



Court File No. CV-22-00684542-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 15th
)
JUSTICE PENNY) DAY OF DECEMBER, 2022
)

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 MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION
(collectively, the "**Applicants**")

APPROVAL AND VESTING ORDER

(Canveda)

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, *inter alia*, (i) approving the Share Purchase Agreement (the "**Sale Agreement**") among MPX International Corporation (the "**Vendor**"), Canveda Inc. (the "**Purchased Entity**") and 9453-5382 Quebec Inc. (the "**Purchaser**") dated October 16, 2022 and attached as Exhibit "G" to the affidavit of Jeremy Budd sworn December 8th, 2022 (the "**Budd Affidavit**") and the Transactions as defined therein (the "**Transactions**"); (ii) adding 1000331738 Ontario Inc. ("**Residual Co.**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**"); (iii) vesting in the Purchased Entity all the right, title and interest of the Vendor in and to the Transferred Assets, free and clear from any Encumbrances, except for the Permitted Encumbrances; (iv) vesting in the Purchaser all the right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances, except for the Permitted Encumbrances; (v) vesting out of the Purchased Entity all Excluded Assets and Excluded Liabilities and discharging all Encumbrances against the Purchased Entity other than Permitted Encumbrances; and (vi) granting certain related relief, was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Motion Record of the Applicants and the Fourth Report of KSV Restructuring Inc. in its capacity as Monitor of the Applicants (the “**Monitor**”), and on hearing the submissions of counsel for the Applicants, the Monitor, the Purchaser, the DIP Lenders and for those other parties appearing as indicated by the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Thomas Gray sworn December 8th, 2022:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement or the Budd Affidavit, as applicable.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the Sale Agreement and the Transactions are hereby approved and the execution of the Sale Agreement by the Vendor and the Purchased Entity is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor and the DIP Lenders. The Applicants are hereby authorized and directed to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

- (a) first, (i) all of the Vendor's right, title and interest in and to the Transferred Assets shall vest absolutely and exclusively in the Purchased Entity, free and clear of and from any and all Claims and Encumbrances (each as defined below); and (ii) all Assumed Liabilities which are to be assigned by the Vendor to, and assumed by the Purchased Entity pursuant to the Sale Agreement shall be and are hereby assigned to, assumed by and shall vest absolutely and exclusively in the Purchased Entity, and for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Transferred Assets, other than Permitted Encumbrances, are hereby expunged and discharged as against the Transferred Assets;
- (b) second, all of the Purchased Entity's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in Residual Co., and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
- (c) third, all Excluded Liabilities (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of Purchased Entity shall be transferred to, assumed by and vest absolutely and exclusively in, Residual Co. such that the Excluded Liabilities shall become obligations of Residual Co. and shall no longer be obligations of Purchased Entity, and the Purchased Entity and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including, for certainty, the Transferred Assets and the Retained Assets, (the "**Purchased Entity Property**") shall be and are hereby forever released and

discharged from such Excluded Liabilities and all related Claims (as defined below), and all Encumbrances (as defined below) affecting or relating to the Purchased Entity Property, other than Permitted Encumbrances, are hereby expunged and discharged as against the Purchased Entity Property;

- (d) fourth, in consideration of the Purchase Price, all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule “B” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances, easements and restrictive covenants listed on Schedule “C” hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares;
- (e) fifth, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) and are convertible or exchangeable for any securities of Purchased Entity or which require the issuance, sale or transfer by the Purchased Entity, of any shares or other securities of the Purchased Entity, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Purchased Entity, or otherwise relating thereto, shall be deemed terminated and cancelled; and

(f) sixth, the Purchased Entity shall and shall be deemed to cease to be an Applicant in these CCAA Proceedings, and the Purchased Entity shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Purchased Entity) shall continue to apply in all respects.

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

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicants and the Purchaser regarding the fulfillment of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares (the "**Sale Proceeds**") shall stand in the place and stead of the Purchased Shares and any interest in the Purchased Entity, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attached to the Sale Proceeds with the same priority as they had with respect to the Purchased Shares and the Purchased Entity immediately prior to the sale, as if the Purchased Shares had not been sold and remained in the possession or control of the Person have that possession or control immediately prior to the sale.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicants or the Monitor, as the case may be, is authorized, permitted and directed to disclose to the Purchaser all human resources and payroll information in Purchased Entity records pertaining to past and current employees of Purchased Entity. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Purchased Entity.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Purchased Entity shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants, including without limiting the generality of the foregoing all taxes that could be assessed against the Purchaser or the Purchased Entity (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Applicants, provided, as it relates to the Purchased Entity, such release shall not apply to: (i) Transaction Taxes; (ii) Taxes in respect of the business and operations conducted by the Purchased Entity following the date on which the Interim Period commenced; and (iii) any Pre-Filing Excise and Pre-Filing GST/HST (each as defined in the Sale Agreement).

