affiliates and Representatives to, abide by the terms of the Non-Disclosure Agreement with respect to any access or information provided under this Section 5.6.
- (c) Following the Closing in the sole discretion of the Purchaser, the Purchaser shall have the right, but shall not have any obligation, to make written offers of employment to any Employees that the Purchaser wishes to employ on terms acceptable to Purchaser in its sole discretion.

5.7 Actions to Satisfy Closing Conditions

- (a) The Vendor agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.2 are satisfied on or prior to the Closing Date; and
- (b) The Purchaser agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.3 are satisfied on or prior to the Closing Date.

5.8 Lease Security Deposit Amount; Mutual Termination of Lease

Concurrently with the Closing, and the execution of the Lease Assignment and Landlord Consent or the Parties' receipt of the Assignment Order, as applicable (but not if the Lease is terminated in accordance with this Section 5.8), the Purchaser shall pay a deposit to the Landlord in an amount equal to \$300,000 or such other amount reasonably requested by the Landlord to replace the Security Deposit Amount (as defined in the Lease) in order to ensure that the Security Deposit Amount is refunded to the Vendor. In the event that the Property Acquisition Date occurs simultaneously with or immediately prior to the Closing or prior to the Closing Date, the Purchaser, as landlord of the Property, shall refund the Security Deposit Amount to the Vendor.

Notwithstanding anything in this Agreement to the contrary (but subject in all respect to the last sentence of the immediately preceding paragraph), if the acquisition of the Property occurs simultaneously with or immediately prior to the Closing, the parties agree that Vendor and Purchaser (or its affiliated purchaser of the Property) will mutually terminate the Lease, in which event it will not be necessary for Purchaser to assume the Lease as contemplated in this Agreement.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

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

6.2 Vendor's Closing Deliveries

At the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets, which shall be delivered at the Property as of the Closing;
- (b) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (c) a true copy of the CCAA Proceedings Recognition Order, as issued and entered by the Bankruptcy Court;
- (d) a true copy of the BioSteel Recognition Order, as issued and entered by the Bankruptcy Court;
- (e) a true copy of the Bankruptcy Court Sale Order issued and entered by the Bankruptcy Court;
- (f) the General Conveyance, duly executed by the Vendor;
- (g) except as provided in Section 5.8, the Lease Assignment and Landlord Consent, duly executed by the Vendor, or if the Lease Assignment and Landlord Consent is not obtained, true copies of the Assignment Order as issued and entered by the Court and Bankruptcy Court Assignment Order as issued and entered by the Bankruptcy Court;
- (h) a certificate of an officer of the Vendor dated as of the Closing Date confirming that all of the representations and warranties of such Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that such Vendor has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (i) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliveries

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

- (a) the Cash Purchase Price;
- (b) the purchaser exemption certificate in respect of Transfer Taxes;
- (c) the General Conveyance, duly executed by the Purchaser;
- (d) except as provided in Section 5.8, if the Landlord consents to the assignment of the Lease by the Vendor to the Purchaser, the Lease Assignment and Landlord Consent, duly executed by the Purchaser and the Landlord;
- (e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 Conditions Precedent in Favor of the Parties

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

- (a) CCAA Proceedings. BioSteel shall be added as an applicant in the CCAA Proceedings.
- (b) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) Bankruptcy Court Orders in the Chapter 15 Proceedings. The Bankruptcy Court shall have issued and entered the following:
 - (i) the BioSteel Recognition Order; and
 - (ii) the Bankruptcy Court Sale Order

which Orders shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has

not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

- (d) No Order. No Applicable Law and no final or non-appealable judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.
- (e) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (f) Monitor's Certificate. The Monitor shall have provided an executed copy of the Monitor's Certificate confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 7.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

7.2 Conditions Precedent in Favor of the Purchaser

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

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

7.3 Conditions Precedent in Favor of the Vendor

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

- 18 -

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 6.3.
- (b) Assignment Order. If the Assignment Order is required, the Court shall have issued and entered the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably. For greater certainty, if the Lease Assignment and Landlord Consent is obtained, this condition under this Section 7.3(b) shall be deemed to be satisfied.
- (c) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (d) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 7.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate this Agreement.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

