

**FIAT:**

The within Affidavit shall be filed, notwithstanding it is signed by the deponent by electronic signature



J.C.K.B.A. COURT FILE NUMBER Justice S.D. Hillier

2301 10472

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

AVONLEA-DREWRY HOLDINGS INC.

DEFENDANTS

PATHWAY HEALTH CORP., PATHWAY HEALTH SERVICES CORP., PATHWAY HEALTHCARE TECHNOLOGIES CORP., 2563367 ONTARIO LIMITED and SLAWNER ORTHO LTEE.

DOCUMENT

**AFFIDAVIT**

COM  
August 10, 2023

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Dentons Canada LLP  
Bankers Court  
15th Floor, 850 - 2nd Street S.W.  
Calgary, Alberta T2P 0R8  
Attn: Derek Pontin  
Ph. (403) 268-6301 Fx. (403) 268-3100  
File No.: 587135-10

**AFFIDAVIT OF MICHAEL STEELE**  
**Sworn on August 9, 2023**

I, **MICHAEL STEELE**, of the Town of Oliver, in the Province of British Columbia, **SWEAR AND SAY THAT:**

1. I am the CEO and a Director of the Plaintiff, Avonlea-Drewry Holdings Inc. ("**ADH**") and have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief. Where that knowledge is based on information or belief, I have stated the source of that information and verily believe it to be true.
2. I swear this Affidavit in support of ADH's application (the "**Interim Receivership Application**") seeking the appointment of KSV Restructuring Inc. ("**KSV**") as interim receiver (in such capacity, the "**Interim Receiver**") over all of the current and future assets, undertakings and property of Pathway Health Corp. ("**PHC**") and Pathway Health Services Corp. ("**PHSC**" and, together with PHC, the "**Debtors**").
3. I have reviewed the business records of ADH relevant to the Interim Receivership Application and ADH's application seeking the appointment of an interim receiver and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of ADH.

**The Parties**

4. ADH is a corporation existing pursuant to the laws of Ontario, doing business in Alberta and elsewhere in Canada.



C80631

5. PHC is a company incorporated pursuant to the laws of Alberta, carrying on business of investing in businesses operating in the medical and retail cannabis industry, in the Province of Alberta and elsewhere in Canada. A copy of the Government of Alberta Corporation/Non-Profit Search for PHC is attached hereto and marked as **Exhibit "A"**.
6. PHSC is a company incorporated pursuant to the laws of Canada and extra provincially registered in the Province of Alberta, carrying on business in the Province of Alberta and elsewhere in Canada. A copy of the Government of Alberta Corporation/Non-Profit Search for PHSC is attached hereto and marked as **Exhibit "B"**.
7. Other companies, substantially wholly owned subsidiaries of PHC, comprise the Pathway group of companies (the **"Pathway Group"**), including Pathway Wellness Products Corp.; Pathway Healthcare Technologies Corp. (**"Pathway Technologies"**); 13199223 Canada Ltd. (**"223 Canada"**); 10030712 Manitoba Ltd.; 2563367 Ontario Limited (**"367 Ontario"**); Slawner Ortho Ltee (**"Slawner"**); and 1964433 Alberta Ltd.
8. 223 Canada is a company incorporated pursuant to the laws of Canada. A copy of a Government of Canada corporate NUANS search is attached hereto and marked as **Exhibit "C"**.
9. For certainty, the focus of the immediate application made by ADH is upon PHC and PHSC, with only tangential implications for the balance of companies within the Pathway Group.

#### **Loan Obligations**

10. ADH as lender, PHC as borrower and PHSC, Pathway Technologies, 367 Ontario, and Slawner as guarantors, are parties to a credit facility agreement, dated July 29, 2022 (the **"Credit Facility Agreement"**). A copy of the Credit Facility Agreement is attached hereto, marked as **Exhibit "D"**.
11. Pursuant to the Credit Facility Agreement, ADH provided PHC a revolving credit facility in the amount of \$3,500,000.00 with interest at the greater of 12% per annum and the Bank of Canada prime rate plus 8.80%.
12. In advance of the entering of the Credit Facility Agreement, PHC and ADH executed a secured promissory grid note, dated May 27, 2022 and Amended and Restated Secured Promissory Grid Note dated April 21, 2023 (together, the **"ADH Note"**), in favour of ADH. A copy of the ADH Note is attached hereto and marked as **Exhibit "E"**.
13. In support of the ADH Note, PHSC provided to ADH an unlimited guarantee, dated May 27, 2022 (the **"PHSC Guarantee"**). A copy of the PHSC Guarantee is attached hereto, marked as **Exhibit "F"**.
14. In support of the repayment of the indebtedness of PHC pursuant to the Credit Agreement each of Pathway Technologies, 367 Ontario and Slawner, provided to ADH an unconditional and unlimited guarantee, dated July 29, 2022 (the **"Credit Agreement Guarantees"**). Copies of the Credit Agreement Guarantees are attached hereto and marked as **Exhibit "G"**.
15. To secure its obligations to ADH, PHC provided to ADH a General Security Agreement, dated May 27, 2022, charging all present and after-acquired personal property of PHC and a Share Pledge Agreement, dated May 27, 2022, charging all shares held by PHC in the capital of PHSC, Pathway Wellness Corp., Pathway Technologies, and 223 Canada (the **"PHC Security"**). Copies of the PHC Security are attached hereto and marked as **Exhibit "H"**.
16. To secure its obligations to ADH, PHSC provided to ADH a General Security Agreement dated May 27, 2022, charging all present and after-acquired personal property of PHSC and a Share Pledge Agreement, dated July 29, 2022, charging all shares held by PHC in the capital of 10030712

Manitoba Ltd., 367 Ontario and Slawner (the "**PHSC Security**"). Copies of the PHSC Security are attached hereto and marked as **Exhibit "I"**.

17. To secure its obligations to ADH, Pathway Technologies provided to ADH a Share Pledge Agreement dated July 29, 2022, charging all shares held by Pathway Technologies in the capital of 1964433 Alberta Ltd. (the "**Pathway Technologies Security**"). A copy of the Pathway Technologies Security is attached hereto and marked as **Exhibit "J"**.
18. The PHC Security, PHSC Security and Pathway Technologies Security are collectively the "**Security**".
19. The Credit Facility Agreement, ADH Note, PHSC Guarantee, Credit Agreement Guarantees and Security are collectively, the "**Loan Documents**".
20. ADH is in the process of registering its Security against each of PHC and PHSC and Pathway Technologies, as applicable. There are no registered/priority creditors to ADH and Heal. Copies of the Alberta Personal Property Debtor Name Search for each of PHC, PHSC and Pathway Technologies is attached hereto and marked as **Exhibit "K"**.

#### *Heal Loan*

21. Heal Global Holdings Corp. ("**Heal**") and PHC, executed a secured convertible promissory grid note in favour of Heal, dated February 3, 2023 (the "**Heal Note**"). A copy of the Heal Note is attached hereto and marked as **Exhibit "L"**.
22. To secure its obligations to Heal pursuant to the Heal Note, PHC provided to Heal a General Security Agreement, dated February 3, 2023, charging all present and after-acquired personal property of PHC (the "**Heal Security**"). A copy of the Heal Security is attached hereto and marked as **Exhibit "M"**.
23. ADH and I own 100% of the common voting equity of Heal, and I am the sole director and officer of Heal. Heal is currently reviewing assignment of the Heal Note and Heal Security to ADH, to consolidate that indebtedness; however, at the date of this application that has not occurred. I confirm Heal is aware of and supports the within application, as a secured creditor of PHC.

#### **Default and Demand**

24. Each of the Debtors are in default of the Loan Documents for, among other reasons, failure to repay the Indebtedness owing to ADH in accordance with the terms of their agreements.
25. More urgently, the Board of Directors of PHC recently resigned. Attached hereto, marked as **Exhibit "N"**, is a copy of the press release advising of the resignations of all directors and officers of PHC.
26. Through my direct discussions with the former directors and officers of PHC, including Mr. Kim Wei, the former COO of PHC and PHSC, I am advised and aware that the directors and officers of each of PHSC, Pathway Wellness Corp. and Pathway Technologies have all resigned.
27. I am advised by Mr. Kim Wei that the landlord for the premises rented by 367 Ontario has taken action in the manner of taking over that business, as of August 1, 2023, and is purporting to operate. I am not aware of the current state of that business, or to where revenues are being applied.
28. ADH has demanded each of the Defendants repay their respective indebtedness to ADH and has issued Notices of Intention to Enforce Security under subsection 244(1) of the *Bankruptcy and*

*Insolvency Act*, RSC 1985 c B-3 (the "NOIs") to Pathway, Pathway Services and Pathway Technologies. Copies of the demands and NOIs are attached hereto and marked as Exhibit "O".

29. The Defendants have each refused or neglected, and continue to refuse or neglect, to repay the Indebtedness to ADH.

Indebtedness Owing to ADH and Others Pursuant to their respective obligations under the Loan Documents, the Defendants are each jointly and severally indebted to ADH as of August 3, 2023, in the amount of \$5,416,811.00 plus accrued and accruing interest, costs and expenses (including legal costs on a solicitor and own client, full indemnity basis) (the "Indebtedness").

31. As of August 9, 2023, the Indebtedness has not been repaid.
32. It is a term of the Loan Documents that the Indebtedness shall continue to accrue interest on all amounts outstanding at the rates set forth therein.
33. I am advised by Mr. Kim Wei that Canada Revenue Agency is a creditor of PHSC, in the approximate amount of \$37,744.
34. I am aware that Tilray Medical is a creditor of PHC in the approximate amount of \$250,000. My understanding is that Tilray Medical is unsecured. I have discussed the proposed interim receivership with Tilray Medical and I verily believe they are not opposed to the relief sought in the within Application.
35. I am not aware of any other secured creditor of PHC and PHSC, other than ADH and Heal. I am further advised by Mr. Kim Wei that, to the best of his knowledge, there are no other secured creditors of PHC and PHSC.

#### Appointment and Necessity of an Interim Receiver

36. ADH is entitled to prosecute its legal remedies under its agreements with the Debtors, which includes the right to apply to this Honourable Court to appoint an interim receiver over the property, assets and undertaking of the Debtors. ADH wishes to exercise such right at this time.
37. The immediate appointment of an interim receiver of the assets, properties, and undertakings of the Debtors is necessary to protect the economic interests of ADH, and other stakeholders. This is principally driven by:
- (a) The resignation from all companies, other than 223 Canada, of all directors and officers.
  - (b) The resulting cessation of business operations of PHC and PHSC.
  - (c) The majority of value in the Pathway Group is comprised of its licenses, intellectual property, goodwill and patient lists. These are not tangible assets that can be mothballed and marketed in a methodical fashion. The enterprise must be preserved, if ADH is to be able to realize any amount of its indebtedness.
  - (d) 223 Canada holds a non-possessory sales license for cannabis, for the purposes of facilitating the distribution of medical cannabis through the Pathway Group business infrastructure. That license is uncommon in Canada, and both time-consuming and expensive to obtain. Mr. Kim Wei has so far not resigned as a director and officer of 223 Canada, principally to preserve that license, but without operations in the Pathway Group, Mr. Wei is not being remunerated and is not incentivized to continue to remain in place. Mr. Wei's resignation from 223 Canada would invalidate the license, resulting in a significant loss of value to Pathway Group stakeholders.

- (e) The landlord of 367 Ontario has enforced its rights, without regard for the rights and claims of ADH as against that company. ADH is not aware of what other erosions are currently occurring in respect of the value and recoverability of its collateral.
- (f) PHSC was in the midst of negotiating a sale of Slawner when the leadership resignations occurred. There is significant potential value in that sale being completed. I am aware a term sheet was being circulated with a proposed closing date before the end of August. I believe the interim receiver, or a later appointed receiver, could revive and pursue that transaction.
- (g) On the balance of factors, there is no other just and convenient option for ADH and other stakeholders to preserve enterprise value in the circumstances. Moreover, the proposed appointment of an interim receiver, as a function of preservation, and not liquidation, creates no prejudice to any party that I am aware of.
38. I verily believe that KSV Restructuring Inc., with offices in the City of Calgary, is qualified and prepared to act as interim receiver of PHC and PHSC.
39. ADH intends to apply for appointment of KSV as receiver manager of PHC and PHSC within 30 days, which I understand is the legislated time limit in which either an extension of interim receivership or appointment of a receiver must be sought.
40. ADH intends to make that application for appointment of a receiver on notice to all affected parties. The within application, for appointment of KSV as interim receiver, is on notice only to the other secured creditor, due to the significant time constraints. As mentioned above, the secured creditor, Heal, has consented to the relief being sought.
41. I make this Affidavit in support of ADH's application for an interim receiver in respect of Pathway and Pathway Services.
42. The deponent Michael Steele was not physically present before me but was linked with me utilizing video technology. I, PAVIN TAKHAR, confirm that while connected via video technology, Michael Steele had shown to me the front and back of his government-issued photo identity document and I am reasonably satisfied it is the same person and the document is valid and current. I confirm that I have reviewed each page of this affidavit and exhibits with Michael Steele and verify that the pages are identical.

SWORN BEFORE ME at Calgary, Alberta, this  
9<sup>th</sup> day of August 2023.

\_\_\_\_\_  
Commissioner for Oaths in and for the  
Province of Alberta

DocuSigned by:  
*Michael Steele*  
92D1E926651E4D4...  
**MICHAEL STEELE**

**THIS IS EXHIBIT "A"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/08/08  
 Time of Search: 01:52 PM  
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
 Service Request Number: 40260851  
 Customer Reference Number:

**Corporate Access Number:** 2018454393  
**Business Number:** 727752487  
**Legal Entity Name:** PATHWAY HEALTH CORP.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
COLSON CAPITAL CORP.	2021/05/31

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2014/09/04 YYYY/MM/DD  
**Date of Last Status Change:** 2017/01/05 YYYY/MM/DD

## Registered Office:

**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8

## Records Address:

**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8

**Email Address:** CORPORATE.CALGARY@DENTONS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
O'SULLIVAN	JAMES	P.	DENTONS CANADA LLP	1500-850 2 ST SW	CALGARY	ALBERTA	T2P0R8	JAMES.OSULLIVAN@DENTONS.COM

## Directors:

**Last Name:** GOLDHAR  
**First Name:** MARK

**Street/Box Number:** 239 FIVE ISLAND ROAD

**City:** HUBLEY

**Province:** NOVA SCOTIA

**Postal Code:** B3Z1B5

**Last Name:** HOWLING

**First Name:** KENNETH

**Street/Box Number:** 43 PARKHURST BOULEVARD

**City:** TORONTO

**Province:** ONTARIO

**Postal Code:** M4G2C8

**Last Name:** JETLY

**First Name:** RAKESH

**Street/Box Number:** 317 AMITA CRESCENT

**City:** OTTAWA

**Province:** ONTARIO

**Postal Code:** K2C4J1

**Last Name:** WRIGHT

**First Name:** ALISON

**Street/Box Number:** 1458 WOODDEDEN DRIVE

**City:** MISSISSAUGA

**Province:** ONTARIO

**Postal Code:** L5H2T9

**Last Name:** YOON

**First Name:** KEN

**Street/Box Number:** 138 DUNBLAINE AVENUE

**City:** NORTH YORK

**Province:** ONTARIO

**Postal Code:** M5M2S3

**Transfer Agents:**

**Legal Entity Name:** TSX TRUST COMPANY

**Corporate Access Number:** 3023749967

**Street:** 300-100 ADELAIDE ST W

**City:** TORONTO

**Province:** ONTARIO

**Postal Code:** M5H1S3

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE SCHEDULE

**Share Transfers Restrictions:** NONE

**Min Number Of Directors:** 3

**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE

**Holding Shares In:**

<b>Legal Entity Name</b>
PATHWAY HEALTH SERVICES CORP.

**Other Information:**

**Last Annual Return Filed:**

<b>File Year</b>	<b>Date Filed (YYYY/MM/DD)</b>
2022	2022/10/26

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2014/09/04	Incorporate Alberta Corporation
2016/11/02	Status Changed to Start for Failure to File Annual Returns
2020/02/21	Update BN
2021/05/31	Name/Structure Change Alberta Corporation
2021/06/08	Change Address
2021/06/29	Change Agent for Service
2022/10/12	Change Director / Shareholder
2022/10/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2014/09/04
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2014/09/04
<a href="#">Consolidation, Split, Exchange</a>	ELECTRONIC	2021/05/31

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "B"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/08/08  
 Time of Search: 04:10 PM  
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
 Service Request Number: 40262818  
 Customer Reference Number:

**Corporate Access Number:** 2122929827

**Business Number:**

**Legal Entity Name:** PATHWAY HEALTH SERVICES CORP.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
12352877 CANADA LTD.	2020/10/27
PATHWAY HEALTH CORP.	2021/05/28

**Legal Entity Status:** Active  
**Extra-Provincial Type:** Federal Corporation  
**Registration Date:** 2020/10/06 YYYY/MM/DD  
**Date Of Formation in Home Jurisdiction:** 2020/09/18 YYYY/MM/DD  
**Home Jurisdiction:** CANADA  
**Home Jurisdiction CAN:** 12352877

## Head Office Address:

**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8  
**Email Address:** CORPORATE.CALGARY@DENTONS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
O'SULLIVAN	JAMES		DENTONS CANADA LLP	1500- 850 2 ST SW	CALGARY	ALBERTA	T2P0R8	CORPORATE.CALGARY@DENTONS.COM

## Directors:

**Last Name:** GOLDHAR  
**First Name:** MARK  
**Street/Box Number:** 239 FIVE ISLAND ROAD  
**City:** HUBLEY  
**Province:** NOVA SCOTIA  
**Postal Code:** B3Z1B5

**Last Name:** HOWLING  
**First Name:** KENNETH  
**Street/Box Number:** 43 PARKHURST BOULEVARD  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M4G2C8

**Last Name:** JETLY  
**First Name:** RAKESH  
**Street/Box Number:** 317 AMITA CRESCENT  
**City:** OTTAWA  
**Province:** ONTARIO  
**Postal Code:** K2C4J1

#### Voting Shareholders:

**Legal Entity Name:** PATHWAY HEALTH CORP.  
**Corporate Access Number:** 2018454393  
**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8  
**Percent Of Voting Shares:** 100

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/11/23

##### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2020/10/06	Register Extra-Provincial Profit / Non-Profit Corporation
2021/03/28	Attorney for Service converted to Agent for Service
2021/05/28	Name Change Extra-Provincial
2022/10/12	Change Director / Shareholder
2022/11/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "C"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**



Government  
of Canada

Gouvernement  
du Canada

# Do a pre-search: results - Nuans

Welcome [Lindsey Ehredt \(/app/scr/corp/nuans/sso/idmAccount.html\)](/app/scr/corp/nuans/sso/idmAccount.html) | [Dashboard \(/app/scr/corp/nuans/member/home.html\)](/app/scr/corp/nuans/member/home.html) | [Sign out \(/app/scr/corp/nuans/sso/logout.html\)](/app/scr/corp/nuans/sso/logout.html)

The results in the Search criteria entered table are based on the criteria you entered on the previous page. You can change your criteria by pressing the **Refine search** button.