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Sale Agreement, all contracts to which the Purchased Entity is a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Applicant);
- (b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Sale Agreement,

the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

- (d) any transfer or assignment, or any change of control of the Purchased Entity arising from the implementation of the Sale Agreement, the Transactions or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Purchased Entity in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Purchased Entity's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Sale Agreement shall affect or waive the Purchased Entity's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of any Applicant then existing or previously committed by any Applicant, or caused by any Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, existing between such Person and Purchased Entity arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 11 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Purchased Entity or the Vendor from performing their obligations under the Sale Agreement or be a waiver of defaults by the Purchased Entity or the Vendor under the Sale Agreement and the related documents.

14. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly,

derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entity or the Purchased Entity Property relating in any way to or in respect of any Excluded Assets or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

15. **THIS COURT ORDERS** that, from and after the Effective Time:

- (a) the nature of the Assumed Liabilities retained by the Purchased Entity, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co.;
- (c) any Person that prior to the Effective Time had a valid right or claim against the Purchased Entity under or in respect of any Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Purchased Entity but will have an equivalent Excluded Liability Claim against Residual Co. in respect of the Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co.;
and
- (d) the Excluded Liability Claim of any Person against Residual Co. following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Purchased Entity prior to the Effective Time.

16. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants;

the Sale Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets and Excluded Liabilities in and to Residual Co., the transfer and vesting of the Transferred Assets in and to the Purchased Entity, and the transfer and vesting of the Purchased Shares in and to the Purchaser), and any payments by the Purchaser authorized herein or pursuant to the Sale Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and/or Residual Co. and shall not be void or voidable by creditors of the Applicants or Residual Co., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

18. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Purchased Entity Property.

19. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to add Residual Co. and remove the Purchased Entity.

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Switzerland, South Africa, Malta, Australia, Lesotho, Thailand or any other country, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

21. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing on the date hereof, provided that the transaction steps set out in Paragraph 5 shall be deemed to have occurred sequentially, one after the other, in the order set out in Paragraph 5.



SCHEDULE “A” – Form of Monitor’s Certificate

Court File No. CV-22-00684542-00CL

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 MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC., THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN INC., AND SALUS BIOPHARMA CORPORATION
(collectively, the “**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

- A. The Applicants commenced these proceedings under the *Companies’ Creditors Arrangement Act* on July 25, 2022 (the “**CCAA Proceedings**”).
- B. Pursuant to an Order of the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 25, 2022, was appointed as monitor (the “**Monitor**”) of the Applicants in the CCAA Proceedings.
- B. Pursuant to an Approval and Vesting Order of the Court dated December 15, 2022 (the “**Order**”), the Court approved the transactions (the “**Transactions**”) contemplated by the Share Purchase Agreement (the “**Sale Agreement**”) among MPX International Corporation (the “**Vendor**”), Canveda Inc. (the “**Purchased Entity**”), and 9453-5382 Quebec Inc. (the “**Purchaser**”) dated October 16, 2022, and ordered, *inter alia*, that: (i) all of Purchased Entity’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in

Residual Co.; (ii) all of the Vendor's right, title and interest in and to the Transferred Assets shall vest absolutely and exclusively in Purchased Entity; (iii) all of the Excluded Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in, Residual Co.; and (iv) all of the right, title and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Applicants that all conditions to closing have been satisfied or waived by the parties to the Sale Agreement.

C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Vendor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Sale Agreement.
2. This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2022.

**KSV Restructuring Inc., in its capacity as
Monitor of the Applicants, and not in its
personal capacity**

Per: _____
Name:
Title:

SCHEDULE "B"

The following Ontario PPSA Registrations:

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments	
		CG	I	E	A	O	MV				
AST TRUST COMPANY (CANADA), AS DEBENTURE TRUSTEE	CANVEDA INC.		X	X	X	X	X	763163478 <i>PPSA</i>	20200629 1542 9234 2291 Reg. 4 year(s) Expires 6/29/2024		
ALTERNA SAVINGS AND CREDIT UNION LTD.	CANVEDA INC.				X			751270563 <i>PPSA</i>	20190515 1651 1626 4658 Reg. 5 year(s) Expires 5/15/2024		
		Amount Secured: \$40000 No Fixed Maturity Date									
		General Collateral Description: TERM DEPOSIT #2 ACCT# 258302 \$40,000.00 IS SECURITY FOR LETTER OF CREDIT ON SAME ACCOUNT.									

SCHEDULE "C"

All Encumbrances that are Assumed Liabilities and are not Encumbrances to be Discharged (each as defined in the Sale Agreement). For clarity, the Assumed Liabilities are defined in Section 2.3 of the Sale Agreement, and include the following liabilities that are listed in Schedule "F" thereto:

- Interim Period Costs
- Pre-Filing GST/HST
- Pre-Filing Excise

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36*, AS AMENDED AND
IN THE MATTER OF MPX INTERNATIONAL CORPORATION, BIOCANNABIS PRODUCTS LTD., CANVEDA INC.,
THE CING-X CORPORATION, SPARTAN WELLNESS CORPORATION, MPXI ALBERTA CORPORATION, MCLN
INC., AND SALUS BIOPHARMA CORPORATION**

Court File No.: CV-22-00684542-00CL

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

Proceedings Commenced in Toronto

**ORDER
(Sale Approval)**

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