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

- (a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; or
- (b) by the Vendor (with the consent of the Monitor) or the Purchaser upon written notice to the other Parties if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order are not obtained on or before the Outside Date; provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement; or
- (c) by written notice from the Purchaser to the Vendor:
 - (i) in accordance with Section 7.1 or Section 7.2;

- (ii) if all or substantially all of the Purchased Assets are lost, damaged beyond repair or destroyed during the Interim Period in accordance with the provisions of Section 5.5; or
 - (iii) if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured on or before the Outside Date, unless the Purchaser is in material breach of its obligations under this Agreement; and
- (d) by written notice from the Vendor (with the consent of the Monitor) to the Purchaser:
- (i) in accordance with Section 7.1 or Section 7.3; or
 - (ii) if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (A) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.3 impossible by the Outside Date; or (B) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured on or before the Outside Date, unless the Vendor is in material breach of its obligations under this Agreement.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of this Section 8.2 (Effects of Termination) and Section 9.8 (Governing Law), each of which will survive termination; provided that if this Agreement is terminated:

- (a) in accordance with Section 8.1(d)(ii), the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit and the full amount of the Deposit shall be forfeited to the Vendor; or
- (b) for any other reason, the Deposit shall be returned to the Purchaser.

In the event of termination of this Agreement under Section 8.1(d)(ii) pursuant to which the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defense that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

**ARTICLE 9
GENERAL**

9.1 Access to Books and Records; Tax Co-Operation

For a period of six years from the Closing Date or for such longer period as may be required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with any Applicable Law, the Purchaser shall:

- (a) retain all original Books and Records that constitute Purchased Assets and are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Monitor and the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor) have the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser; and
- (b) use commercially reasonable efforts to assist the Vendor, including providing any reasonable information requested by the Vendor, with respect to any queries or questions that the Vendor may have in order to facilitate any Tax filings or Tax related questions or disputes that may arise following the Closing Date.

9.2 Notice

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

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

Gregory Packaging, Inc.
1125 Easton Road
Bethlehem, PA 18015
Attention: Dan Reed and Ned Reed
Email: dan@suncupjuice.com and ned@suncupjuice.com

with a copy to:

Womble Bond Dickinson (US) LLP
One Wells Fargo Center
Suite 3500
301 South College Street
Charlotte, NC 28202
Attention: Russ Ferguson and Patrick Strubbe
Email: russ.ferguson@wbd-us.com and patrick.strubbe@wbd-us.com

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

BioSteel Manufacturing LLC
c/o Canopy Growth Corporation
1 Hershey Drive

Smiths Falls, Ontario
K7A 0A8

Attention: Legal
Email: contracts@canopygrowth.com

with a copy to:

Cassels Brock & Blackwell LLP
40 Temperance Street, Suite 3200
Toronto, ON M5H 0B4

Attention: Ryan Jacobs and Natalie Levine
Email: rjacobs@cassels.com and nlevine@cassels.com

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

KSV Restructuring Inc.
220 Bay Street, 13th Floor
PO Box 20
Toronto, Ontario M5J 2W4

Attention: Noah Goldstein and Ross Graham
Email: ngoldstein@ksvadvisory.com and rgraham@ksvadvisory.com

with a copy to:

Bennet Jones LLP
First Canadian Place
100 King Street West, Suite 3400
Toronto, Ontario M5X 1A4

Attention: Sean Zweig and Jesse Mighton
Email: zweigs@bennettjones.com and mightonj@bennettjones.com

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

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

9.3 Public Announcements

The Vendor and the Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Subject to the forgoing, no press release or other announcement concerning the Transaction shall be made by the Purchaser or the Vendor without the prior consent of the other Party (such consent not to be unreasonably withheld, delayed or conditioned).

9.4 Time

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

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall terminate as of the Closing, provided that the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Entire Agreement

This Agreement, the attached Schedules hereto and the Non-Disclosure Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (with the consent of the Monitor) and the Purchaser.