## Search criteria

**Corporate name:** 13199223 Canada

**Registration information or application number:**

**Search within:** Search all

Refine search

## Warning

Your search resulted in an exact match. This occurs when a search exactly matches another name in our database. Please review all exact matches before ordering a report with your chosen name. Pay special attention to any names and trademarks that could be confused with your name. Trademarks are protected.

For more information, see:

- [Matching company names](#) (Results are limited to 200 matching company names)











By clicking a name in one of the tables below, additional details about that company or trademark will appear in a dialogue box.

Download results as PDF 

Showing 1 to 2 of 2 entries **Show**  **entries**

## Matching company names

Jurisdiction and number		Creation date (YYYY-MM-DD)	Status description	Status date (YYYY-MM-DD)
Name				

Name  	Jurisdiction and number  	Creation date (YYYY-MM-DD)  	Status description  	Status date (YYYY-MM-DD)  
<u>13199223</u> <u>CANADA</u> <u>LTD.</u>	ON-5054642	2021-07-20	Registered	2021-09-24
<u>13199223</u> <u>Canada Ltd.</u>	CD-13199223	2021-07-20	Active	2021-07-20

1

Want to know the currency of Nuans data? See [Nuans refresh dates.](/app/scr/corp/nuans/member/resources/updates.html#updatesTable)  
(</app/scr/corp/nuans/member/resources/updates.html#updatesTable>)

Search for another name

Order a report

Order multiple reports

Cancel

**Date modified:**

2023-04-14

**THIS IS EXHIBIT "D"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**CREDIT AGREEMENT**

among

**PATHWAY HEALTH CORP.,**  
as the Borrower

and

**PATHWAY HEALTH SERVICES CORP.,**  
**PATHWAY HEALTHCARE TECHNOLOGIES CORP.,**  
**2563367 ONTARIO LIMITED,**  
**SLAWNER ORTHO LTEE.**  
as Guarantors

and

**AVONLEA-DEWRY HOLDINGS INC.,**  
as Lender

DATED AS OF JULY 29, 2022

## TABLE OF CONTENTS

<b>ARTICLE I INTERPRETATION .....</b>	<b>1</b>
1.1 Definitions .....	1
1.2 Knowledge .....	8
1.3 Headings and Table of Contents .....	8
1.4 References .....	8
1.5 Rules of Interpretation and Extended Meanings .....	8
1.6 Generally Accepted Accounting Principles .....	8
1.7 Time .....	8
1.8 Currency References .....	9
1.9 Payment for Value .....	9
1.10 Schedules .....	9
<b>ARTICLE II CREDIT FACILITIES .....</b>	<b>9</b>
2.1 Advances and Obligations under Promissory Note .....	9
2.2 Credit Facility .....	9
2.3 Notices and Payments .....	10
2.4 Evidence of Indebtedness .....	10
<b>ARTICLE III INTEREST RATES AND FEES .....</b>	<b>10</b>
3.1 Interest on Advances .....	10
3.2 Payment in Kind .....	11
3.3 Interest on Overdue Amounts .....	11
3.4 Arrangement Fee .....	11
3.5 Annual Work Fee .....	12
3.6 Maximum Rate Permitted by Law .....	12
3.7 Interest and Fees Generally .....	12
3.8 Per Annum Calculations .....	12
<b>ARTICLE IV SECURITY MATTERS .....</b>	<b>12</b>
4.1 Security Documents .....	12
4.2 Continuing Guarantees and Security .....	13
4.3 Dealing With Guarantees .....	13
4.4 Effectiveness .....	13
4.5 Registration .....	13
4.6 Permitted Liens and Permitted Indebtedness .....	14
<b>ARTICLE V CONDITIONS PRECEDENT .....</b>	<b>14</b>
5.1 Conditions Precedent to Promissory Note .....	14
5.2 Conditions Precedent to Closing and Initial Advance .....	14
5.3 Conditions Precedent to Subsequent Advances .....	15
5.4 Waiver .....	16
<b>ARTICLE VI REPRESENTATIONS AND WARRANTIES .....</b>	<b>16</b>
6.1 Representations and Warranties .....	16
6.2 Survival of Representations and Warranties .....	18

<b>ARTICLE VII COVENANTS.....</b>	<b>18</b>
7.1 General Covenants .....	18
7.2 Financial Covenant .....	20
7.3 Reporting Requirements .....	20
7.4 Negative Covenants .....	21
<b>ARTICLE VIII DEFAULT .....</b>	<b>21</b>
8.1 Events of Default.....	21
8.2 Acceleration, Demand and Termination of Rights .....	24
8.3 Remedies .....	24
8.4 Waivers .....	24
8.5 Saving .....	24
8.6 Perform Obligations .....	25
8.7 Third Parties .....	25
8.8 Remedies Cumulative .....	25
<b>ARTICLE IX MISCELLANEOUS PROVISIONS .....</b>	<b>25</b>
9.1 Severability.....	25
9.2 Amendment, Supplement or Waiver .....	25
9.3 Governing Law; This Agreement to Govern .....	26
9.4 Address for Notice.....	26
9.5 Time of the Essence .....	26
9.6 Further Assurances.....	26
9.7 Payments on Business Day .....	26
9.8 Entire Agreement .....	26
9.9 Assignment .....	26
9.10 Conflicting Terms .....	27
9.11 Acknowledgements .....	27
9.12 Amendment and Restatement .....	27
9.13 Continuing Effect.....	27
9.14 Counterparts and Facsimile .....	27

**THIS CREDIT AGREEMENT** is made as of the 29<sup>th</sup> day of July, 2022

**AMONG:**

**PATHWAY HEALTH CORP.,**  
as the Borrower

and

**PATHWAY HEALTH SERVICES CORP.,  
PATHWAY HEALTHCARE TECHNOLOGIES CORP.,  
2563367 ONTARIO LIMITED,  
SLAWNER ORTHO LTEE.,**  
as Guarantors

and

**AVONLEA-DEWRY HOLDINGS INC.,**  
as Lender

**WHEREAS** the Borrower has requested a credit facility from the Lender to assist with (i) certain acquisitions, (ii) certain capital expenditures, (iii) general working capital; and (iv) the repayment of amounts owing by the Borrower to the Lender under the Promissory Note (as defined below), and the Lender has agreed to provide such credit facility to the Borrower subject to the execution and delivery of this Agreement and the other Credit Documents as described herein;

**AND WHEREAS** the Borrower has granted to the Lender that certain secured promissory grid note dated May 27, 2022, pursuant to which the Borrower is indebted to the Lender in the principal amount of One Million Dollars (\$1,000,000.00) plus interest accrued at 15% per annum (the "**Promissory Note**");

**AND WHEREAS**, in connection with the above, the Borrower, the Guarantors and the Lender wish to arrange for the aforementioned credit facility and, in connection therewith, to amend and restate the terms and conditions of the Promissory Note, without novation, as more particularly set out in this Agreement;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

## **ARTICLE I**

### **INTERPRETATION**

#### **1.1 Definitions**

In this Agreement, including the recitals and the Schedules hereto and in all notices given pursuant to this Agreement, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

**"1964433 Alberta"** means 1964433 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta.

**"2563367 Ontario"** means 2563367 Ontario Limited, a corporation incorporated under the laws of the Province of Ontario.

**"10030712 Manitoba"** means 10030712 Manitoba Ltd., a corporation incorporated under the laws of the Province of Manitoba.

**"13199223 Canada"** means 13199223 Canada Ltd., a corporation incorporated under the federal laws of Canada.

**"Additional Security"** means the security agreements and other documents required to be provided to the Lender pursuant to Section 4.1, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.

**"Adjusted EBITDA"** means the EBITDA adjusted for, as applicable, share-based compensation, loss of control of related company, non-cash expenses, extraordinary and non-recurring expenses.

**"Advance"** means each and every advance of sums hereunder by the Lender to the Borrower.

**"Affiliate"** means an affiliate as defined in the CBCA.

**"Agreement"** means this credit agreement and any schedules hereto, as amended, supplemented, restated or replaced from time to time.

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Borrower"** means Pathway Health Corp., a corporation incorporated under the laws of the Province of Alberta.

**"Borrower's Counsel"** means Dentons Canada LLP, and/or such other legal counsel acceptable to the Lender.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta, Toronto, Ontario and Montreal, Quebec.

**"Canadian Dollars"**, **"Cdn\$"** or **"\$"** mean lawful money of Canada.

**"CBCA"** means the *Business Corporations Act* (Canada), including the regulations promulgated thereunder, as the same may be amended from time to time.

**"CEBA Loans"** means the Canada Emergency Business Accounts loans to the Borrower in the amount of \$80,000.

**"Closing Date"** has the meaning ascribed to that term in Section 5.2.

**"Collateral"** means all property, assets and undertaking of the Credit Parties at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Constituting Documents"** means, with respect to a corporation, its articles of incorporation, amalgamation or continuance or other similar documents, and its by-laws, and with respect to any other person which is not a natural person, the organization and governance documents of such person; in each case as amended, supplemented, restated or replaced from time to time.

**"Credit Documents"** means this Agreement, the Security, and all other certificates, instruments, notices and documents delivered or to be delivered by the Credit Parties pursuant to this Agreement.

**"Credit Facility"** has the meaning ascribed thereto in Section 2.2.

**"Credit Parties"** means, collectively, the Borrower and the Guarantors, and **"Credit Party"** means any of them as the context requires.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Credit Parties, or their respective properties or liabilities.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Drawdown Date"** means the date, which shall be a Business Day, of any Advance requested pursuant to a Drawdown Notice.

**"Drawdown Notice"** means a notice requesting an Advance issued by the Borrower to the Lender, substantially in the form of Schedule A attached hereto.

**"EBITDA"** means net (loss)/income adjusted for income tax, depreciation of property and equipment, amortization of intangible assets, interest on long-term debt and other financing costs, interest income, and changes in fair values of derivative financial instruments.

**"Enforcement Notice"** has the meaning ascribed thereto in Section 8.3.

**"Environmental Law"** means all Applicable Law which pertains to public health or safety, the protection or enhancement of the environment or pursuant to which Environmental Liabilities would arise or have arisen, including relating to a Release or threatened Release of any Hazardous Material or the generation, use, storage or transportation of any Hazardous Material, and including any condition, restriction, prohibition or requirement contained in an approval, permit, license, consent, certificate or qualification or other authorization issued pursuant to Applicable Law.

**"Environmental Liabilities"** means any and all liabilities and obligations for any Release, any environmental damage, any contamination or any other environmental problem caused or alleged to have been caused to any person, property or the environment as a result of any Release or the condition of any property or asset, whether or not caused by a breach of Environmental Law, including, without limitation, all liabilities and obligations arising from or related to any surface, underground, air, groundwater or surface water contamination; the abandonment or plugging of any well; restorations and reclamations; the removal of or failure to remove any foundations, structures or equipment; the cleaning up or reclamation of storage sites; any Release; the violation of pollution standards; and personal injury (including sickness, disease or death) and property damage arising from any of the foregoing.

**"Event of Default"** means any of the events or circumstances specified in Section 8.1.

**"Existing Security"** means the following guarantees and security documents previously delivered by certain of the Credit Parties, in favour of the Lender in connection with the Promissory Note:

- (a) a general security agreement from the Borrower granting a first priority Lien in and to all present and after-acquired personal property of the Borrower;
- (b) a share pledge agreement from the Borrower in respect of the shares of Pathway Health Services, Pathway Wellness Products, Pathway Healthcare Technologies and 13199223 Canada;
- (c) a guarantee from Pathway Health Services; and
- (d) a general security agreement from Pathway Health Services.

**"Governmental Authority"** means Canada, any Province, as applicable, any municipal or other political subdivision of any such Province, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Guarantee"** means, in respect of any person, any undertaking to assume, guarantee, indemnify, endorse (other than the routine endorsement of cheques in the ordinary course of business), contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness of any person; provided that the amount of each Guarantee shall be deemed to be the amount of the indebtedness guaranteed thereby unless the Guarantee is limited to a specified amount as to realization exclusively on specified assets in which case the amount of such Guarantee shall be deemed to be the lesser of such specified amount or the fair market value of such specified assets, as the case may be, or the amount of such indebtedness.

**"Guarantors"** means, collectively, Pathway Health Services, Pathway Healthcare Technologies, 2563367 Ontario and Slawner Ortho and **"Guarantor"** means any of them as the context requires.

**"Hazardous Material"** means any substance or mixture of substances, or any pollutant or contaminant, toxic or dangerous waste, toxic mould, or hazardous material, as defined in or regulated by any Environmental Law, from time to time, that if Released to the environment could reasonably be expected to cause, immediately or at some future time, harm or damage to or impairment of the environment, or any risk to human health or safety or property.

**"IFRS"** means International Financial Reporting Standards as set by the International Accounting Standards Board.

**"Insolvency Default"** means an Event of Default described in Sections 8.1(g) or (h).

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporations legislation.

**"Interest Payment Date"** means, with respect to the Credit Facility, the last Business Day of each calendar quarter, with the first such Interest Payment Date being the last Business Day of the calendar quarter ending six months from the Closing Date.

**"Interest Rate"** has the meaning ascribed thereto in Section 3.1.

**"Lender"** means Avolea-Drewry Holdings Inc. and its successors and assigns, as lender under the Credit Facility.

**"Lender's Counsel"** means Aird & Berlis LLP, or such other legal counsel as the Lender may from time to time designate.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Manitoba Joint Venture"** means the joint venture between 10022241 Manitoba Ltd. and Pathway Health Services, as shareholders of 1003070712 Manitoba, in respect of the operation of medical clinics in Winnipeg and Selkirk, Manitoba.

**"Material Adverse Effect"** means any matter, event or circumstance relating to a Credit Party which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any indebtedness under, or perform any other obligations in accordance with, this Agreement or any of the Security to which it is a party, (iii) the validity or enforceability of this Agreement or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** means the earlier to occur of (i) the second anniversary of the Closing Date, or (ii) the due date of all Obligations under the Credit Facility resulting from the giving of an Enforcement Notice.

**"Minimum Rate"** has the meaning ascribed thereto in Section 3.1.

**"Obligations"** means, at any time and from time to time, all indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Credit Facility or otherwise payable pursuant to this Agreement, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Outstanding Principal"** means, at any time in relation to the Credit Facility, the aggregate at such time of the principal amounts outstanding thereunder.

**"Pathway Health Services"** means Pathway Health Services Corp., a corporation incorporated under the federal laws of Canada.

**"Pathway Healthcare Technologies"** means Pathway Healthcare Technologies Corp., a corporation incorporated under the federal laws of Canada.

**"Pathway Wellness"** means Pathway Wellness Products Corp., a corporation incorporated under the federal laws of Canada.

**"Permitted Contest"** means action taken by the Borrower in good faith by appropriate proceedings diligently pursued to contest any taxes, claims or other Liens, provided that:

- (a) reasonable reserves have been established in respect thereof in accordance with IFRS; and
- (b) proceeding with any such contest would not reasonably be expected to have a Material Adverse Effect.

**"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is classified as a current liability on the Borrower's financial statements;
- (b) all indebtedness of the Borrower to the Lender under this Agreement or under or secured by any Credit Document;
- (c) the CEBA Loans;
- (d) the RBC Visa;
- (e) capital lease obligations and indebtedness secured by purchase money liens;
- (f) all indebtedness secured by Permitted Liens; and
- (g) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then the subject of a Permitted Contest;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then the subject of a Permitted Contest;

- 7 -

- (c) Liens arising out of judgments, awards or claims filed which are then the subject of a Permitted Contest;
- (d) Security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then the subject of a Permitted Contest), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;
- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Agreement;

provided that the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Prime Rate"** has the meaning ascribed to that term in Section 3.1.

**"RBC Visa"** means the Royal Bank of Canada corporate visa account with a credit limit in the amount of \$75,000.

**"Release"** or **"Released"** means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leeching or migration of any element or compound in or into the indoor or outdoor environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any contaminant), or in, into or out of any vessel or facility, including the movement of any contaminant through the air, soil, subsoil, surface, water, groundwater, rock formation or otherwise.

**"Revolving Period"** means, in respect of the Credit Facility, the period commencing on the Closing Date and ending at 2:30 p.m. (Toronto time) on the Maturity Date.

**"Security"** means the guarantees, security agreements and other documents required to be provided to the Lender pursuant to Section 4.1, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended

to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include the Existing Security and any Additional Security.

**"Senior Officer"** means any of the Chief Executive Officer, Chief Strategy Officer or Chief Financial Officer.

**"Slawner Ortho"** means Slawner Ortho Ltee., a corporation incorporated under the laws of the Province of Quebec.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

## **1.2 Knowledge**

Where any representation, warranty or other provision of this Agreement is qualified by reference to the knowledge of a Credit Party, after reasonable inquiry, it shall be deemed to refer to the actual knowledge of the senior management of the Credit Party after having made such inquiries of its Senior Officers.

## **1.3 Headings and Table of Contents**

The headings, the table of contents and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.4 References**

Unless something in the subject matter or context is inconsistent therewith, all references to Sections, Articles and Schedules are to Sections, Articles of and Schedules to this Agreement.

## **1.5 Rules of Interpretation and Extended Meanings**

In this Agreement, unless otherwise specifically provided, the singular includes the plural and vice versa, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" means "including, without limitation". Any reference herein to the exercise of discretion by the Lender (including phrases such as "in the opinion of", "to the satisfaction of" and similar phrases) means that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless expressly stated herein.

## **1.6 Generally Accepted Accounting Principles**

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS as in effect from time to time. All calculations of the components of financial information for the purposes of determining compliance with the Financial Covenant contained herein shall be made on a basis consistent with IFRS in existence on the date of this Agreement. IFRS. In the event that such a negotiation is unsuccessful, all calculations thereafter made for the purposes of

determining compliance with the Financial Covenant contained herein shall be made on a basis consistent with IFRS as in existence on the date of this Agreement.

