



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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 15<sup>th</sup>  
 )  
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**

**(Debentureholder Transaction)**

**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 sale transactions (the "**Transactions**") contemplated by the share and asset purchase agreement (the "**Sale Agreement**") among MPX International Corporation ("**MPXI**"), Spartan Wellness Corporation ("**Spartan**" and together with MPXI, the "**Vendors**") and ReFlourish Capital Limited (the "**Purchaser**") dated December 7, 2022, attached as Exhibit "H" to the Affidavit of Jeremy Budd sworn December 8<sup>th</sup>, 2022 (the "**Budd Affidavit**"), and vesting: (i) in the Purchaser all of MPXI's right, title and interest in and to the Purchased Securities and the Purchased Accounts; (ii) in 1000380716 Ontario Inc. ("**IP Holdco**") all of MPXI's right, title and interest in and to the MPX IP; and (iii) in 1000380801 Ontario Inc. ("**Spartan Acquireco**") all of Spartan's right, title and interest in the Spartan Assets, 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 8, 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 Vendors is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Vendors 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: (i) the Purchased Securities and the Purchased Accounts to the Purchaser; (ii) the MPX IP to IP Holdco; and (iii) the Spartan Assets to Spartan Acquireco.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor’s certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “**Monitor’s Certificate**”):

- (a) all of MPXI's right, title and interest in and to the Purchased Securities and the Purchased Accounts described in the Sale Agreement shall vest absolutely in the Purchaser;
- (b) all of MPXI's right, title and interest in and to the MPXI IP described in the Sale Agreement shall vest absolutely in IP Holdco; and
- (c) all of Spartan's right, title and interest in and to the Spartan Assets described in the sale Agreement shall vest absolutely in Spartan Acquireco,

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 Order of the Honourable Chief Justice Morawetz dated July 25, 2022, as amended and restated by the Order of the Honourable Chief Justice Morawetz dated August 4, 2022; (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 Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, 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.

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 Vendors 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 following receipt of such notices.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendors or the Monitor, as the case may be, are authorized, permitted and directed to disclose to the Purchaser and Spartan Acquireco all human resources and payroll information in the Vendors' records pertaining to past and current employees of the Purchased Entities and Spartan. The Purchaser and Spartan Acquireco 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 the Purchased Entities and Spartan.

9. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Sale Agreement, all contracts to which a Purchased Entity is a party upon delivery of the Monitor's Certificate (each a "**Purchased Entity Contract**") 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 Purchased Entity);
- (b) the insolvency of any Purchased Entity or the fact that any Purchased Entity 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 a Purchased Entity arising from the implementation of the Sale Agreement, the Transactions or the provisions of this Order.

10. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 9 hereof shall waive, compromise or discharge any obligations of a Purchased Entity in respect of a Purchased Entity Contract, and (b) nothing in this Order or the Sale Agreement shall affect or waive a Purchased Entity's rights and defences, both legal and equitable, with respect to any Purchased Entity Contract, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against any liabilities thereunder.

11. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time each Purchased Entity that was an Applicant or a Non-Applicant Stay Party 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 any Purchased Entity) shall continue to apply in all respects.

12. **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 *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3 (the "**BIA**") in respect of any Applicant and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any Applicant;

the Sale Agreement, the implementation of the Transactions, 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 any Applicant and shall not be void or voidable by creditors

of any Applicant, 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.

13. **THIS COURT DECLARES** that the conveyance to the Purchaser of the right, title, and interest in and to the part of the Purchased Securities representing the 10,000,000 common shares of Salus International Management Ltd. as further identified and described in Schedule “F” of the Sale Agreement (the “**SIM Shares**”), is done without prejudice to the rights of Piya Jittalan as against the DIP Lenders and the Purchaser in relation to the Purchaser’s obligation to convey the SIM Shares and all such rights are reserved and preserved.

#### **GENERAL**

14. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser, IP HoldCo and Spartan Acquireco, as applicable, shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Assets.

15. **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, the British Virgin Islands, 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.

16. **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.

A handwritten signature in blue ink, appearing to read 'Ray J.', is positioned above a horizontal line.

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## 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, BIOCANABIS 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 and asset purchase agreement (the “**Sale Agreement**”) among MPX International Corporation (“**MPXI**”), Spartan Wellness Corporation (“**Spartan**” and together with MPXI, the “**Vendors**”) and ReFlourish Capital Limited (the “**Purchaser**”) dated December 7, 2022, and provided for the vesting of: (i) all MPXI’s, right title and interest in and to the Purchased Securities and Purchased



Accounts to the Purchaser; (ii) all of MPXI's right, title and interest in and to the MPX IP to 1000380716 Ontario Inc.; (iii) all of Spartan's right, title and interest in and to the Spartan Assets to 1000380801 Ontario Inc., which vesting is 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 Vendors 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 Vendors, 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”**

1. The rights of each optionee under the Option Certificates.

**SCHEDULE “C”**  
**Permitted Encumbrances**

1. The DIP Lenders’ Charge, as such charge may be amended and continued pursuant to the DIP Assumption Agreement

**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)**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

**Sean Zweig** (LSO# 57307I)  
**Mike Shakra** (LSO# 64604K)  
**Thomas Gray** (LSO# 82473H)

Tel: 416-863-1200  
Fax: 416-863-1716

Lawyers for the Applicants