9.7 Paramountcy

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

9.8 Governing Law

All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice of law or conflict of law provision (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

9.9 Assignment

The Purchaser cannot assign any of its rights or obligations under this Agreement without the prior written consent of the Vendor and the Monitor. Notwithstanding the forgoing, this Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor and the Monitor; and (iii) such assignee agrees in writing to be bound by the terms of this Agreement to the extent of the assignment and a copy of such assumption agreement is delivered to the Vendor and the Monitor forthwith after having been entered into; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.10 Further Assurances

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

9.11 Counterparts

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

9.12 Severability

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

9.13 Non-Waiver

No waiver of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

9.14 Expenses

Each of the Parties shall pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

9.15 Monitor's Certificate

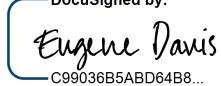
The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel, and the Closing shall be deemed to have occurred.

9.16 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA, the Initial Order and any other order of the Court in the CCAA Proceedings, the Vendor and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendor and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever.

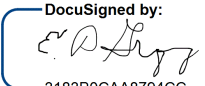
IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

BIOSTEEL MANUFACTURING LLC

DocuSigned by:

C99036B5ABD64B8...
By: _____
Name: Eugene I. Davis
Title: Director

I have authority to bind the Vendor.

GREGORY PACKAGING, INC.

DocuSigned by:

3183B0CAA8794CC...
By: _____
Name: Edward P. Gregory
Title: President

I have authority to bind the Purchaser.

EXHIBIT 2

Manufacturing Vesting Order

Electronically issued / Délivré par voie électronique : 16-Nov-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00706033-00CL



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

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")

MANUFACTURING 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 "CCAA"), for an order approving the transaction (the "Manufacturing Transaction") contemplated by an Asset Purchase Agreement between Gregory Packaging, Inc., as buyer ("GPI"), and BioSteel Manufacturing LLC ("BioSteel Manufacturing"), as seller, dated November 9, 2023 (as amended from time to time, in accordance with the terms thereof, the "Manufacturing Purchase Agreement") and vesting in GPI, BioSteel Manufacturing's right, title, and interest in and to the Purchased Assets (as defined in the Manufacturing 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 GPI, and the other parties listed on the counsel slip, and no one else appearing for any other party on the Service List although duly

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.

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17 November 2023
DAY OF NOVEMBER 2023
FAIT À TORONTO LE
REGISTRAR
GREFFIER

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 Manufacturing Purchase Agreement and/or the Amended and Restated Initial Order made in these proceedings on September 21, 2023 (the "ARIO"), as applicable.

APPROVAL OF MANUFACTURING TRANSACTION

3. **THIS COURT ORDERS** that the Manufacturing Purchase Agreement and the Manufacturing Transaction are hereby approved and the execution of the Manufacturing Purchase Agreement by BioSteel Manufacturing 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 Manufacturing Transaction and for the conveyance of the Purchased Assets to GPI and the assumption of the Liabilities in respect of the Lease.

4. **THIS COURT ORDERS** that BioSteel Manufacturing is authorized and directed to perform its obligations under the Manufacturing 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 GPI (or its counsel) substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of BioSteel Manufacturing's right, title and interest in and to the Purchased Assets shall vest absolutely in GPI 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), rights of first offer, rights of first refusal, liens, executions, levies, charges, or other

THIS IS TO CERTIFY THAT THE ABOVE DOCUMENT, EACH PAGE OF WHICH IS SIGNED BY THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.
DATED AT TORONTO THIS 17th DAY OF November 2023
FAIT A TORONTO LE 17^{ème} JOUR DE Novembre 2023
REGISTRAR
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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; and (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 (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 GPI, or to their respective counsel.