Notwithstanding the foregoing or any other provision of this Agreement, it is agreed that for the purposes of this Agreement and any financial calculations in respect hereof, including the calculation of EBITDA, that the financial results of the Manitoba Joint Venture shall be consolidated with those of the Borrower.

#### **1.7 Time**

Unless otherwise stated, all references to time herein shall mean local time in Toronto, Ontario.

#### **1.8 Currency References**

All amounts of money referred to in this Agreement are in Canadian Dollars unless otherwise indicated, and all payments made hereunder shall be made in Canadian Dollars.

#### **1.9 Payment for Value**

All payments required to be made hereunder shall be made for value on the required day in same day immediately available funds.

#### **1.10 Schedules**

Schedule A	-	Form of Drawdown Notice
Schedule B	-	Milestone Matrix
Schedule C	-	2022 Operating Plan
Schedule D	-	Form of Officer's Certificate

### **ARTICLE II** **CREDIT FACILITIES**

#### **2.1 Advances and Obligations under Promissory Note**

Upon this Agreement becoming effective on the Closing Date and relying on each of the representations and warranties set out in Article VI, and subject to the terms and conditions of this Agreement, the Advance previously made by the Lender under the Promissory Note shall be deemed to be outstanding as an Advance made by the Lender to the Borrower under this Agreement and any obligations under the Promissory Note resulting from accrued but unpaid interest, fees or expenses, shall be Obligations of the Borrower under this Agreement.

#### **2.2 Credit Facility**

Subject to the provisions of this Agreement, the Lender agrees to make a credit facility available to the Borrower on a revolving basis during the Revolving Period and complete Advances to the Borrower not exceeding \$3,500,000 (the "**Credit Facility**"), unless otherwise authorized pursuant to the terms of this Agreement (including, for certainty, pursuant to Article III). For greater certainty, all other fees, expenses and interest payable by the Borrower hereunder will not act to reduce the amount available to the Borrower under the Credit Facility, but will be added to the Outstanding Principal, which as a result may exceed

\$3,500,000. The principal amount of any Advance under the Credit Facility that is repaid may be reborrowed from time to time until the Maturity Date, on which date any undrawn amount under the Credit Facility will be cancelled, and all outstanding Obligations under the Credit Facility shall become due and payable in accordance with paragraph (b) below.

- (a) **Purpose:** The Credit Facility shall only be used for general corporate purposes of the Borrower, including without limitation: (i) to pay the fees, costs and expenses relating to the Credit Facility and the preparation, negotiation and settlement of this Agreement, the Security and the other Credit Documents, and (ii) for ongoing acquisition and working capital requirements.
- (b) **Scheduled Repayments:** The Borrower shall repay all outstanding Obligations in respect of the Credit Facility to the Lender on demand, and in the absence of demand, by (i) payments of accrued interest, due and payable in arrears on each Interest Payment Date from and after the Closing Date, and (ii) payment of all Outstanding Principal and any other outstanding Obligations in respect of the Credit Facility, due and payable on the last day of the Revolving Period.
- (c) **Voluntary Repayments:** The Borrower may from time to time repay Outstanding Principal under the Credit Facility in any amounts without notice.

## 2.3 Notices and Payments

- (a) The Borrower may on any Business Day give the Lender irrevocable written notice in the form of a Drawdown Notice for any Advance under the Credit Facility. If a Drawdown Notice is received by the Lender before 12:00 noon on any Business Day, such Advance shall be advanced on the first Business Day after the Drawdown Notice is received by the Lender.
- (b) Payments must be made prior to 12:00 noon on any Business Day that such payment is due. Notice of an intended prepayment of any Advance under the Credit Facility shall be given with the same number of Business Days' prior notice as matches the Drawdown Notice period required for the Advance.
- (c) If a notice or payment is not given or made by 12:00 noon on any Business Day, it shall be deemed to have been given or made on the next Business Day unless the Lender agrees, in its sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

## 2.4 Evidence of Indebtedness

The Obligations of the Borrower resulting from Advances made by the Lender under the Credit Facility shall be evidenced by records maintained by the Lender concerning those Advances it has made. The records maintained by the Lender shall constitute, in the absence of manifest error, *prima facie* evidence of the Obligations of the Borrower to the Lender in respect of Advances made and all details relating thereto. The failure by the Lender to correctly record any such amount or date shall not, however, absent manifest error adversely affect the Obligations of the Borrower to pay amounts due hereunder to the Lender in accordance with this Agreement.

### **ARTICLE III** **INTEREST RATES AND FEES**

#### **3.1 Interest on Advances**

The Borrower shall pay to the Lender interest at the greater of:

- (a) 12% per annum (the "**Minimum Rate**"); and
- (b) a variable rate per annum benchmarked to the Bank of Canada prime rate as at May 1, 2022 (which, for certainty, was 3.20%) (the "**Prime Rate**") plus 8.8%,  
  
(the "**Interest Rate**").

The Interest Rate shall be calculated monthly in arrears and, unless and to the extent added to the PIK Accrual pursuant to Section 3.2, shall be payable on each Interest Payment Date for the period commencing on and including the immediately prior Interest Payment Date up to and including the last day prior to the Interest Payment Date on which such interest is to be paid and shall be calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section are equivalent are the rates so determined multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest is payable and divided by 365 or 366, as applicable. For greater certainty, the amount of the accrued but unpaid interest shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

#### **3.2 Payment in Kind**

An amount equal to 2% of the Outstanding Principal will be added to the Outstanding Principal amount (i) as at the day immediately preceding the first anniversary of the Closing Date and (ii) as at the day immediately preceding the second anniversary of the Closing Date (in each case, the "**PIK Accrual**"). For certainty, in each case, the Outstanding Principal shall be deemed to be increased and set at an amount that includes such PIK Accrual and the Work Fee.

In addition to the PIK Accrual referenced in the immediately preceding paragraph, in the event the Interest Rate exceeds the Minimum Rate during the Revolving Period and in respect of such excess amount, such additional interest payable by the Borrower to the Lender may be added to the PIK Accrual at the option of the Borrower. In such an event or events, the Outstanding Principal shall be deemed to be increased and set at an amount that includes such additional amount. For greater certainty, the amount of the PIK Accrual shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

#### **3.3 Interest on Overdue Amounts**

Notwithstanding any other provision of this Agreement, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Lender interest on such unpaid amount, if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated on the first

Business Day of each calendar month and be payable on demand, as well after as before maturity, default and judgment, at a rate per annum in respect of the Credit Facility of 20% per annum.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous Provincial legislation which may be inconsistent with this Agreement.

### **3.4 Arrangement Fee**

The Borrower shall pay to the Lender an arrangement fee (the "**Arrangement Fee**") in an amount equal to \$100,000, which fee shall be earned by the Lender on Closing. Payment of the Arrangement Fee will be made by adding such fee to the Outstanding Principal as at the Closing Date, but for greater certainty, shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.5 Annual Work Fee**

The Borrower shall pay the Lender an annual work fee equal to 1% of the Outstanding Principal as at the day immediately preceding the first and second anniversaries of the Closing Date (the "**Work Fee**"). Payment of the Work Fee will be made by adding such fee to the Outstanding Principal as at the relevant dates concurrently with the PIK Accrual. For greater certainty, the Work Fee shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.6 Maximum Rate Permitted by Law**

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under Applicable Law.

### **3.7 Interest and Fees Generally**

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Agreement or in any other Credit Document now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation. For greater certainty, the addition of interest and fees to the Outstanding Principal shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.8 Per Annum Calculations**

Unless otherwise stated, if reference is made in this Agreement to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a 365 or 366 day year, as the case may be. If any interest, fee or other amount is determined or expressed on the basis of a period less than a full year, the equivalent yearly rate is equal to the rate so determined or expressed, multiplied by that number of days in such period, and divided by the actual number of days in that calendar year.

## **ARTICLE IV**

### **SECURITY MATTERS**

#### **4.1 Security Documents**

To secure due repayment and satisfaction in full of all Obligations of the Credit Parties owing to the Lender from time to time, including due performance, payment and satisfaction of all Obligations under this Agreement and the other Credit Documents, the Lender shall continue to hold the Existing Security for the benefit of the Lender, and the Borrower shall cause to be executed and delivered to the Lender the following Additional Security on or prior to the Closing Date:

- (a) a unlimited guarantee from each of 2563367 Ontario, Pathway Healthcare Technologies and Slawner Ortho;
- (b) a share pledge agreement from Pathway Health Services in respect of the shares of 10030712 Manitoba, 2563367 Ontario and Slawner Ortho;
- (c) a share pledge agreement from Pathway Healthcare Technologies in respect of the shares of 1964433 Alberta; and
- (d) such other security documents as may be reasonably required by the Lender,

in each case, in form and substance satisfactory to the Lender and Lender's Counsel (collectively, the "**Additional Security**").

#### **4.2 Continuing Guarantees and Security**

The Additional Security and any other guarantees and security given shall for all purposes be treated as separate and continuing guarantees and security and shall be deemed to have been given in addition to and not in place of any other guarantee or other security now held or hereafter acquired by the Lender. No item or part of any Guarantee or other Security shall be merged or be deemed to have been merged in or by any simple contract debt or any judgment, and any realization of or steps taken or pursuant to any Guarantee or other Security shall be independent of and not create a merger with any other right available to the Lender under this Agreement, any other Guarantee or other Security, or any other Credit Document held by it or at law or in equity.

#### **4.3 Dealing With Guarantees**

The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Credit Parties and other persons (including other guarantors), sureties or securities as the Lender may in its sole discretion see fit, and the Lender may, subject to the provisions hereof, apply all moneys received from the Credit Parties and other persons, or from sureties or securities, to such part of the Obligations as the Lender may instruct, all without prejudice to or in any way limiting the liability of the Credit Parties under any of the Credit Documents.

#### **4.4 Effectiveness**

The Security required to be created hereby shall be effective upon execution and delivery thereof, and the undertakings as to the Guarantees and other Security herein or in any document hereunder shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before

or after or at the same time as the creation of any such Guarantees or other Security, or before or after or upon the date of execution of any amendments to or restatements of this Agreement, and shall not be affected by any Obligations fluctuating from time to time.

#### **4.5 Registration**

The Borrower shall do, and shall cause each Guarantor to do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's Counsel in renewing or refiling any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.

#### **4.6 Permitted Liens and Permitted Indebtedness**

None of the facts that:

- (a) any Credit Party is permitted to create or suffer to exist any Permitted Lien or Permitted Indebtedness;
- (b) any representation, warranty or covenant contained herein may make an exception for the existence of Permitted Liens or Permitted Indebtedness; or
- (c) the Liens created pursuant to the Credit Documents are stated to be subject to, or are not required to rank in priority to, Permitted Liens,

shall in any manner, nor in any cause or proceeding, directly or indirectly, be taken to constitute a subordination of any Lien created pursuant to the Credit Documents to any Permitted Encumbrance or to any other Lien or other obligation whatsoever, or that the Obligations under the Credit Documents are in any way subordinate or junior in right of payment to any Permitted Indebtedness, it being the intention of the parties that all Liens created pursuant to the Credit Documents shall at all times, to the maximum extent permitted by Applicable Law, rank as first priority Liens in priority to Permitted Liens and all other Liens or other obligations whatsoever and that the Obligations under the Credit Documents will rank in right of payment at all times at least equally with such Permitted Indebtedness.

### **ARTICLE V** **CONDITIONS PRECEDENT**

#### **5.1 Conditions Precedent to Promissory Note**

The parties hereto acknowledge and confirm that all conditions precedent provided for in respect of the Promissory Note were previously satisfied by the Borrower.

## 5.2 Conditions Precedent to Closing and Initial Advance

The Lender shall have no obligation to make the initial Advance under the Credit Facility hereunder unless at the time of such Advance all of the following terms and conditions shall have been satisfied (or waived by the Lender), such date being the "**Closing Date**":

- (a) **Receipt of Documents:** the Lender shall have received, each in full force and effect and in form and substance satisfactory to the Lender, acting reasonably, the following:
  - (i) this Agreement duly executed and delivered by the Borrower and the Guarantors;
  - (ii) each other Credit Document being delivered in connection herewith duly executed and delivered by each Credit Party, as applicable;
  - (iii) a milestone matrix, in the form attached hereto as **Schedule "B"** (the "**Milestone Matrix**");
  - (iv) the 2022 operating statements of the Borrower starting as at July 1, 2022 which are attached hereto as **Schedule "C"** (the "**2022 Operating Plan**"); and
  - (v) an officer's certificate in the form attached hereto as **Schedule "D"** (the "**Officer's Certificate**")
  - (vi) such other documents, certificates, opinions and agreements as are reasonably required to confirm the completion and satisfaction of the foregoing which the Lender may reasonably request.
- (b) **Liens:** all Liens created by the Security shall have been duly perfected and registered against each Credit Party as required by the Lender's Counsel.
- (c) **Approvals:** The Borrower shall have received, in form and substance satisfactory to the Lender, all consents and approvals necessary to enter into this Agreement and each other applicable Credit Document and to perform its obligations hereunder and thereunder, including without limitation:
  - (i) the approval of the TSX Venture Exchange;
  - (ii) the approval of the majority of its minority shareholders pursuant to National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**NI 61-101**") at a duly called meeting of shareholders on the basis that the Credit Facility constitutes a "*related party transaction*" under NI 61-101.
- (d) **No Material Adverse Effect:** since the date of the advance under the Promissory Note, there shall not have occurred any change, development or event relating to any Credit Party which would reasonably be expected to have a Material Adverse Effect.
- (e) **Delivery of Notice:** the Borrower shall have delivered to the Lender a duly completed Drawdown Notice.

- (f) **Due Diligence:** The Lender shall have completed and be satisfied with the business, legal and environmental due diligence review in respect of the Credit Parties and their respective assets.
- (g) **Fees:** the Borrower shall have paid all fees and expenses then due in respect of this Agreement, or will pay any such concurrently with the initial Advance.

### 5.3 Conditions Precedent to Subsequent Advances Under the Credit Facility

The obligation of the Lender to make any subsequent Advance under the Credit Facility is subject to the satisfaction of the following conditions precedent:

- (a) **No Default:** no Default or Event of Default has occurred and is continuing on the Drawdown Date, or would result from the making of any such Advance;
- (b) **Representations and Warranties:** the representations and warranties contained in Article VI and in any other Credit Document shall be, to the extent applicable, true and correct as if made on and as of the Drawdown Date;
- (c) **No Material Adverse Effect:** since the date of the most recent Advance, there shall not have occurred any change, development or event relating to any Credit Party which would reasonably be expected to have a Material Adverse Effect;
- (d) **Delivery of Notice:** the Borrower shall have delivered to the Lender a duly completed Drawdown Notice;
- (e) **Officer's Certificate:** the Borrower shall have delivered to the Lender a duly completed Officer's Certificate; and
- (f) **Other:** all other terms and conditions of this Agreement upon which the Borrower may obtain an Advance are fulfilled, including (i) satisfaction (or waiver) of the conditions precedent set out in Section 5.2 and (ii) the aggregate amount of any proposed Advance when added to all other Advances shall not exceed \$3,500,000.

### 5.4 Waiver

The conditions in this Article V are inserted for the sole benefit of the Lender, and may be waived by the Lender in whole or in part (with or without terms or conditions).

## **ARTICLE VI** **REPRESENTATIONS AND WARRANTIES**

### 6.1 Representations and Warranties

The Borrower represents and warrants to the Lender (all of which representations and warranties the Borrower hereby acknowledges are being relied upon by the Lender in entering into this Agreement) that:

- (a) **Corporate Existence:** each Credit Party and each of Pathway Wellness Products Corp., 1319923 Canada, 10030712 Manitoba and 1964433 Alberta is duly incorporated, amalgamated or continued, and is duly organized, validly subsisting and in good standing

under the laws of its jurisdiction or subsistence, as applicable, subsisting and in good standing under the laws of such jurisdiction and is duly qualified to carry on business in such jurisdiction;

- (b) **Power and Capacity:** each Credit Party has full corporate power and capacity to own its property and assets and conduct its business as presently conducted; and in the case of the Borrower, to borrow money and perform its obligations hereunder; and in the case of any Guarantor, to guarantee the Obligations hereunder and under any applicable Credit Document;
- (c) **Authorization:** the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party have been duly authorized by all necessary corporate or partnership action, as applicable, and are within its power and capacity;
- (d) **Execution and Delivery:** each applicable Credit Document to which a Credit Party is a party has been duly executed and delivered to the Lender;
- (e) **Binding Obligations:** each Credit Document to which a Credit Party is a party is a legal, valid and binding obligation of the Credit Party enforceable against such Credit Party in accordance with its terms, except as such enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (f) **No Legal Bar or Resultant Lien:** the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party will not violate any provision of Applicable Law or its Constatng Documents, and will not result in a breach of or constitute a default or require any consent under, or result in the creation of any Lien on the Collateral (other than Permitted Liens) upon, any of its property or assets pursuant to any indenture or other agreement or instrument to which it is a party or by which it or its property may be bound or affected; and the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets;
- (g) **Default of Other Contracts:** except as otherwise previously disclosed, no Credit Party is in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (h) **Litigation:** except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against any Credit Party at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and no Credit Party is in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;

- (i) **Financial Condition:** all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the Guarantors and the results of its operations for the periods covered thereby, have been prepared in accordance with IFRS and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or the Guarantors, or their respective properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;
- (j) **Taxes:** Other than as disclosed to the Lender in writing, each Credit Party has filed all tax returns which were required to be filed, has paid or made provision for payment (in accordance with IFRS) of all taxes which are due and payable, and has provided adequate reserves (in accordance with IFRS) for the payment of any taxes the payment of which is the subject of a Permitted Contest;
- (k) **Insurance:** the Borrower and the Guarantors each have in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (l) **Compliance with Laws:** each Credit Party is in material compliance with all Applicable Laws;
- (m) **Environmental Laws:** the Borrower and the Guarantors are each in material compliance with Environmental Law;
- (n) **Projections and Related Information:** subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;
- (o) **Events of Default:** no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (p) **Disclosure:** to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

## 6.2 Survival of Representations and Warranties

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Credit Documents, and shall be deemed to be repeated as of the date of each Advance, subject to modifications made by the Borrower to the Lender in writing and accepted by the Lender, and shall expire and terminate when all Obligations have been indefeasibly repaid and satisfied in full and all Security hereunder has been fully discharged.

## **ARTICLE VII** **COVENANTS**

### **7.1 General Covenants**

The Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall, and shall cause each other Credit Party to (as applicable):

- (a) **Pay and Perform Obligations**: duly and punctually pay all principal, interest, fees and other amounts payable hereunder and under the other Credit Documents on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Credit Documents;
- (b) **Use Proceeds**: use the proceeds of the Credit Facility only for the purposes set out in this Agreement;
- (c) **Maintain Existence**: in respect of itself and, as applicable, in respect of each of Pathway Wellness Products Corp., 1319923 Canada, 10030712 Manitoba and 1964433 Alberta, maintain and preserve its existence and status in each jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower was received the prior written consent of the Lender to carry out such action;
- (d) **Conduct Business**: conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) **Comply With Applicable Laws**: operate its business in substantial compliance with all Applicable Law (including Environmental Law) which, if not operated in compliance with, would reasonably be expected to have a Material Adverse Effect;
- (f) **Pay Taxes**: duly file on a timely basis all tax returns required to be filed by it, and duly and punctually pay all taxes levied or assessed against it (except for those taxes which are then the subject of a Permitted Contest), except to the extent failure to do so would not have a Material Adverse Effect;
- (g) **Pay Remittances**: duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (h) **Provide Access**: permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and during normal business hours;
- (i) **Maintain Security**: ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;

- (j) **Security Registrations**: co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (k) **Maintain Insurance**: obtain and maintain insurance on all its property with a financially sound and reputable insurance provider, including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are determined to be appropriate by the Borrower acting prudently, and furnish to the Lender upon written request satisfactory evidence of such insurance;
- (l) **TSX Venture Exchange**: maintain good standing on the TSX Venture Exchange;
- (m) **Give Notice**: promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any proposed change in its name or the location of its chief executive office,
  - (iv) any Environmental Liability which would reasonably be expected to have a Material Adverse Effect,
  - (v) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (vi) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of any Credit Party in any Collateral which is not a Permitted Lien,
  - (vii) any material deviation, or any expected material deviation, from the Milestone Matrix (as updated in accordance with Section 7.3), the 2022 Operating Plan or the 2023 Operating Plan; and
  - (viii) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of any Credit Party that has or would reasonably be expected to have a Material Adverse Effect,and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (n) **Provide Other Documents**: use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Agreement and the Security.

## 7.2 Financial Covenant

The Borrower covenants and agrees with the Lender that it shall observe and maintain its Adjusted EBITDA as set out in the 2022 Operating Plan and the 2023 Operating Plan, as applicable, provided that, in each case, the Borrower shall have the right to revise, amend and update the relevant operating plan quarterly, which such revised or amended operating plan shall be subject to the prior approval of the Lender.

## 7.3 Reporting Requirements

The Borrower shall cause to be prepared and delivered to the Lender, in form and substance satisfactory to the Lender, the following:

- (a) an updated Milestone Matrix no later than twenty (20) Business Days following the end of each calendar month;
- (b) an updated Officer's Certificate no later than twenty (20) Business Days following the end of each calendar month; and
- (c) a 2023 operating statement to replace the 2022 Operating Plan by no later than November 30, 2022 (the "**2023 Operating Plan**"), which 2023 Operating Plan shall, once approved in writing by the Lender (acting reasonably), be ratified by the Borrower's Board of Directors by no later than December 15, 2022.

## 7.4 Negative Covenants

Without the prior written consent of the Lender, not to be unreasonably withheld, the Borrower hereby covenants and agrees that it shall not:

- (a) **Incur Debt**: create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
- (b) **Financial Assistance**: provide financial assistance, Guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those in effect on the Closing Date and approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;
- (c) **Negative Pledge**: create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
- (d) **Use Advances**: use the proceeds of any Advance for any purpose other than as expressly contemplated herein;
- (e) **Material Changes**: liquidate or dissolve; cease to carry on business as now being conducted by it; complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its Constating Documents;

- (f) **Limit Activities**: make any material change in the nature of its business;
- (g) **Restrictions on Dispositions**: directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$150,000 in aggregate in any Fiscal Year unless reinvested within 180 days or disposition;
- (h) **Distributions**: declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
- (i) **Change of Control**: permit a change of control or ownership of the Credit Parties, excluding the Borrower.

## **ARTICLE VIII**

### **DEFAULT**

#### **8.1 Events of Default**

The occurrence of any one or more of the following events, after the expiry of any applicable cure period set out below, shall constitute an "Event of Default" under this Agreement:

- (a) if the Borrower fails to pay any amount of principal or interest when the same becomes due and payable hereunder, whether at maturity or otherwise;
- (b) if the Borrower fails to pay any amount of fees or other Obligations (other than principal and interest) within fifteen (15) Business Days after the Borrower having received notice from the Lender of the amount payable;
- (c) if there is a greater than 10% negative deviation from the quarterly Adjusted EBITDA set forth by the Borrower in the 2022 Operating Plan or the 2023 Operating Plan, as applicable, commencing July 1, 2022;
- (d) if any Credit Party fails to observe or perform any covenant or obligation contained herein or in any other Credit Document in any material respect (not otherwise specifically dealt with in this Section 8.1) and such breach or omission shall continue unremedied for more than fifteen (15) Business Days after the earlier of a Senior Officer of the Borrower first having knowledge of such breach or omission, or the Borrower having received notice from the Lender of such breach or omission;
- (e) if any Credit Party makes any representation or warranty under any of the Credit Documents which is incorrect or incomplete in any material respect when made or deemed to have been made and (i) the incorrect or incomplete representation or warranty is not capable of being remedied by such Credit Party, or (ii) if the matter is capable of being remedied, the same shall continue unremedied for more than fifteen (15) Business Days after the earlier of a Senior Officer of the Borrower first having knowledge of such incorrect or misleading representation or warranty, or the Borrower having received written notice from the Lender of such incorrect or misleading representation or warranty;
- (f) if any event or circumstance (including non-payment) shall occur under any agreement or instrument relating to debt of any Credit Party which would permit a person to declare

(whether immediately or with lapse of time or both) an amount in excess of \$150,000 to become due prior to the stipulated date for repayment thereof, or maturity (or in the case of debt payable on demand or a Guarantee if demand is made at all), and such circumstance shall continue unremedied for more than fifteen (15) Business Days (provided that such grace period shall cease to apply if a demand has been made and any applicable grace period has expired or if the default is not then subject of a Permitted Contest);

- (g) if any Credit Party shall:
  - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
  - (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
  - (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
  - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
  - (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (g) or in paragraph (h) below;
- (h) if any petition shall be filed, application be made or other proceeding be instituted by a third party against or in respect of any Credit Party:
  - (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
  - (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or
  - (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of twenty (20) Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period shall cease to apply;

- (i) if any property of any Credit Party having a fair market value in excess of \$150,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$150,000 shall exist in respect of any Credit Party or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distraint upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta), the *Workers' Compensation Act* (British Columbia), the *Personal Property Security Act* (British Columbia) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than fifteen (15) Business Days;
- (j) if one or more judgments for the payment of money in the aggregate in excess of \$150,000 from time to time, and not substantially covered by insurance, shall become enforceable against any Credit Party and such party shall not have (i) provided for its discharge in accordance with its terms within fifteen (15) Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within fifteen (15) Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (k) if any Credit Party denies, to any material extent, its obligations under the Credit Documents or claims any of the Credit Documents to be invalid or withdrawn in whole or in part; or any of the Credit Documents or any material provision becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;
- (l) if the Security is not enforceable or if any Credit Party shall dispute or deny any liability or obligation under the Security to which it is a party; or
- (m) if a Material Adverse Effect has occurred.

## **8.2 Acceleration, Demand and Termination of Rights**

Upon the occurrence of an Insolvency Default, the Obligations shall become immediately due and payable without the necessity of any demand upon or notice to the Borrower by the Lender. Upon the occurrence and during the continuance of any Event of Default other than an Insolvency Default, the Lender may by written notice to the Borrower declare the Obligations to be immediately due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower.

### **8.3 Remedies**

Upon the occurrence of an Insolvency Default or the making of a declaration contemplated by Section 8.2, the Security shall become immediately enforceable and the Lender may take such action or proceedings as the Lender in its sole discretion deem expedient to enforce the same (that notice by which such enforcement is commenced or any filing by which such enforcement maybe be commenced on an ex parte basis is herein referred to as an "**Enforcement Notice**"), all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Borrower.

### **8.4 Waivers**

The Lender may from time to time waive an Event of Default, absolutely or for a limited time and subject to such terms and conditions as the Lender may specify. No such waiver shall be construed to extend to the occurrence of any other Event of Default. Any such waiver may be given prospectively or retrospectively. No failure of the Lender to exercise, or delay by the Lender in exercising, any of its rights or remedies shall be construed as a waiver of any Event of Default.

### **8.5 Saving**

The Lender shall be under no obligation to the Borrower or any other person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Borrower or any other person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender will be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of the Lender.

### **8.6 Perform Obligations**

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Credit Documents, the Lender may, on notice to the Borrower, but shall be under no obligation to perform, any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs on a solicitor and his own client basis) paid by the Lender in respect of the foregoing shall be added to and become part of the Obligations and shall be secured by the Security.

### **8.7 Third Parties**

No person dealing with the Lender shall be concerned to inquire whether the Security has become enforceable, or whether the powers which the Lender is purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

### **8.8 Remedies Cumulative**

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise

by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lender, shall be deemed not to be a waiver of any subsequent default.

## **ARTICLE IX**

### **MISCELLANEOUS PROVISIONS**

#### **9.1 Severability**

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not hereby be affected.

#### **9.2 Amendment, Supplement or Waiver**

No amendment, supplement or waiver of any provision of the Credit Documents, nor any consent to any departure by any Credit Party therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Lender and the Borrower and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by any Credit Party of any provision of the Credit Documents or the rights resulting therefrom.

#### **9.3 Governing Law; This Agreement to Govern**

This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Each party to this Agreement hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of Ontario and all courts competent to hear appeals therefrom.

#### **9.4 Address for Notice**

Notice to be given under the Credit Documents shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended and, unless the law deems a particular notice to be received earlier, a notice shall not be deemed received until actual receipt by the other party of an original of such notice or an email thereof if sent by email transmission. For the purposes hereof: (i) concurrent notice shall be given for and on behalf of the Credit Parties, to Pathway Health Corp. at 16 Four Seasons Place, Suite 203A, Toronto, Ontario M9B 6E5, Attention: Ken Yoon, Chief Executive Officer, email: ken.yoon@pathwayhealth.ca; and (ii) notice shall be given to the Lender at P.O. Box 8 Caledon East, Caledon, Ontario L7C 3L8; Attention: David Dozzo, Director, email: ddozzo@capforminc.com, or in each case at such other mailing or facsimile address as each party from to time may notify the others as aforesaid.

#### **9.5 Time of the Essence**

Time shall be of the essence in this Agreement.

#### **9.6 Further Assurances**

The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Credit Documents.

#### **9.7 Payments on Business Day**

Whenever any payment or performance under the Credit Documents would otherwise be due on a day other than a Business Day, such payment shall be made on the next following Business Day.

#### **9.8 Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

#### **9.9 Assignment**

The Lender may assign all or part of this Agreement or its commitment hereunder: (i) at any time to an affiliate of the Lender with notice to but without the consent of the Borrower, (ii) prior to the occurrence and continuance of an Event of Default, to any other person with prior notice to and the consent of the Borrower, and (iii) after the occurrence and continuance of an Event of Default, to any other person without notice to or the consent of the Borrower. The Borrower shall not assign or transfer all or any part of their rights or obligations under this Agreement at any time.

#### **9.10 Conflicting Terms**

In the event of any conflict between the terms of this Agreement and the terms of any other Credit Documents (or for any inconsistency between this Agreement and the other Credit Documents), the provisions of this Agreement shall prevail to the extent necessary to remove such conflict (or inconsistency).

#### **9.11 Acknowledgements**

The Borrower acknowledges that the Credit Facility and all accounts held by the Borrower with the Lender are for use by the Borrower, and will be used by the Borrower, only for business purposes.

#### **9.12 Amendment and Restatement**

Effective as of the Closing Date, the Promissory Note is hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued pursuant to the provisions of the Promissory Note prior to their amendment hereby, and is, as so amended and restated, hereby ratified and confirmed.

#### **9.13 Continuing Effect**

Each of the Credit Parties acknowledges and agrees that the Existing Security to which each is a party, as applicable, and any other documents entered into in connection therewith, continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be affected or prejudiced in any manner except as specifically provided herein.

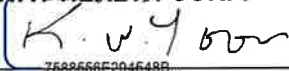
**9.14 Counterparts and Facsimile**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile copy.

***[Signature Pages Follow]***

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

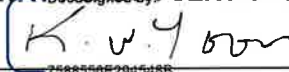
**PATHWAY HEALTH CORP.**

By:   
7588550E204548B...

Name: Ken Yoon

Title: President and CEO

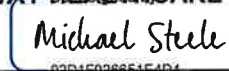
**PATHWAY HEALTH SERVICES CORP.**

By:   
7588550E204548B...

Name: Ken Yoon

Title: Chief Executive Officer

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

By:   
92D1F028651E4D4...

Name: Michael Steele

Title: President and CEO


**2563367 ONTARIO LIMITED**

By:   
4DFAE77016B2451...

Name: Kim Wei

Title: President and Chief Executive Officer

**SLAWNER ORTHOLITEE.**

By:   
40E54BFCE0BF42D...

Name: Aura Balboa

Title: President

**AVONLEA-DREWRY HOLDINGS INC.,**  
as Lender

By:   
Name: David Dozzo  
Title: Director

**SCHEDULE A**

**FORM OF DRAWDOWN NOTICE**

TO: Avonlea-Drewry Holdings Inc.

1. Reference is made to the Credit Agreement dated as of July 29, 2022, made among Pathway Health Corp., as borrower (the "**Borrower**"), the guarantors party thereto, and Avonlea-Drewry Holdings Inc., as lender (the "**Lender**"), as amended, supplemented, restated or replaced from time to time (the "**Credit Agreement**"). All terms used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Credit Agreement.
2. The Borrower hereby requests a drawdown the following in accordance with the Credit Agreement:
  - (a) Date: \_\_\_\_\_
  - (b) Amount of Advance: \_\_\_\_\_
  - (c) Aggregate amount of all Advances, including this Advance: \_\_\_\_\_
  - (d) Account to be credited or other payment arrangements: \_\_\_\_\_
  - (e) Special Instructions (if any): \_\_\_\_\_
3. The Borrower shall use the proceeds of any Advance only for the purposes set out in the Credit Agreement.
4. There has not occurred any unremedied Default or Event of Default.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, •.

Pathway Health Corp.

Per: \_\_\_\_\_

**SCHEDULE B****MILESTONE MATRIX**

<b>Key activity</b>	<b>Update</b>
Closing of the Tilray Brands Inc. broker agreement for supply of Cannabis and Cannabis - Related Products to the various buyers introduced by Avida Global and its affiliates.	Draft brokerage and supply agreement reviewed by all parties. Current agreements are sitting with Tilray legal for a second round of comments.
Purchase order and supply agreement for the supply of Cannabis and Cannabis Related Products to various buyers introduced by Avida Global and its affiliates.	Draft brokerage and supply agreement reviewed by all parties. Current agreements are sitting with Tilray legal for a second round of comments.
Approval from Health Canada for a non-possession sales license (Cannabis license Class – Federal sale for medical purposes without possession).	Received comments from Health Canada with minor questions. The Consultant and Pathway have prepared the various answers. Health Canada is waiting for all security clearances to clear. Kenneth Howling's is outstanding.
Launch of e-commerce platform to sell curated Cannabis products under an approved non-possession sales license.	Continuing to work with our partners (Cropsify and various marketing partners) to develop the site and get it up and running. Cannot go live until sales license has been approved.
Securing additional sources of financing.	None sourced yet.

**SCHEDULE C**

**2022 OPERATING PLAN**

**(see attached)**

## PATHWAY HEALTH CORP.

	Budget Q1 2022	Budget Q2 2022	Budget Q3 2022	Budget Q4 2022	Budget YE2022	Budget Q1 2023
<b>REVENUE</b>						
Revenue - Cannabis	581,797	657,878	853,110	990,816	3,083,601	789,882
Revenue - Product	0	0	0	0	0	0
Revenue - Provincial Billing Fees	1,254,005	1,340,039	1,082,342	1,071,760	4,748,146	1,074,145
Revenue - Non-OHIP Income	156,768	174,033	152,475	152,475	635,751	152,975
Revenue - Other	44,734	60,779	57,414	57,414	220,341	45,900
Revenue - Sales	566,850	617,360	708,994	710,106	2,603,310	671,038
Total Revenue	2,604,154	2,850,089	2,854,335	2,982,571	11,291,149	2,733,940
<b>Cost of sales</b>						
Consultants	989,795	1,049,840	812,450	805,509	3,657,594	806,857
Cost of goods sold	192,183	221,112	251,311	251,560	916,166	237,880
Clinic and medical expenses	122,049	167,080	171,609	186,111	646,849	135,753
Total cost of sales	1,304,027	1,438,032	1,235,370	1,243,180	5,220,609	1,180,490
<b>Gross Margin</b>	1,300,127	1,412,057	1,618,965	1,739,391	6,070,540	1,553,450
<b>Selling, general and administrative expenses</b>						
Wages and benefits	1,846,539	1,856,592	1,916,406	1,907,565	7,527,102	2,076,112
Professional and consulting fees	240,938	212,348	160,287	140,287	753,860	100,287
Rent and utilities	189,213	264,817	227,025	227,025	908,080	227,619
Marketing	18,256	65,017	188,074	101,693	373,040	129,701
Insurance	71,862	73,662	78,666	78,666	302,856	78,666
Research and development	0	3,000	65,250	68,250	136,500	12,000
Public company costs	172,023	272,522	106,527	111,027	662,099	52,722
Office expenses	211,567	183,543	161,671	153,701	710,482	157,641
Depreciation	237,651	238,435	238,890	238,890	953,866	238,890
Total SG&A	2,988,049	3,169,936	3,142,796	3,027,104	12,327,885	3,073,638
<b>Other expense/(Income)</b>						
Finance expense	98,040	100,158	151,775	207,222	557,195	262,618
Amortization	65,816	70,600	83,006	83,631	303,053	84,256
Share-based compensation	132,136	95,668	72,726	72,726	373,256	69,874
	295,992	266,426	307,507	363,579	1,233,504	416,748
<b>Income/(Loss) before income tax</b>	(1,983,914)	(2,024,305)	(1,831,338)	(1,651,292)	(7,490,849)	(1,936,936)
<b>Non-controlling interest</b>						
<b>EBITDA</b>	(1,582,407)	(1,615,112)	(1,357,667)	(1,121,549)	(5,676,735)	(1,351,172)
Adjustments for one time costs:						
Share-based compensation	132,136	95,668	72,726	72,726	373,256	69,874

**ADJUSTED EBITDA** (1,450,271) (1,519,444) (1,284,941) (1,048,823) (5,303,479) (1,281,298)

\*this figure includes interest expense, financing expense, fair value of financing facilities and accretion expense.