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

APPROVAL OF ASSIGNMENT OF LEASE

THIS COURT ORDERS that upon delivery of the Monitor’s Certificate:

- (a) all of the rights and obligations of BioSteel Manufacturing under the Lease from and after the delivery of the Monitor’s Certificate shall be assigned, conveyed, transferred and assumed by GPI pursuant to section 11.3 of the CCAA and such

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DAY OF November 23
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assignment is valid and binding upon all of the counterparties to the Lease notwithstanding any restriction or prohibition, if any, contained in the Lease relating to the assignment thereof, including but not limited to, provisions, if any, relating to a change of control or requiring the consent of or notice for any period in advance of the assignment to any party to the Lease;

(b) the Lease shall remain in full force and effect and the counterparties under the Lease are prohibited from exercising any rights or remedies (including, without limitation, any right of set-off) under the Lease, and shall be forever barred, enjoined and estopped from taking such action, by reason solely of:

- (i) any circumstance that existed or event that occurred on or prior to the Closing Date that would have entitled such counterparty to the Lease to enforce those rights or remedies or caused an automatic termination to occur;
- (ii) any defaults arising from the insolvency of BioSteel Manufacturing or any of its affiliates;
- (iii) the commencement of this CCAA proceeding;
- (iv) any defaults that arise upon the assignment of the Lease to GPI;
- (v) any change of control of BioSteel Manufacturing or its affiliates arising from the implementation of the Manufacturing Purchase Agreement and/or the Manufacturing Transaction and its implementation shall be deemed not to constitute a change in ownership or change in control under the Lease; or
- (vi) BioSteel Manufacturing having breached a non-monetary obligation under the Lease,

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 DATED AT TORONTO THIS 17 DAY OF November 2023
 FAIT A TORONTO LE 17 JOUR DE November 2023
 REGISTRAR
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and the counterparties under the Lease are hereby deemed to waive any defaults relating thereto. For greater certainty: (A) without limiting the foregoing, no counterparty under the Lease shall rely on a notice of default sent prior to the filing of the Monitor's Certificate to terminate the Lease as against GPI; and (B) nothing herein shall limit or exempt GPI in respect of obligations accruing, arising or continuing after the Closing of the Manufacturing Transaction under the Lease other than in respects of items (i) to (vi) above.

10. **THIS COURT ORDERS** that the assignment of the Lease shall be subject to the provisions of this Order directing that BioSteel Manufacturing’s rights, title and interests in the Lease shall vest absolutely in GPI free and clear of all Claims and Encumbrances.

11. **THIS COURT ORDERS** that the Lease may not be assigned hereunder unless all amounts owing in respect of monetary defaults under the Lease, other than those arising by reason only of the BioSteel Manufacturing’s insolvency, the commencement of this CCAA proceeding, or the BioSteel Manufacturing’s failure to perform a non-monetary obligation (the “Cure Costs”), are paid on or by the Closing Date, or such later date as may be agreed to by GPI and Hansen Partners, LLC (together with any of its successors or assigns, the “Landlord”) on prior written notice to the Monitor.

12. **THIS COURT ORDERS** that upon delivery of the Monitor’s Certificate contemplated by this Order, except as expressly set out to the contrary in any agreement among BioSteel Manufacturing, GPI and the Landlord, GPI shall be entitled to all of the rights and benefits and subject to all of the obligations pursuant to the terms of the Lease.

13. **THIS COURT ORDERS** that upon (a) delivery of the Monitor's Certificate contemplated by this Order, (b) payment of the Cure Costs and (c) payment by GPI to the Landlord in the amount of US\$300,000 to replace the Security Deposit (as defined in the Lease), the Landlord shall forthwith pay to the Monitor for the benefit of BioSteel Manufacturing the amount of US\$300,000, being the Security Deposit, less the amount, if any, needed to pay the Cure Costs, in immediately available funds to a bank account designated by the Monitor; provided the Landlord shall not pay any Cure Costs from the Security Deposit without the prior written consent of BioSteel Manufacturing, acting reasonably, or further Order of this Court; provided further, the Landlord shall be permitted to pay the amounts due in respect of the invoice received from Augusta Water for the billing period from September 6 to November 3, 2023 from the Security Deposit if BioSteel Manufacturing has not paid the invoice within five business days of receipt thereof.

14. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, nothing shall derogate from the obligations of GPI to assume the Lease and to perform GPI’s obligations under the Lease, except as expressly set out to the contrary in any agreement among BioSteel Manufacturing, GPI and the applicable counterparty under the Lease.