	Budget Q1 2022	Budget Q2 2022	Budget Q3 2022	Budget Q4 2022	Budget Q1 2023
<b>Balance Sheet</b>					
<b>Assets</b>					
<b>Current</b>					
Cash	1,563,799	334,991	58,802	38,634	15,739
Accounts and other receivables	1,003,953	1,019,499	1,004,719	1,038,585	964,809
Deferred cost	0	0	0	0	0
Inventory	324,050	419,878	421,955	409,823	392,089
Prepays	264,614	84,905	63,679	51,452	39,667
Total current assets	3,156,416	1,859,273	1,549,154	1,538,494	1,412,304
Due from related parties	0	0	0	0	0
Property and equipment	4,744,241	4,505,807	4,276,917	4,038,027	3,799,137
Intangible assets	922,293	851,692	768,686	685,055	600,799
Goodwill	637,662	637,662	637,662	637,662	637,662
Investment in related company	0	0	0	0	0
	0	0	0	0	0
	6,304,196	5,995,161	5,683,265	5,360,745	5,037,599
<b>Total assets</b>	9,460,612	7,854,435	7,232,420	6,899,239	6,449,902
<b>Liabilities and Shareholders' deficiency</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	2,167,779	2,397,532	1,918,751	1,772,128	1,833,907
Due to related parties	0	0	0	0	0
	0	0	0	0	0
	2,167,779	2,397,532	1,918,751	1,772,128	1,833,907
Lease liability	3,673,216	3,472,310	3,330,632	3,185,537	3,047,807
Leasehold improvement loan	498,659	492,613	486,476	480,246	473,923

Government loan payable	70,446	73,474	76,668	80,000		80,000
Line of credit	0	200,000	1,960,000	3,500,000		5,000,000
	4,242,321	4,238,398	5,853,776	7,245,783		8,601,730
<b>Total liabilities</b>	<b>6,410,100</b>	<b>6,635,929</b>	<b>7,772,526</b>	<b>9,017,911</b>		<b>10,435,637</b>
<b>Shareholders' Deficiency</b>						
Share capital	42,644,224	42,644,224	42,644,224	42,644,224		42,644,224
Warrants	1,866,866	1,866,866	1,866,866	1,866,866		1,866,866
Contributed surplus	(30,012,037)	(29,819,738)	(29,747,012)	(29,674,286)		(29,604,412)
Non-Controlling Interest	48,464	48,464	48,464	48,464		48,464
Deficit	(11,497,006)	(13,521,311)	(15,352,649)	(17,003,941)		(18,940,877)
	3,050,512	1,218,506	(540,106)	(2,118,672)		(3,985,734)
<b>Total liabilities and shareholders' deficiency</b>	<b>9,460,612</b>	<b>7,854,435</b>	<b>7,232,420</b>	<b>6,899,239</b>		<b>6,449,902</b>
<b>Cash Flow</b>						
<b>Net loss</b>	(1,983,914)	(2,024,305)	(1,831,338)	(1,651,292)	(7,490,849)	(1,936,936)
<b>Operating activities</b>						
<b>Items not affecting cash</b>						
Amortization of intangible assets.	65,817	70,601	83,006	83,631	303,055	84,256
Depreciation.	237,651	238,434	238,890	238,890	953,866	238,890
Finance expense.	92,421	95,502	151,775	207,222	546,920	262,618
Share-based compensation.	132,135	95,667	72,726	72,726	373,254	69,874
<b>Changes in non-cash working capital balances</b>	<b>(1,455,889)</b>	<b>(1,524,101)</b>	<b>(1,284,941)</b>	<b>(1,048,823)</b>	<b>(5,313,754)</b>	<b>(1,281,298)</b>
Accounts and other receivables	(79,768)	(6,626)	14,780	(33,866)	(105,481)	73,776
Inventory	15,360	(95,828)	(2,077)	12,132	(70,413)	17,734
Prepays	(15,035)	179,710	21,226	12,226	198,127	11,785
Accounts payable and accrued liabilities	363,719	227,756	(478,781)	(146,623)	(33,928)	61,779
Deferred revenue	0	2,000	0	0	2,000	0
<b>Net cash used in operating activities</b>	<b>(1,171,613)</b>	<b>(1,217,090)</b>	<b>(1,729,793)</b>	<b>(1,204,954)</b>	<b>(5,323,449)</b>	<b>(1,116,224)</b>
<b>Financing activities</b>						
Net advances from related parties	0	0	0	0	0	0
Repayment of lease liability	(148,297)	(200,320)	(141,678)	(145,095)	(635,390)	(137,730)
Repayment of bridge loan	0	0	0	0	0	0
Repayment of loan payable	(5,956)	(4,021)	0	0	(9,977)	0
Proceeds/repayment from government loan	0	0	0	0	0	0
Proceeds from line of credit	0	200,000	1,760,000	1,540,000	3,500,000	1,500,000
Share issuance	0	0	0	0	0	0
Interest paid	(89,549)	(95,088)	(154,719)	(210,119)	(549,475)	(268,941)
NCI proportionate investment in 10030712 Manitoba Ltd	0	87,710	0	0	87,710	0
Proceeds from senior secured notes, net	0	0	0	0	0	0
<b>Net cash provided by financing activities</b>	<b>(243,802)</b>	<b>(11,719)</b>	<b>1,463,603</b>	<b>1,184,786</b>	<b>2,392,868</b>	<b>1,093,328</b>
<b>Investing activities</b>						
Acquisition of NCC	0	0	0	0	0	0
Technology/E-commerce platform	0	0	0	0	0	0
Purchase of property and equipment	(2,543)	0	(10,000)	0	(12,543)	0
	<b>(2,543)</b>	<b>0</b>	<b>(10,000)</b>	<b>0</b>	<b>(12,543)</b>	<b>0</b>
<b>Increase (decrease) in cash</b>	<b>(1,417,958)</b>	<b>(1,228,808)</b>	<b>(276,190)</b>	<b>(20,168)</b>	<b>(2,943,124)</b>	<b>(22,895)</b>
<b>Cash, beginning of period</b>	<b>2,981,758</b>	<b>1,563,800</b>	<b>334,991</b>	<b>58,802</b>	<b>2,981,758</b>	<b>38,634</b>
<b>Cash, end of period</b>	<b>1,563,800</b>	<b>334,991</b>	<b>58,802</b>	<b>38,634</b>	<b>38,634</b>	<b>15,739</b>

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
REVENUE															
Revenue - Cannabis	222,101	211,364	148,132	203,095	195,899	258,684	270,872	284,348	297,790	313,301	328,907	348,608	376,147	263,124	250,511
Revenue - Product	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue - Professional/Billing Fees	335,074	400,856	517,075	506,650	408,450	424,939	360,561	355,838	365,843	354,357	358,798	354,605	333,605	348,812	391,728
Revenue - Non-Griff Income	38,193	49,267	69,308	47,878	75,580	50,825	50,825	50,825	50,825	50,825	50,825	50,825	50,075	50,075	52,825
Revenue - Other Revenue	9,509	15,357	19,468	20,343	21,298	19,138	19,138	19,138	19,138	19,138	19,138	19,138	15,300	15,300	15,300
Revenue - Sales	166,829	180,978	219,142	173,652	202,686	276,033	284,561	291,255	291,455	295,495	309,699	300,337	286,514	260,718	256,708
Total Revenue	772,156	836,727	973,335	953,586	880,516	938,205	930,657	940,512	955,495	978,999	1,003,337	1,004,335	896,514	900,718	936,708
Cost of sales															
Cannabis	261,375	318,281	410,139	395,064	341,373	313,463	270,880	307,565	274,495	266,467	269,673	269,369	252,216	262,244	292,297
Cost of goods sold	58,517	59,231	74,435	62,534	74,436	85,142	87,178	84,970	85,653	82,890	86,077	83,103	78,812	79,541	79,507
Chronic and medical expenses	11,668	30,752	33,855	50,173	58,387	57,964	56,042	57,162	58,405	59,765	60,333	61,615	62,246	64,074	63,113
Total cost of sales	311,558	408,344	514,405	517,777	473,798	456,569	408,158	406,687	418,164	408,812	416,081	414,087	373,384	388,859	424,913
Gross Margin	420,548	430,459	449,120	441,641	435,120	533,296	522,548	534,156	537,291	562,287	587,256	589,848	523,120	514,859	515,471
Selling, general and administrative expenses															
Rentals and benefits	599,398	584,026	602,315	627,768	615,402	613,922	630,305	639,204	638,807	637,391	636,133	634,041	664,408	632,285	699,419
Professional and consulting fees	74,129	60,367	60,942	64,078	65,209	63,419	63,419	63,419	63,419	63,419	63,419	63,419	63,419	63,419	63,419
Research and development	61,587	67,105	66,621	115,746	17,174	70,887	75,675	75,675	75,675	75,675	75,675	75,675	75,675	75,675	75,675
Marketing	5,980	7,409	4,839	6,041	2,517	28,519	19,459	78,462	50,353	43,353	43,353	28,820	29,520	43,567	43,567
Insurance	23,954	23,954	23,954	23,954	23,954	25,754	25,754	26,322	26,322	26,322	26,322	26,322	26,322	26,322	26,322
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public company costs	61,566	155,546	(105,091)	29,784	133,429	109,309	38,759	18,350	49,509	43,509	43,509	43,509	43,509	43,509	43,509
Office expenses	53,763	76,013	81,771	57,972	69,786	55,785	53,035	56,794	51,841	57,031	53,835	49,835	55,835	50,369	51,409
Depreciation	78,426	79,813	79,812	78,413	79,813	78,413	78,413	79,813	78,413	78,413	78,413	78,413	79,813	79,813	79,813
Total SG&A	978,921	1,048,165	960,263	1,024,248	1,083,753	1,077,333	1,034,305	1,060,319	1,048,306	1,033,340	1,007,753	983,511	1,036,336	1,017,499	1,093,851
Other expenses/(income)															
Finance expense	32,607	37,009	33,364	33,393	33,319	34,304	44,348	50,848	56,678	62,133	69,108	75,781	81,881	87,540	88,887
Amortization	21,315	29,333	32,746	35,533	21,535	27,510	27,510	27,669	27,787	27,787	27,804	28,016	28,016	28,016	28,155
Share-based compensation	44,562	43,002	44,567	44,138	35,000	26,070	24,298	24,298	24,298	24,298	24,298	24,298	24,298	24,298	24,298
	98,709	96,606	100,677	89,308	88,814	88,304	96,146	102,815	108,546	114,239	121,315	128,023	132,856	136,851	145,311
Income/(Loss) before income tax	(656,983)	(715,112)	(811,820)	(869,915)	(792,441)	(612,943)	(602,863)	(628,914)	(598,541)	(585,833)	(543,819)	(523,798)	(460,051)	(461,431)	(668,483)
EXPENSE															
Adjustments for one-time costs	(524,414)	(581,695)	(476,288)	(533,733)	(608,301)	(477,079)	(451,345)	(470,787)	(435,515)	(416,131)	(364,997)	(340,431)	(437,025)	(446,166)	(467,981)
Share-based compensation	44,562	43,002	44,567	44,138	35,000	26,070	24,298	24,298	24,298	24,298	24,298	24,298	24,298	24,298	24,298
ADJUSTED EBITDA	(479,847)	(538,663)	(442,751)	(503,106)	(517,441)	(448,209)	(477,087)	(446,469)	(441,385)	(391,823)	(340,867)	(316,153)	(413,566)	(423,116)	(444,532)
*This figure includes interest expense, financing expense, fair value of financing facilities and accretion expense.															
Balance Sheet															
Assets															
Current															
Cash	2,584,104	1,941,655	1,563,799	1,333,528	892,363	334,991	88,214	114,363	58,802	12,979	94,093	33,634	91,950	32,708	15,719
Accounts and other receivables	666,570	1,027,000	1,003,953	896,346	795,991	1,019,499	964,139	971,100	1,004,719	1,000,026	1,033,417	1,038,585	923,409	937,740	964,809
Inventory	342,028	335,815	334,050	335,321	344,719	419,878	403,289	414,099	421,955	406,258	420,449	409,823	386,761	393,257	397,088
Prepaid	213,094	290,919	364,614	339,661	334,271	84,905	77,698	79,724	81,679	80,638	81,453	81,453	84,127	83,479	86,667
Total current assets	4,965,797	4,559,519	4,262,416	3,804,868	2,447,348	1,859,273	1,533,472	1,529,514	1,544,104	1,544,866	1,535,547	1,538,494	1,444,497	1,398,188	1,412,534
Due from related parties	146,90	293,80													
Property and equipment	4,914,713	4,852,445	4,744,241	4,664,693	4,585,417	4,505,407	4,431,137	4,355,547	4,276,917	4,197,287	4,117,657	4,038,027	3,958,297	3,878,767	3,799,137
Intangible assets	966,575	965,003	962,309	960,757	959,207	957,822	956,403	954,974	953,545	952,116	950,687	949,258	947,829	946,400	944,971
Goodwill	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662	637,662
	8,528,084	8,413,444	8,304,596	8,233,248	8,129,330	7,995,381	7,912,332	7,829,634	7,746,955	7,664,255	7,581,511	7,500,131	7,418,745	7,337,359	7,255,973
Total assets	10,514,802	9,843,967	9,466,612	9,064,105	7,949,664	7,854,435	7,435,404	7,365,958	7,232,430	7,066,094	6,919,868	6,899,278	6,701,536	6,544,071	6,449,582
Liabilities and Shareholders' deficiency															
Current															
Accounts payable and accrued liabilities	1,870,888	2,028,748	2,157,779	2,363,967	2,502,310	2,397,533	2,338,892	2,306,754	2,198,751	1,916,355	1,920,568	1,972,328	1,724,699	1,733,655	1,833,903
	1,890,588	2,028,748	2,157,779	2,363,967	2,502,310	2,397,533	2,338,892	2,306,754	2,198,751	1,916,355	1,920,568	1,972,328	1,724,699	1,733,655	1,833,903
Long-term liability															
Line of credit	3,773,127	3,724,355	3,673,216	3,621,997	3,574,875	3,472,310	3,425,459	3,378,224	3,330,632	3,283,651	3,236,287	3,188,537	3,140,013	3,091,106	3,047,807
Leasehold improvement loan	502,640	500,854	496,659	496,654	494,638	492,613	490,578	488,532	486,475	484,410	482,333	480,246	478,149	476,041	473,933
Government loan payable	88,550	89,444	90,346	91,248	92,150	93,052	93,954	94,856	95,758	96,660	97,562	98,464	99,366	100,268	101,170
	4,344,138	4,294,453	4,247,321	4,190,082	4,141,097	4,038,158	3,987,314	3,936,117	3,884,917	3,833,717	3,782,517	3,731,317	3,680,117	3,628,917	3,577,717
Total liabilities	8,715,005	8,333,331	8,418,100	8,605,246	8,644,706	8,436,692	8,324,764	8,241,764	8,122,517	8,182,124	8,041,210	7,943,781	7,824,823	7,705,823	7,586,823
Shareholders' Deficiency															
Share capital	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224	42,644,224
Retained earnings	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865	1,866,865
Contributed surplus	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)	(30,099,605)
Non-Controlling Interest	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464	48,464
Deficit	(10,170,074)	(10,885,116)	(11,497,006)	(12,166,912)	(12,909,368)	(13,521,131)	(14,124,174)	(14,755,082)	(15,352,649)	(15,930,349)	(16,494,144)	(17,053,941)	(17,605,738)	(18,157,535)	(18,709,332)
	6,219,875	3,617,765	2,905,112	2,424,054	1,805,178	1,128,506	639,440	31,125	(642,008)	(1,281,500)	(2,018,182)	(2,750,864)	(3,483,546)	(4,216,228)	(4,948,910)
Total liabilities and shareholders' deficiency	10,514,802	9,843,967	9,466,612	9,064,105	7,949,664	7,854,435	7,435,404	7,365,958	7,232,430	7,066,094	6,919,868	6,899,278	6,701,536	6,544,071	6,449,582
Cash Flow															
Net loss	(656,983)	(715,112)	(811,820)	(869,915)	(792,441)	(612,943)	(602,863)	(628,914)	(598,541)	(585,833)	(543,819)	(523,798)	(460,051)	(461,431)	(668,483)
Operating activities															
Items not affecting cash															
Amortization of intangible assets	21,315	29,333	32,746	35,533	21,535	27,510	27,510	27,669	27,787	27,787	27,804	28,016	28,016	28,016	28,155
Depreciation	78,426	79,813	79,812	78,413	79,813	78,4									

	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
<b>Details</b>															
<b>Day in inventory</b>															
Prepays															
Operating balance	236,279	207,810	185,522	156,313	125,843	95,374	84,905	77,829	70,754	63,679	65,603	58,528	51,452	44,377	45,493
Amortization	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)
Addition	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181
Ending	207,810	185,522	156,313	125,843	95,374	84,905	77,829	70,754	63,679	65,603	58,528	51,452	44,377	45,493	39,667
<b>Accounts payable and accrued liabilities</b>															
Expenses															
To be paid out in shares (contingent)	906,452	1,127,378	1,014,150	1,064,322	1,182,372	1,199,390	973,746	1,013,020	1,008,402	974,844	948,534	921,128	824,689	833,655	908,007
Avg employee liabilities (est.)	450,000	450,000	900,000	900,000	900,000	900,000	850,000	850,000	850,000	850,000	850,000	850,000	900,000	900,000	925,000
Accrued interest on LOC						2,625	15,146	34,637	60,349	91,815	130,974	0			
Additional accrual - provincial brings AP															
Ending	1,366,452	1,577,318	1,914,150	1,964,322	2,082,372	2,099,390	1,838,892	1,862,166	1,869,751	1,916,659	1,929,508	1,772,128	1,724,689	1,733,655	1,833,007
<b>Dr. Sahawal loan</b>															
Repayment	20,000														
Interest			(5,000)	(5,000)	(5,000)	(5,000)									
Ending	20,000		(5,000)	(5,000)	(5,000)	(5,000)									
<b>Government Loan</b>															
Opening	68,574	68,549	69,443	70,446	71,430	72,462	73,474	74,535	75,611	76,568	77,775	78,851	80,000	80,000	80,000
Accrual expense	976	894	1,003	984	1,031	1,072	1,061	1,076	1,056	1,107	1,067	1,139			
Payment															
Ending	69,550	69,443	70,446	71,430	72,462	73,474	74,535	75,611	76,568	77,775	78,851	80,000	80,000	80,000	80,000
<b>Lease liability</b>															
Opening	3,712,154	3,663,460	3,614,478	3,564,905	3,514,791	3,472,310	3,425,459	3,376,234	3,330,532	3,284,651	3,242,287	3,185,537	3,140,013	3,094,106	3,047,807
Add interest															
Fluro lease															
Fluro lease payments															
Less payments															
Ending balance per consol	3,712,154	3,663,460	3,614,478	3,564,905	3,514,791	3,472,310	3,425,459	3,376,234	3,330,532	3,284,651	3,242,287	3,185,537	3,140,013	3,094,106	3,047,807
<b>Winnipeg + Selkirk - Lease</b>															
Reg bal.	504,615	502,640	500,654	498,659	496,654	494,638	492,613	490,578	488,532	486,476	484,410	482,338	480,246	478,149	476,041
Payment	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499
Interest	1,975	1,985	1,995	2,005	2,015	2,025	2,035	2,045	2,056	2,066	2,077	2,087	2,097	2,108	2,118
Interest	2,523	2,533	2,543	2,553	2,563	2,573	2,583	2,593	2,603	2,613	2,623	2,633	2,643	2,653	2,663
Ending bal.	502,640	500,654	498,659	496,654	494,638	492,613	490,578	488,532	486,476	484,410	482,338	480,246	478,149	476,041	473,923
<b>Inventory - Product</b>															
Opening balance															
Purchases															
Inventory - COGS															
Ending balance															
<b>Fixed asset additions</b>															
Ultrasound machine for AMI															
C-arm Machine															
New Fluoroscapy suite at silver															
Additional floor new Selkirk clinic															
3 pain clinics in BC, Alta															
Investment in technology															
Misc															
Chair Set up IBP															
Shower location expansion															
Ending	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292
<b>New Fluoroscapy suite at silver</b>															
Construction Cost	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)
Depreciation - Construction Cost	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
New Fluoroscapy machine	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
<b>Internal Development costs</b>															
E-commerce platform															
Technology															
my spark APP - Beg	41,375	41,375	48,375	50,875	53,375	55,875	58,375	60,875	63,375	65,875	68,375	70,875	73,375	75,875	78,375
my spark APP - Spend	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
my spark APP - End	41,375	41,375	50,875	53,375	55,875	58,375	60,875	63,375	65,875	68,375	70,875	73,375	75,875	78,375	80,875
Amortization - technology	(1,274)	(1,344)	(1,414)	(1,484)	(1,554)	(1,624)	(1,694)	(1,764)	(1,834)	(1,904)	(1,974)	(2,044)	(2,114)	(2,184)	(2,254)
Accumulated amortization	(2,479)	(2,613)	(2,747)	(2,881)	(3,015)	(3,149)	(3,283)	(3,417)	(3,551)	(3,685)	(3,819)	(3,953)	(4,087)	(4,221)	(4,355)
my Spark - ending balance	41,375	41,375	50,875	53,375	55,875	58,375	60,875	63,375	65,875	68,375	70,875	73,375	75,875	78,375	80,875
cantra - Beg	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
cantra - Spend	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442	2,442
cantra - End	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
Amortization - technology	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)
Accumulated amortization	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)
cantra - ending balance	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
cantra - Beg	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
cantra - Spend	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778	2,778
cantra - End	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Amortization - technology	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)
Accumulated amortization	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)	(2,778)
cantra - ending balance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
medtrac - Beg	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
medtrac - Spend	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
medtrac - End	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Amortization - technology	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Accumulated amortization	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
medtrac - ending balance	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
botrack - Beg	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
botrack - Spend	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
botrack - End	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Amortization - technology	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Accumulated amortization	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
botrack - ending balance	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
<b>Total spend Technology - my Spark</b>	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292	8,292
Total monthly Amortization - Technology															

Date	Loan Principal			Interest Opening	12%		PIK Opening	2%		Annual fee Opening	1%		Total fees
	Opening	Draw	Ending		Addition	Ending		Addition	Ending		Addition	Ending	
1-Jun-22		100,000	100,000	-	-	-	-	-	-	-	-	-	1,112
30-Jun-22	100,000	100,000	200,000	-	953	953	-	159	159	-	-	-	2,174
31-Jul-22	200,000	757,000	957,000	953	2,038	2,992	159	340	499	-	-	-	3,172
31-Aug-22	957,000	530,000	1,487,000	2,992	9,754	12,745	499	1,626	2,124	-	-	-	4,112
30-Sep-22	1,487,000	473,000	1,960,000	12,745	14,666	27,412	2,124	2,444	4,569	-	-	-	5,009
31-Oct-22	1,960,000	441,000	2,401,000	27,412	19,976	47,388	4,569	3,329	7,898	-	-	-	6,024
30-Nov-22	2,401,000	572,000	2,973,000	47,388	23,681	71,069	7,898	3,947	11,845	-	-	-	7,020
31-Dec-22	2,973,000	527,000	3,500,000	71,069	30,300	101,369	11,845	5,050	16,895	35,000	-	-	8,016
31-Jan-23	3,500,000	500,000	4,000,000	101,369	35,671	137,040	16,895	5,945	22,840	-	-	-	9,016
28-Feb-23	4,000,000	500,000	4,500,000	137,040	36,822	173,862	22,840	6,137	28,977	-	-	-	10,016
31-Mar-23	4,500,000	500,000	5,000,000	173,862	45,863	219,725	28,977	7,644	36,621	-	-	-	11,016
30-Apr-23	5,000,000		5,000,000	219,725	49,315	269,040	36,621	8,219	44,840	-	-	-	12,016
31-May-23	5,000,000		5,000,000	269,040	50,959	319,999	44,840	8,493	53,333	-	-	-	13,016
30-Jun-23	5,000,000		5,000,000	319,999	49,315	369,314	53,333	8,219	61,552	-	-	-	14,016
31-Jul-23	5,000,000		5,000,000	369,314	50,959	420,273	61,552	8,493	70,045	-	-	-	15,016
31-Aug-23	5,000,000		5,000,000	420,273	50,959	471,232	70,045	8,493	78,539	-	-	-	16,016
30-Sep-23	5,000,000		5,000,000	471,232	49,315	520,547	78,539	8,219	86,758	-	-	-	17,016
31-Oct-23	5,000,000		5,000,000	520,547	50,959	571,506	86,758	8,493	95,251	-	-	-	18,016
30-Nov-23	5,000,000		5,000,000	571,506	49,315	620,821	95,251	8,219	103,470	-	-	-	19,016
31-Dec-23	5,000,000		5,000,000	620,821	50,959	671,780	103,470	8,493	111,963	-	-	-	20,016
31-Jan-24	5,000,000		5,000,000	671,780	50,959	722,739	111,963	8,493	120,456	-	-	-	21,016
28-Feb-24	5,000,000		5,000,000	722,739	47,671	770,410	120,456	7,945	128,402	-	-	-	22,016
31-Mar-24	5,000,000		5,000,000	770,410	50,959	821,369	128,402	8,493	136,895	-	-	-	23,016
30-Apr-24	5,000,000		5,000,000	821,369	49,315	870,684	136,895	8,219	145,114	50,000	-	-	24,016
31-May-24	5,000,000		5,000,000	870,684	50,959	921,643	145,114	8,493	153,607	-	-	-	25,016

VLOOKUP - Data Forecast		4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
		2022														
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Available Facility						1,500,000.00	1,300,000.00	2,546,000.00	2,015,000.00	1,541,000.00	1,098,000.00	521,000.00	0.00			
Commitment Fee							(100,000.00)									
Loan Draw							(100,000.00)	(754,000.00)	(531,000.00)	(474,000.00)	(443,000.00)	(577,000.00)	(521,000.00)	(500,000.00)	(500,000.00)	(500,000.00)
Total Loan Draws							(100,000.00)	(754,000.00)	(531,000.00)	(474,000.00)	(443,000.00)	(577,000.00)	(521,000.00)	(500,000.00)	(500,000.00)	(500,000.00)
Cumulative Loan Owing							(200,000.00)	(954,000.00)	(1,485,000.00)	(1,959,000.00)	(2,402,000.00)	(2,979,000.00)	(3,500,000.00)	(4,000,000.00)	(4,500,000.00)	(5,000,000.00)
Assuming draws are made at the beginning of the month																
Base Lending Rate							13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
PR Accrual							2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Annual Work Fee							1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Annual Interest Rate							16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Monthly Interest Rate							1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
6510	6510 - Legal Fees															
8306	8306 - Interest Expense (Credit Facility)						2,625.00	12,521.25	18,490.63	25,711.88	31,526.25	39,099.38	45,937.50	52,500.00	59,062.50	65,625.00

[illegible]

VLOOKUP - Data Forecast  
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		4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
		2022 - Q1	2022 - Q1	2022 - Q1	2022 - Q2	2022 - Q2	2022 - Q2	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q4	2022 - Q4	2022 - Q4	2023 - Q1	2023 - Q1	2023 - Q1
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Shared Services																
4390	4390 - Revenue - Management Fees	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
	Total Revenue	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
6010	6010 - Wages - Bus. Develop. - Consultant	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
6105	6105 - Advertising & Marketing	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,500.00	2,000.00	2,000.00	2,500.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
6130	6130 - Website Design	1,300.00	1,300.00	1,300.00	1,300.00	1,600.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,600.00	1,300.00	1,300.00	1,300.00	1,300.00
6135	6135 - Printed Materials	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
6150	6150 - Bus. Develop. - Meals	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00
6155	6155 - Bus. Develop. - Travel															
6205	6205 - Rent	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69	7,479.69
6206	6206 - Rent - IFRS 16 Adj	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)
6220	6220 - Telephone & Internet	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00
6305	6305 - Wages - Sales	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21	9,810.21
6320	6320 - Wages - Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6330	6330 - Wages - Shared Services	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92	64,367.92
6335	6335 - Wages - Shared Services - Mgmt	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33	92,083.33
6350	6350 - CIP	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27	9,061.27
6355	6355 - IT	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71	3,677.71
6360	6360 - EHT - Admin	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10	3,242.10
6375	6375 - Benefits	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32	7,085.32
6380	6380 - Payroll Expenses	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
6386	6386 - Severance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6395	6395 - Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6399	6399 - Options Expense	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43	48,994.43
6405	6405 - Office Expenses	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6410	6410 - Postage & Courier	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
6415	6415 - Computer Expenses	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00
6420	6420 - Software Expenses	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
6435	6435 - Dues & Fees	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
6450	6450 - Meals & Ent. - Admin	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33	10,603.33
6455	6455 - Travel - Admin															
6495	6495 - Other Expenses															
6505	6505 - Accounting Fees	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
6510	6510 - Legal Fees	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
6515	6515 - Consultants - Other															
6705	6705 - Technology Expense															
6805	6805 - Bank Fees & Interest	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
6605	6605 - Insurance D&O	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85
6615	6615 - Insurance - General Liability	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00	3,120.00
6620	6620 - Insurance - Cyber Liability	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12
6905	6905 - Press Release Costs	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96
6910	6910 - T&E Filing Fees	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67
6915	6915 - Transfer Agent Fees	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6920	6920 - AGM Costs															
6925	6925 - Board of Director Fees															
6930	6930 - Investor Relations Consulting	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89	72,879.89
6935	6935 - Other Consulting Fees															
	Total SG&A	396,288.71	377,690.45	370,018.22	369,015.45	430,756.73	425,666.37	363,811.81	341,010.56	374,207.69	367,109.64	362,870.67	343,977.82	326,714.16	324,981.04	341,234.36
	EBITDA	(393,288.71)	(369,690.45)	(367,018.22)	(366,015.45)	(427,756.73)	(422,666.37)	(360,811.81)	(338,010.56)	(371,207.69)	(364,109.64)	(359,870.67)	(340,977.82)	(323,714.16)	(321,981.04)	(338,234.36)
8215	8215 - Interest Expense (Lease)	117.42	88.41	58.18	23.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8405	8405 - Depreciation	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18
8410	8410 - Amortization	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59
8450	8450 - Depreciation (Lease)	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63	9,061.63
	Total Other Expenses	16,451.82	16,422.81	16,393.58	16,364.31	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77	17,772.77
	Net Income	(409,740.54)	(386,113.26)	(383,411.80)	(382,379.56)	(445,529.50)	(440,439.14)	(378,584.58)	(355,783.33)	(388,980.46)	(381,862.41)	(377,643.44)	(356,750.59)	(341,466.93)	(339,753.81)	(356,007.13)

VLOOKUP - Data Forecast  
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2022 - Q12022 - Q12022 - Q12022 - Q22022 - Q22022 - Q22022 - Q32022 - Q32022 - Q32022 - Q32022 - Q42022 -



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2022-Q1		2022-Q1		2022-Q1		2022-Q2		2022-Q2		2022-Q2		2022-Q3		2022-Q3		2022-Q3		2022-Q4		2022-Q4		2022-Q4		2023-Q1		2023-Q1		2023-Q1	
Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast		Forecast	
Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022	Jan 2022	Feb 2022	Mar 2022
0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		2%		2%		2%	
15	45	60	60	60	60	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
254.00	254.00	254.00	254.00	254.00	254.00	254.00	254.00	254.00	254.00	254.00	254.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00
3,810.00	11,430.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00
2,476.50	7,429.50	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	9,906.00	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50
160		185		236		186		134		134		134		134		134		134		134		134		130		85		110	
200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00
32,000.00	37,000.00	47,200.00	37,200.00	37,200.00	26,800.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00
22,400.00	25,900.00	33,400.00	26,040.00	18,760.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00
130		121		134		121		134		148		50		60		50		60		60		60		55		60		60	
173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00
19,115.80	21,027.38	32,865.52	21,027.38	23,286.52	21,027.38	23,286.52	25,012.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00
10,513.69	11,565.06	12,807.59	11,565.06	12,807.59	18,759.68	13,756.60	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00
48		47		57		35		40		46		49		22		41		24		40		27		40		40		40	
225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00
10,800.00	10,875.00	12,845.00	7,875.00	9,800.00	10,612.66	11,304.75	5,075.62	4,959.11	5,537.04	9,228.40	6,239.17	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	8,600.00	
7,560.00	7,402.50	8,977.50	5,512.50	6,300.00	7,428.86	7,913.35	3,552.93	6,821.38	3,875.93	6,458.88	4,360.42	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00	6,070.00
230		206		224		214		196		223		176		198		201		186		201		201		160		210		250	
250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
57,500.00	51,500.00	56,000.00	53,500.00	49,000.00	52,851.00	41,711.00	46,926.00	47,637.00	44,082.00	47,637.00	47,637.00	44,082.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00	47,637.00
39,100.00	35,020.00	38,080.00	36,380.00	33,320.00	35,938.68	26,124.00	31,909.68	32,393.16	29,975.76	32,393.16	32,393.16	29,975.76	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16	32,393.16
147		151		126		146		148		169		120		120		120		120		120		120		110		108		140	
200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
29,400.00	30,200.00	25,200.00	29,200.00	25,600.00	29,500.00	32,110.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00
19,110.00	19,630.00	16,380.00	18,980.00	19,200.00	20,791.50	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00
40		40		40		40		510		118		110		120		119		130		105		115		113		118		115	
275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00
11,000.00	11,000.00	11,000.00	11,000.00	11,000.00	18,590.00	14,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00	18,590.00
7,150.00	7,150.00	7,150.00	12,030.00	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50
275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00		275.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%		0.5%	
94	79	105	118	105	124	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160	160
227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98
21,430.12	18,010.42	23,937.50	26,901.64	23,937.50	28,269.52	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80
14,358.18	12,066.98	16,038.39	18,024.10	16,038.39	18,940.58	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46																	

Total COGS		240,267.55	250,203.97	288,600.25	276,086.06	272,321.50	288,552.25	263,706.10	260,006.08	267,871.07	258,711.23	262,470.14	262,142.45	239,638.72	250,974.33	265,129.90
Gross Margin		79,834.61	87,722.77	94,634.89	91,513.92	88,896.30	96,313.63	87,602.59	86,679.70	88,719.52	86,393.69	87,075.12	87,209.60	81,400.78	84,715.17	93,534.60
SG&A																
5115	5115 - Wages - Clinic Management	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50
6205	6205 - Rent - COGS	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	48,428.15	48,428.15
6206	6206 - Rent Adj - IFRS 16	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(32,552.00)	(32,552.00)
5.71% 6215	6215 - Utilities - COGS	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	3,032.51	3,032.51
2.58% 6220	6220 - Telephone & Internet - COGS	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,372.13	1,372.13
1.45% 6225	6225 - Repairs & Maintenance - COGS	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	770.10	770.10
4.92% 6230	6230 - Janitorial Expense - COGS	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,613.56	2,613.56
6235	6235 - Security & Monitoring - COGS	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75
6010	6010 - Wages - Business Development - Consultants	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	13,170.00	13,170.00
6105	6105 - Advertising Expense	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
6120	6120 - Finder's/Training Fee	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6315	6315 - Wages - Nursing	40,785.53	40,785.53	40,785.53	40,785.53	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	45,445.98	45,445.98
6320	6320 - Wages - Management	0.00	0.00	0.00	0.00	0.00	0.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
6325	6325 - Wages - Admin	34,775.72	34,775.72	34,775.72	34,775.72	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	29,422.24	29,422.24
6350	6350 - CPP	4,118.11	4,118.11	4,118.11	4,118.11	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	4,080.32	4,080.32
6355	6355 - EI	1,671.40	1,671.40	1,671.40	1,671.40	1,620.32	1,620.32	1,620.32	1,620.32	1,614.96	1,614.96	1,614.96	1,614.96	1,614.96	1,654.59	1,654.59
1.95% 6360	6360 - EHT	1,473.44	1,473.44	1,473.44	1,473.44	1,428.42	1,428.42	1,428.42	1,428.42	1,564.92	1,564.92	1,564.92	1,564.92	1,564.92	1,596.43	1,596.43
0.70% 6365	6365 - WSIB/CSST	528.93	528.93	528.93	528.93	512.77	512.77	561.77	561.77	561.77	561.77	561.77	561.77	561.77	573.08	573.08
6375	6375 - Benefits	4,860.72	4,860.72	4,860.72	4,860.72	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	4,957.94	4,957.94
6380	6380 - Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6395	6395 - Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6405	6405 - Office Supplies	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00
6410	6410 - Postage & Courier	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00
6420	6420 - Software Expenses	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,046.21	6,046.21
6450	6450 - Meals & Entertainment	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6455	6455 - Travel - Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6480	6480 - Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6495	6495 - Other Expenses	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6515	6515 - Consultants - Other	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00
5% 6615	6615 - Insurance - General Liability	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89
6620	6620 - Insurance - Cyber Liability	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06
6805	6805 - Bank Fees & Interest	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
0.09% 6810	6810 - Credit Card Fees	300.68	312.73	359.99	345.30	939.31	361.52	330.00	325.66	334.96	324.17	328.34	328.16	301.56	315.33	355.69
Total SG&A		144,572.11	144,584.15	144,631.41	144,616.72	140,799.25	148,321.47	155,475.45	155,471.10	155,277.55	146,676.24	145,841.93	144,803.55	152,468.99	152,482.75	152,523.12
EBITDA		(64,737.50)	(61,861.38)	(49,996.52)	(53,102.80)	(51,902.96)	(52,007.84)	(67,872.86)	(68,791.41)	(66,556.03)	(60,282.55)	(58,766.81)	(57,583.85)	(71,068.22)	(67,767.59)	(58,988.52)
8205	8205 - Interest Expense	1,002.74	990.13	977.38	964.52	951.53	938.41	925.16	911.78	899.27	884.62	870.85	856.93	842.87	828.68	814.36
8215	8215 - Interest Expense (Leases)	5,583.79	5,374.51	5,163.56	4,950.92	4,736.60	4,520.56	4,302.80	4,083.30	3,862.05	3,639.04	3,414.25	3,187.66	2,959.27	2,723.30	2,485.44
8325	8325 - Accretion - Finance Fees	487.83	446.98	501.32	492.16	515.67	506.24	530.42	538.08	528.24	553.48	543.36	569.31	0.00	0.00	0.00
8405	8405 - Depreciation	7,949.77	7,949.77	7,949.77	7,949.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77	9,599.77
8450	8450 - Depreciation (Leases)	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07
Total Other Expenses		39,560.20	39,297.46	39,128.10	40,543.44	40,339.63	40,101.04	39,894.21	39,669.00	39,424.40	39,212.97	38,964.29	38,749.74	37,937.98	37,687.81	37,435.63
Net Income		11,111.11	11,111.11	(80,124.62)	(93,646.24)	(92,242.59)	(92,108.98)	11,111.11	11,111.11	11,111.11	(99,495.52)	(97,731.10)	(96,343.69)	11,111.11	11,111.11	(96,424.15)