15. **THIS COURT ORDERS** that the indemnity provided by Canopy Growth Corporation (“Canopy”) in favour of the Landlord in respect of the Lease (the “Lease Indemnity”) shall not be

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DATED AT TORONTO THIS 17 DAY OF November 23 2023
FAIT À TORONTO LE 17 JOUR DE novembre 23 2023

REGISTRAR *W. Haffner* GREFFIER

affected by the assignment of the Lease to GPI in accordance with this Order, unless otherwise agreed to by the Landlord, acting reasonably. GPI shall use commercially reasonable efforts to propose to the Landlord one or more reasonable alternatives to replace the Lease Indemnity by Canopy to guarantee performance of the Liabilities of GPI under the Lease (the "**Replacement Indemnity**"), subject to the Landlord's consent, which consent shall not be unreasonably withheld. Upon the Replacement Indemnity becoming effective, the Landlord shall immediately thereby (without any other act or formality) waive, release, and discharge Canopy of all of its obligations in respect of the Lease Indemnity for all Liabilities under the Lease for the period from and after the delivery of the Monitor's Certificate contemplated by this Order.

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 DATED AT TORONTO THIS 17 DAY OF November 23, 2023.
 FAIT A TORONTO LE 17 JOUR DE Novembre 23, 2023.
 REGISTRAR
 M. [Signature]

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 assignment of the Lease to GPI in accordance with this Order, the Manufacturing Purchase Agreement and the vesting of the Purchased Assets in GPI pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of BioSteel Manufacturing or its property and shall not be void or voidable by creditors of BioSteel Manufacturing, 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.

PIPEDA

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor and the Applicants are authorized and permitted to disclose and transfer to GPI all human resources and payroll information in the Applicants' records pertaining to the Applicants' past and current employees.

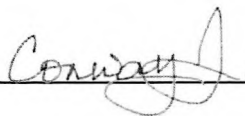
GPI shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

GENERAL

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

19. **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.

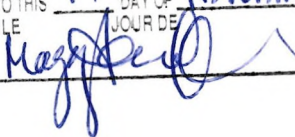
20. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:02 a.m. Eastern Prevailing Time on the date of this Order without any need for filing or entry.



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DATED AT TORONTO THIS 17 DAY OF November 2023
FAIT A TORONTO LE _____ JOUR DE _____

REGISTRAR  GREFFIER

Schedule "A" – Form of Monitor's Certificate

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING
LLC, AND BIOSTEEL SPORTS 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. 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 ("BioSteel Manufacturing") 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 Manufacturing Approval and Vesting Order of the Court dated November 16, 2023 (the "Manufacturing Approval and Vesting Order"), the Court approved the Asset Purchase Agreement between Gregory Packaging, Inc., as buyer ("GPI"), and BioSteel Manufacturing, as seller, dated November 9, 2023 (as amended from time to time in accordance with the terms thereof, the "Manufacturing Purchase Agreement"), providing for the vesting in GPI, of all of BioSteel Manufacturing's right, title and interest in and to all of the Purchased Assets (as defined in the Manufacturing Purchase Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to GPI (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 Manufacturing Approval and Vesting Order and/or the Manufacturing

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Electronically issued / Délivré par voie électronique : 16-Nov-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00706033-00CL

Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing set forth in the Manufacturing Purchase Agreement have been satisfied or waived by BioSteel Manufacturing and GPI in accordance with the Manufacturing Purchase Agreement.
2. GPI 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 Manufacturing Purchase Agreement and/or the Manufacturing Approval and Vesting Order.
3. The Manufacturing Transaction has been completed to the satisfaction of the Applicants, the Monitor and GPI.

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

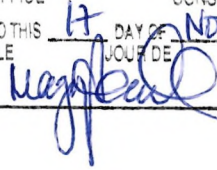
Per: _____

Name:

Title:

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Court File No./N° du dossier du greffe : CV-23-00706033-00CL

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-35, 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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

MANUFACTURING APPROVAL AND VESTING ORDER

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Lawyers for BioSteel