VLOOKUP - Data Forecast  
Check ->

		2022 - Q1	2022 - Q1	2022 - Q1	2022 - Q2	2022 - Q2	2022 - Q2	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q4	2022 - Q4	2022 - Q4	10%	10%	10%
		2022												2023 - Q1	2023 - Q1	2023 - Q1		
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023		
Slawner Ortho	REVENUE																	
	4445 - Product Sales (Referrals)																	
	4450 - Admin		287.50	287.50	287.50	287.50	287.50	287.50	287.50	287.50	517.50	517.50	1,414.50	1,414.50	316.25	316.25	316.25	
	4455 - Compression	27,059.01	28,552.55	23,099.27	24,853.62	31,520.64	34,524.75	24,770.34	30,234.10	26,400.47	24,290.08	27,468.81	32,666.00	29,764.91	31,378.11	25,409.19	25,409.19	
	4460 - Electrotherapy	4,723.28	6,735.23	5,276.70	4,784.03	5,309.54	5,679.65	3,535.46	3,827.63	5,934.10	3,756.56	3,801.33	5,420.62	5,195.61	7,408.75	5,804.37	5,804.37	
	4465 - Fabrication (Custom)	274.93	149.66	49.55	747.21	318.06	2,223.94	242.60	1,093.89	521.21	309.50	98.35	441.58	302.43	164.62	54.51	54.51	
	4470 - Medical	21,403.07	21,576.20	21,833.32	22,178.38	22,874.77	26,501.94	25,123.92	30,963.65	29,476.21	30,975.34	25,926.14	25,476.70	23,543.38	23,678.82	24,016.66	24,016.66	
	4475 - Orthotic	133,783.67	139,028.19	142,407.65	142,210.32	136,632.68	140,244.68	154,629.91	139,868.70	153,508.05	152,154.16	157,209.07	153,363.24	136,459.34	141,809.78	145,255.80	145,255.80	
	4480 - Shoe	28,929.99	22,632.67	28,941.07	32,082.88	30,879.76	31,430.11	31,534.12	31,429.63	30,796.34	26,419.10	35,225.47	35,225.47	31,822.99	24,885.94	31,835.18	31,835.18	
	4485 - Prosthetic	345.00	345.00	345.00	345.00	1,610.00	1,610.00	1,610.00	1,610.00	1,610.00	1,610.00	1,610.00	1,610.00	379.50	379.50	379.50	379.50	
	4495 - Sales Discounts	(5,906.40)	(6,022.38)	(6,116.13)	(6,211.87)	(6,291.37)	(6,483.50)	(6,672.84)	(6,741.15)	(6,904.60)	(6,903.80)	(7,173.62)	(6,459.15)	(6,497.04)	(6,624.62)	(6,727.74)	(6,727.74)	
	4496 - Cash Over/Short																	
Total Revenue		210,900.05	213,208.63	216,123.93	221,277.07	223,141.98	236,019.07	234,561.02	232,573.86	241,859.28	233,278.44	245,669.05	231,158.95	221,787.36	223,407.15	226,343.71	226,343.71	
5305	COST OF SALES																	
	5300 Clinic & Medical Supplies																	
	5305 - Medical Supplies	400.00	400.00	400.00	400.00	400.00	400.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	
	5300 Clinic & Medical Supplies	400.00	400.00	400.00	400.00	400.00	400.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	
	5400 Cost of Goods Sold																	
	5445 - Product COG																	
	5450 - Admin	9.86%	28.34	28.34	28.34	28.34	28.34	28.34	28.34	28.34	51.00	51.00	139.41	139.41	31.17	31.17	31.17	
	5455 - Compression	44.00%	11,905.97	12,551.24	10,163.68	10,935.59	13,669.08	15,190.89	13,303.01	11,616.21	10,687.63	12,066.78	14,373.04	13,096.56	13,806.37	11,180.04	11,180.04	
	5460 - Electrotherapy	34.00%	1,505.91	2,289.98	1,794.08	1,626.57	1,805.38	1,931.08	1,202.06	1,301.39	2,017.59	1,277.23	1,292.45	1,843.01	1,766.51	2,518.98	1,973.48	
	5465 - Fabrication (Custom)	31.00%	85.23	46.39	15.36	231.64	98.60	649.42	75.21	339.10	161.58	95.95	30.49	136.89	93.75	51.03	16.90	
5905	5470 - Medical	44.63%	9,552.12	9,607.08	9,744.14	9,898.14	10,208.94	11,827.73	11,212.73	13,818.98	13,155.14	13,801.88	11,570.75	11,370.17	10,507.33	10,567.78	10,718.56	
	5475 - Orthotic	22.00%	29,432.41	30,586.42	31,329.68	31,279.68	30,059.19	30,853.83	34,018.58	30,771.11	33,771.77	33,517.92	34,605.58	29,779.91	30,021.05	31,198.15	31,956.28	
	5480 - Shoes	30.00%	8,679.00	6,789.80	6,682.32	6,624.86	6,263.93	9,429.03	9,460.24	9,428.86	9,238.90	7,925.73	10,567.64	9,546.90	7,468.78	9,550.55	9,550.55	
	5485 - Prosthetic	42.00%	144.90	144.90	144.90	144.90	676.20	676.20	676.20	676.20	676.20	676.20	676.20	159.39	159.39	159.39	159.39	
	5490 - Purchase Discounts	6.15%	12,970.35	13,112.33	13,291.62	13,608.54	13,723.13	14,515.17	14,425.50	14,303.29	14,874.35	14,346.62	15,108.65	14,216.28	13,609.17	13,739.54	13,920.14	
	5400 Cost of Goods Sold																	
	5900 - Shipping, Freight & Delivery		74,404.22	75,156.48	75,194.12	77,384.85	79,732.88	85,141.70	81,777.80	83,970.29	85,562.74	82,380.16	85,077.45	83,102.55	78,831.84	79,541.19	79,506.51	
	5905 - Courier & Postage	0.10%	210.90	213.21	216.12	221.28	223.14	236.02	234.56	232.57	241.86	233.28	245.67	231.16	221.29	223.41	226.34	
	5915 - Freight In		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	5900 - Shipping, Freight & Delivery		210.90	213.21	216.12	221.28	223.14	236.02	234.56	232.57	241.86	233.28	245.67	231.16	221.29	223.41	226.34	
Total COGS		75,015.12	75,769.69	75,810.24	78,006.12	80,356.02	85,777.72	82,312.36	84,502.86	86,104.60	82,813.44	86,623.12	83,633.71	79,353.13	80,064.60	80,032.86	80,032.86	
Gross Margin		135,884.93	137,438.94	140,313.69	143,270.94	142,785.95	150,241.35	152,248.66	148,071.00	155,754.68	150,365.00	159,045.94	147,525.24	141,934.24	143,342.56	146,310.86	146,310.86	
6205	Sales, General & Administration																	
	6205 - Rent	Slawner Forms	36,519.33	36,519.33	36,519.33	36,519.33	36,519.33	36,519.33	40,519.33	40,519.33	40,519.33	40,519.33	40,519.33	40,519.33	40,519.33	40,519.33	40,519.33	
	6205 - Rent	Neucon Inc	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	
	6205 - Rent		39,819.33	39,819.33	39,819.33	39,819.33	39,819.33	39,819.33	43,819.33	43,819.33	43,819.33	43,819.33	43,819.33	43,819.33	43,819.33	43,819.33	43,819.33	
	6206 - Rent Adj - IFRS 16	IFW	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	(18,090.00)	
	6206 - Rent Adj - IFRS 16	IDA	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	(3,750.00)	
	6206 - Rent Adj - IFRS 16	OWA	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	(3,103.48)	
	6206 - Rent Adj - IFRS 16	Neucon Inc	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	
	6206 - Rent Adj - IFRS 16	Neucon Inc	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	
	6206 - Rent Adj - IFRS 16	Neucon Inc	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	(28,243.48)	
6305	6215 - Utilities - COGS	4.17%	1,660.28	1,660.28	1,660.28	1,660.28	1,660.28	1,660.28	1,827.06	1,827.06	1,827.06	1,827.06	1,827.06	1,827.06	1,827.06	1,827.06	1,827.06	
	6220 - Telephone & Internet - COGS	3.59%	1,430.60	1,430.60	1,430.60	1,430.60	1,430.60	1,430.60	1,574.31	1,574.31	1,574.31	1,574.31	1,574.31	1,574.31	1,574.31	1,574.31	1,574.31	
	6225 - Repairs & Maintenance - COGS	5.82%	2,358.63	2,358.63	2,358.63	2,358.63	2,358.63	2,358.63	2,595.57	2,595.57	2,595.57	2,595.57	2,595.57	2,595.57	2,595.57	2,595.57	2,595.57	
	6230 - Janitorial Expense - COGS	5.76%	2,294.14	2,294.14	2,294.14	2,294.14	2,294.14	2,294.14	2,524.59	2,524.59	2,524.59	2,524.59	2,524.59	2,524.59	2,524.59	2,524.59	2,524.59	
	6235 - Security & Monitoring - COGS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	6105 - Advertising Expense		850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	
	6130 - Printed Materials		500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.0.					

8405	8405 - Depreciation	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61
	8450 - Depreciation (Leases)	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58
	8450 - Depreciation (Leases)	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
	8450 - Depreciation (Leases)	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71
	8450 - Depreciation (Leases)	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62
8450	8450 - Depreciation (Leases)	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01
	Total Other Expenses	34,420.97	34,339.12	34,256.62	34,173.46	34,089.64	34,005.15	33,919.99	33,834.14	33,747.61	33,660.40	33,572.48	33,483.87	33,394.55	33,304.51
NET INCOME		(37,134.31)	(36,498.46)	(32,541.20)	(25,500.79)	(42,961.06)	(34,421.16)	(37,106.57)	(42,198.39)	(33,428.18)	(30,730.65)	(30,961.79)	(41,393.88)	(52,179.52)	(57,782.17)

(60,856.93)

[illegible]

Total COGS			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Gross Margin			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6050	6050 - Manufacturing Scale-Up	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6055	6055 - Process Validation	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6060	6060 - Stability	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6065	6065 - Clinical Trial	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6070	6070 - Third Party Testing	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6075	6075 - Development - Cell Center	Product Co.				3,000.00			18,750.00			22,750.00			22,750.00			22,750.00		
6105	6105 - Advertising		15,000.00			35,750.00			35,809.63			38,309.63			58,312.36			29,703.33		
6130	6130 - Printed Materials																			
6135	6135 - Website																			
6205	6205 - Rent		924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54			
6220	6220 - Telephone & Internet	Sales Inc. Co.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00			
6305	6305 - Wages - Sales	Sales Inc. Co.				2.00			0.00			0.00			0.00			0.00		
6320	6320 - Wages - Management	Product Co.	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	14,025.00	14,025.00			
6325	6325 - Wages - Admin	Product Co.	3,600.00	8,233.33	8,233.33	8,233.33	8,233.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,398.00	8,398.00			
6350	6350 - CPP	Product Co.	945.58	1,198.10	1,198.10	1,198.10	168.93	448.72	448.72	448.72	448.72	448.72	448.72	448.72	448.72	1,222.05	1,222.05			
6355	6355 - EI	Product Co.	383.78	486.27	486.27	486.27	117.24	182.12	182.12	182.12	182.12	182.12	182.12	182.12	182.12	495.55	495.55			
6375	6375 - Benefits		952.72	952.72	952.72	952.72	952.72	952.72	952.72	952.72	1,502.72	2,052.72	2,052.72	2,052.72	2,052.72	2,290.90	2,290.90			
6395	6395 - Bonus	Product Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6405	6405 - Office Expenses	Sales Inc. Co.	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00			
6420	6420 - IT/Software	Sales Inc. Co.	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00			
6435	6435 - Licences & Fees	Sales Inc. Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,308.00	0.00			
6455	6455 - Travel - Admin		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
6505	6505 - Accounting Fees								250.00			250.00			250.00			250.00		
6510	6510 - Legal Fees											5,000.00								
6515	6515 - Consultants - Other											5,000.00								
6515	6515 - Consultants - Other											10,000.00			10,000.00					
6515	6515 - Consultants - Other		0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	10,000.00	10,000.00	0.00	0.00	0.00	0.00	0.00			
Total SG&A			21,656.62	41,644.96	26,644.96	26,644.96	52,763.43	56,167.13	75,667.13	123,632.46	80,611.43	81,161.43	66,226.10	66,226.10	72,930.70	69,622.70	69,622.70			
EBITDA			(21,656.62)	(41,644.96)	(26,644.96)	(26,644.96)	(52,763.43)	(56,167.13)	(75,667.13)	(123,632.46)	(80,611.43)	(81,161.43)	(66,226.10)	(66,226.10)	(72,930.70)	(69,622.70)	(69,622.70)			
Calculation																				
Annual regulatory fee rate			2.30%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			

	Qtr	Qtr Name	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Sales	New Client Registrations														175	200	600
	Copied and transfer out (assume all expire @ 6 months)																
	Renewal	50%													100	300	600
	Active Registrations								10%	10%	10%	10%	10%	10%	10%	10%	10%
	% of patients that order in month RATIO	10%							1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
	Orders per patient per month COUNT	1-2													36	108	318
	Orders														37	97	97
	Average order amount	\$ 17.00							\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 1,402	\$ 10,476	\$ 10,952
	Sales Estimate																
	% of interactions by phone (sound of orders)	50%													18	54	108
Product Costs	Registration process minutes per client by phone	10													500	1,000	1,500
	Registration process minutes per client electronic	1													150	300	450
	Renewal process minutes per client by phone	1															
	Renewal process minutes per client electronic	1															
	Order process minutes per phone order	10													180	540	1,080
	Order process minutes per online order	2													36	108	216
	Time required by CSR														866	1,048	3,246
	CSR FTE based on time available by CSR	8.400							0%	0%	0%	0%	0%	0%	10%	23%	39%
	Net Sales to Patients								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402	\$ 10,476	\$ 10,952
	Shipping Revenue								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GP Fees	(Tax collection) * impacts merchant and order fees and variable by Province	-17%							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454	\$ 1,362	\$ 2,724
	Product B2B Price	50%							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,746	\$ 5,238	\$ 10,476
	3PL Fee (Mesa for example)								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Storage	\$							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pick and Pack per order	\$ 2.00							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72	\$ 216	\$ 432
	Shipping Cost per order	\$ 12.67							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456	\$ 1,368	\$ 2,737
	Subtotal								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,374	\$ 6,822	\$ 13,645
	Balance	17%	4030	4030	4030	4030	4030	4030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408	\$ 1,837	\$ 3,654
	Rent		6205	6205	6205	6205	6205	6205	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925
	Variable		6805	6805	6805	6805	6805	6805	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Staff	Merchant and Transaction Fees	3%	6810	6810	6810	6810	6810	6810	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Development - Call Centre, E-Commerce * amortize?		6220	6220	6220	6220	6220	6220	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
	Capex		6420	6420	6420	6420	6420	6420	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
	Telephone		6430	6430	6430	6430	6430	6430	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Internet and SaaS and computers		6405	6405	6405	6405	6405	6405	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Office Expenses		6435	6435	6435	6435	6435	6435	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Licensing Fee		6510	6510	6510	6510	6510	6510	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Legal		6505	6505	6505	6505	6505	6505	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Finance		6935	6935	6935	6935	6935	6935	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Accounting		6935	6935	6935	6935	6935	6935	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Costs	Consultants * amortize?		6320	6320	6320	6320	6320	6320	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Payroll		6305	6305	6305	6305	6305	6305	\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525
	Subtotal								\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525
	Balance								\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525
	Rent								\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925
	Variable								\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Merchant and Transaction Fees								\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Development - Call Centre, E-Commerce * amortize?								\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
	Capex								\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
	Telephone								\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Balance	Internet and SaaS and computers								\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Office Expenses								\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Licensing Fee								\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Legal								\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Finance								\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Accounting								\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Consultants * amortize?								\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Payroll								\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525
	Subtotal								\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525
	Balance								\$ 25,333	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 26,175	\$ 21,525	\$ 21,525	\$ 21,525



5005	5005 - Consultants - MDs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,922.27	2,340.15	3,593.80
5055	5055 - Consultants - Allied Health	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5050	5050 - Consultants - NP	0.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
5305	5305 - Medical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5455	5455 - Compression	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5475	5475 - Orthotic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total COGS</b>	0.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	2,222.27	2,640.15	3,893.80
	<b>Gross Margin</b>	29,282.85	29,491.74	30,010.82	30,540.27	31,080.32	31,631.17	32,193.03	32,766.13	33,350.69	33,946.95	34,555.12	35,175.47	30,608.49	30,794.72	32,846.83	
6205	6205 - Rent	13,683.96	13,683.96	13,683.96	13,683.96	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54
6206	6206 - Rent - YFRS 16 Adj	(10,247.73)	(10,247.73)	(10,247.73)	(10,247.73)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)
6215	6215 - Utilities																
6220	6220 - Telephone & Internet	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
6230	6230 - Janitorial Expense																
6105	6105 - Advertising	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6130	6130 - Printed Materials	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6135	6135 - Website																
6310	6310 - Wages - Educators	3,565.47	3,565.47	3,565.47	3,565.47	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	8,873.02	8,873.02	8,873.02	
6315	6315 - Wages - Nursing	6,600.19	6,600.19	6,600.19	6,600.19	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	11,320.33	11,320.33	11,320.33	
6325	6325 - Wages - Admin	6,453.32	6,453.32	6,453.32	6,453.32	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	10,798.76	10,798.76	10,798.76	
6350	6350 - CPP	1,132.66	905.73	905.73	905.73	900.22	900.22	900.22	900.22	900.22	900.22	900.22	900.22	918.22	918.22	918.22	
6355	6355 - EI	459.71	367.28	367.28	367.28	365.04	365.04	365.04	365.04	365.04	365.04	365.04	365.04	372.34	372.34	372.34	
6360	6360 - DIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6365	6365 - WSIA/CCST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6375	6375 - Benefits	885.67	885.67	885.67	885.67	799.08	799.08	799.08	799.08	859.05	859.05	859.05	859.05	1,107.08	1,107.08	1,107.08	
6395	6395 - Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6405	6405 - Office Expenses	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	
6410	6410 - Postage/Courier	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
6420	6420 - Software Expenses	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	
6455	6455 - Travel	1,200.00			1,200.00			1,200.00				1,200.00					
6615	6615 - Insurance - General Insurance	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	
6620	6620 - Insurance - Cyber Liability																
6805	6805 - Bank Fees & Interest	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	
6545	6545 - Management Fees	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	
	<b>Total SG&amp;A</b>	31,481.95	29,962.59	29,962.59	31,162.59	31,993.94	31,993.94	33,193.94	32,053.91	32,053.91	33,253.91	32,053.91	32,053.91	48,001.60	46,801.60	46,801.60	
	<b>EBITDA</b>	(2,199.10)	(470.85)	48.23	(622.31)	(913.62)	(362.77)	(1,000.81)	712.22	1,296.79	693.04	2,501.22	3,121.56	(17,393.12)	(16,006.88)	(13,954.77)	
8205	8205 - Interest Expense	2,532.90	2,532.08	2,513.20	2,503.27	2,493.29	2,483.27	2,473.19	2,463.06	2,452.89	2,442.66	2,432.38	2,422.05	2,411.67	2,401.23	2,390.75	
8215	8215 - Interest Expense (Leases)	7,352.41	7,330.76	7,308.94	7,286.94	7,264.77	7,242.42	7,219.90	7,197.19	7,174.30	7,151.23	7,127.98	7,104.54	7,080.91	7,057.10	7,033.09	
8405	8405 - Depreciation	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	
8410	8410 - Amortization	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	
8450	8450 - Depreciation (Leases)	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	
	<b>Total Other Expenses</b>	36,869.33	36,837.85	36,806.15	36,774.22	36,742.08	36,709.70	36,677.10	36,644.27	36,611.20	36,577.90	36,544.37	36,510.60	36,476.59	36,442.34	36,407.85	
	<b>Net Income</b>	(39,068.43)	(37,308.69)	(36,757.92)	(37,396.54)	(37,655.69)	(37,072.47)	(37,678.01)	(35,932.04)	(35,314.41)	(35,884.86)	(34,043.15)	(33,389.04)	(53,869.70)	(52,449.22)	(50,362.62)	

**SCHEDULE D**

**FORM OF OFFICER'S CERTIFICATE**

**OFFICER'S CERTIFICATE**

**TO:** Avonlea-Drewry Holdings Inc. (the "**Lender**")

**RE:** Pathway Health Corp. (the "**Borrower**")  
Pathway Health Services Corp. ("**PHSC**")  
Pathway Healthcare Technologies Corp. ("**Pathway Tech**")  
2563367 Ontario Limited ("**256**")  
Slawner Ortho Ltee. ("**Slawner**")  
Pathway Wellness Products Corp. ("**Pathway Wellness**")  
13199223 Canada Ltd. ("**131**")  
10030712 Manitoba Ltd. ("**100**")  
1964433 Alberta Ltd. ("**196**")

PHSC, Pathway Tech, 256 and Slawner are referred to collectively herein as, the "Guarantors". The Borrower, the Guarantors, Pathway Wellness, 131, 100 and 196 are referred to collectively herein as, the "**Borrower Entities**".

**AND RE:** Credit Agreement dated July 29, 2022, among the Lender and the Borrower (the "**Credit Agreement**")

*Capitalized terms used herein not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.*

The undersigned officer of the Borrower hereby certifies, on behalf of the Borrower Entities and without personal liability, that:

1. I have personal knowledge of the matters hereinafter certified.
2. The Borrower has authority to borrow money upon the credit of the Borrower, and the Borrower and each Guarantor, respectively, have the authority to mortgage and grant a security interest in all or any of their respective existing and after-acquired assets, to secure their respective obligations to the Lender.
3. Other than as disclosed to the Lender in writing, no winding-up, liquidation, dissolution, bankruptcy, merger, amalgamation or continuation of the Borrower Entities and no sale of the assets of the Borrower Entities out of the ordinary course of business of the Borrower Entities has been commenced or is being contemplated by the Borrower Entities as of the date hereof and I have no knowledge of any such proceedings having been commenced or being contemplated in respect of the Borrower Entities by any other person.
4. Other than as disclosed to the Lender in writing, the Borrower Entities are up to date, as at the date hereof, in all of their respective corporate filings, including, without limitation, those required under their respective statute of incorporation. The Borrower Entities have not received any notice or other communication from any person or government authority indicating that there exists a situation which, unless remedied, could result in the dissolution of any of the Borrower Entities.
5. Other than as disclosed to the Lender in writing, there is no litigation or proceeding pending or threatened before any court, agency, tribunal, arbitration board or any other body which has or

could have a material adverse effect on the condition, either financial or otherwise, of any of the Borrower Entities or on the ability of the Borrower or the Guarantors to perform their respective obligations under the Credit Agreement or any of the any of the Credit Documents.

6. Other than as disclosed to the Lender in writing (or below), the Borrower Entities are in compliance with all laws, rules, requirements, orders, directions, ordinances and regulations (collectively, the "**Laws**") of every governmental, municipal, or civil authority or agency in connection with the payment of any monies owing under applicable laws, including but not limited to the payment of all goods and services taxes, harmonized sales taxes and payroll remittances owing to the applicable agency or authority:

Obligation	Amount Payable	Amount Paid	Balance Owning

7. Other than as disclosed to the Lender in writing, the Borrower Entities are not in default under any material agreement, contract, lease or other instrument to which they are a party (including the Credit Documents) and no event has occurred which, with the giving of notice or the passage of time or both, will become an event of default thereunder.

**[Signature page follows]**

- 3 -

I acknowledge that the Lender is relying on this Certificate in connection with the Credit Agreement and the transactions contemplated thereby.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

---

Ken Yoon  
Chief Executive Officer

**THIS IS EXHIBIT "E"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.

### SECURED PROMISSORY GRID NOTE

Toronto, Ontario

MAY 27, 2022

1. FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta (the "**Issuer**") promises to pay to the order of **AVONLEA-DREWRY HOLDINGS INC.**, a corporation existing under the laws of the Province of Ontario or its permitted assigns ("**Holder**"), the aggregate principal sum equal to the greater of:

- a) \$0; and
- b) the amount of the principal balance from time to time owing by the Issuer to the Holder as recorded by or on behalf of the Holder on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of One Million Canadian Dollars (Cdn.\$1,000,000),

together with accrued and unpaid interest thereon, due and payable as set forth below, from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 4 below and subject to terms and conditions as set forth herein.

2. **Repayment.** Payment of interest and principal under this secured promissory grid note (this "**Note**") shall be made on the earlier of: (i) August 31, 2022; and (iii) such earlier date which this Note becomes due and payable in accordance with Sections 9 and 11 of this Note (the "**Maturity Date**"). Payment of principal and interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Holder, by written notice to the Issuer. Interest on this note shall accrue and be paid in accordance with Section 3 of this Note. All payments under this Note shall be made in lawful money of Canada in immediately available funds.
3. **Interest.** The principal amount advanced under this Note from time to time (the "**Principal Amount**"), shall bear interest from the applicable date of advance on the terms and conditions set forth herein. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year, *provided*, however, that if (i) all principal and interest are not repaid by the Maturity Date or (ii) there occurs an Event of Default (as defined herein) under the Note

Documents (as defined herein), interest will accrue from and after such date on a daily basis at the default rate of 20% per annum (the "**Default Rate**"). The parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law. The Issuer shall pay interest accrued and unpaid (each, an "**Interest Payment**") on the Maturity Date.

4. **Expenses.** The prevailing party in any action arising from this Note shall be entitled to an award of its costs and reasonable and documented attorneys' fees incurred in connection therewith. In addition, Issuer shall pay all reasonable and documented attorneys' fees and court costs incurred by Holder in enforcing and collecting this Note. Issuer shall pay all reasonable and documented attorney and other legal fees incurred to document the Note, any related filings to protect Holder's security interest and any amendments, modifications or supplements to the Note. Amounts due under this provision, together with the principal and interest and amounts due under the Note Documents shall be referred to as the "**Note Obligations**".
5. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty upon no less than three (3) business days' notice to the Holder.
6. **Setoff.** The principal of and interest on this Note shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
7. **Security.** Payment of all amounts owing to Holder under this Note is secured as set forth in that certain general security agreement (the "**GSA**"), by and between the Issuer and Holder and dated as of the date hereof, the secured guarantee of the Issuer's subsidiary, Pathway Health Services Corp., by and between the Holder and Pathway Health Services Corp. and dated as of the date hereof (the "**Guarantee**"), and the Share Pledge Agreement, by and between the Issuer and the Holder and dated as of the date hereof (the "**Share Pledge Agreement**", and together with this Note, the GSA and the Guarantee, the "**Note Documents**").
8. **Use of Proceeds.** The Issuer issued this Note to Holder for the purpose of obtaining funds to be used for general working capital purposes as set forth in Schedule "C" attached hereto during the period of time from the date hereof until such time as the Issuer and the Holder enter into a credit facility agreement substantially on the terms set forth in the term sheet dated May 20, 2022 (the "**Credit Facility Agreement**"). Until the Maturity Date, the Issuer shall not take any action that is inconsistent with the past practices, its business or the uses set forth in Schedule "C", as the case may be, or that is not taken in the ordinary course of the normal day-to-day operations of its business until such time as the Parties have executed the Credit Facility Agreement, the Note Obligations are repaid in full, or with the written consent of the Holder.
9. **Credit Facility Agreement.** The Issuer and the Holder agree that in the event that the Credit Facility Agreement is executed by the parties hereto prior to the Maturity Date, the Note Obligations will form part of the indebtedness owed to the Holder under the Credit Facility Agreement, which will amend and restate the terms and conditions of this Note, without novation, and this Note will be marked repaid.

10. **Representation and Warranties.** The Issuer represents and warrants to Holder as follows:

- (a) The Issuer is duly organized, validly existing and in good standing in its jurisdiction of formation. The Issuer has all requisite power and authority to execute and deliver this Note, the GSA and the Share Pledge Agreement and to perform the obligations hereunder.
- (b) The execution, delivery and performance by the Issuer of this Note has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Issuer's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Issuer which could result a material adverse effect of the Issuer.
- (c) This Note has been duly executed by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

11. **Events of Default.** The occurrence of any one or more of the following shall constitute an "Event of Default":

- (a) Issuer fails to pay timely any of the principal amount due under this Note on the date the same becomes due and payable or any accrued interest or other amounts due under this Note on the date the same becomes due and payable;
- (b) Issuer breaches any material representation or warranty under, or defaults in its performance of any material covenant under the GSA, the Share Pledge Agreement or this Note;
- (c) if the pledge granted by the Issuer to the Holder pursuant to the Share Pledge Agreement or the security granted pursuant to the GSA shall cease to be valid and perfected first ranking priority security interest;
- (d) if a default occurs under the Guarantee or the Guarantee ceases to be in full force and effect;
- (e) Issuer files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;
- (f) Issuer defaults in the observance or performance of any material provision relating to indebtedness or liability of the Issuer to any Person, in an aggregate principal amount exceeding \$250,000, subject to any cure or grace period provided for in the documentation providing for such indebtedness or liability; or
- (g) an involuntary petition is filed against Issuer (unless such petition is dismissed or discharged within 30 days) under any bankruptcy statute now or hereafter in effect, or a

custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Issuer.

12. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Issuer under this Note shall at the Holder's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by the Issuer; and (b) the Holder shall have all rights, powers and remedies available under this Note, or accorded by law, including the right to resort to any or all collateral for any Note Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all applicable law. All rights, powers and remedies of the Holder may be exercised at any time by the Holder and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
13. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Issuer:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Holder:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, Ontario L7C 3L8

Attention: Mr. David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the fifth business day following the date of mailing provided that, in the event of an interruption in postal services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be

deemed to have been validly and effectively given on the business day next following such date of transmission.

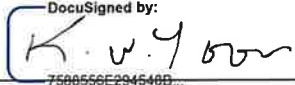
14. **Waiver.** Issuer hereby waives demand, notice, presentment, protest and notice of dishonor.
15. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Ontario, as applied to agreements among Ontario residents, made and to be performed entirely within the Province of Ontario, without giving effect to conflicts of laws principles.
16. **Indemnification.** The Issuer shall indemnify the Holder against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Holder may sustain or incur as a consequence of any misrepresentation contained in any writing from the Issuer delivered to the Holder in connection with this Note.
17. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Issuer and Holder. Holder may delay or forego enforcing any of its rights or remedies under this Note without losing them.
18. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may not be transferred or assigned without Issuer's prior written consent; other than to an affiliate of the Holder. Interest and principal shall be paid solely to Holder or such permitted assign. Such payment shall constitute full discharge of Issuer's obligation to pay such interest and principal. Issuer may not at any time assign any of its rights or its obligations under this Note.

*[Signature Page Follows]*

- 6 -

IN WITNESS WHEREOF, Issuer has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By:  DocuSigned by:  
7580556E294540B...

Name: Ken Yoon  
Title: Chief Executive Officer

SCHEDULE A

GRID TO SECURED PROMISSORY GRID NOTE

Date	Principal Amount of Advance	Indebtedness to which Interest applies	Principal Paid or Prepaid	Balance of Principal Unpaid	Amount of Interest Paid	Balance of Interest Unpaid	Notation Made by:
Balance Open							

**SCHEDULE B**

**PAYMENT INSTRUCTIONS**

Beneficiary Name:

AVONLEA-DREWRY HOLDINGS INC.

Beneficiary Address:

P.O. BOX 8 CALEDON EAST

CALEDON, ON L7C 3L8

CANADA

Bank Name: CIBC

Bank Address:

1 QUEEN ST. EAST

TORONTO, ON M5C 2W5

Account Number: 009020106756212

Swift Code: CIBCCATT

Account Currency: CAD

SCHEDULE C

USE OF PROCEEDS

Use of proceeds			
Commodity & payroll tax payments			175,000
D&O insurance			180,000
E-commerce, sales license build out			150,000
Marketing initiatives			120,000
Public company costs			180,000
General working capital			195,000
			<u>1,000,000</u>

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

**AMENDED AND RESTATED SECURED PROMISSORY GRID NOTE**

Calgary, Alberta

April 21, 2023

FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta ("**Pathway**" or the "**Borrower**") promises to pay to the order of **AVONLEA-DREWRY HOLDINGS CORP.**, a corporation existing under the laws of the Province of Ontario or its permitted assigns (or the "**Lender**"), the aggregate principal sum of all Advances (as defined herein) equal to the greater of:

- a) six hundred thousand Canadian Dollars (Cdn.\$600,000); and
- b) the amount of the principal balance from time to time owing by the Borrower to the Lender as recorded by or on behalf of the Lender on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of One Million Two Hundred Thousand Canadian Dollars (Cdn.\$1,200,000),

(in the case of a) and b), the "**Principal Amount**"), together with accrued and unpaid interest thereon, and other fees and expenses from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 5 below (the Principal Amount, accrued and unpaid interest thereon and any other fees and expenses being collectively referred to herein as the "**Indebtedness**"), subject to the terms and conditions of this Note, as the same may be amended from time to time.

1. **Definitions.** In this Note, including the recitals and the Schedules hereto and in all notices given pursuant to this Note, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as the same may be amended from time to time.

"**Additional Security**" means the security agreements and other documents required to be provided to the Lender pursuant to Section 10, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.

"**ADH Credit Facility**" means the credit agreement entered into among the Borrower, as borrower, certain subsidiaries of the Borrower, as guarantors, and Avonlea-Drewry Holdings Inc., as lender pursuant to which the lender advanced \$3.5 million to the Borrower, on a secured, non-convertible basis.

"**Advance**" means each disbursement made by the Lender to the Borrower under this Note.

"**Affiliate**" means an affiliate as defined in the ABCA.

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Arrangement"** the transaction substantially as set forth in the Arrangement Agreement.

**"Arrangement Agreement"** means the arrangement agreement dated March 31, 2023, entered into among Pathway, HEAL Global Holdings Corp. and The Newly Institute Inc. pursuant to which Pathway will acquire all of the issued and outstanding shares of each of HEAL Global Holdings Corp. and The Newly Institute Inc. in exchange for common shares in the capital of Pathway.

**"Borrower"** has the meaning as set out in the preamble.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta.

**"Canadian Dollars"**, **"Cdn.\$"** or **"\$"** mean lawful money of Canada.

**"Collateral"** means all property, assets and undertaking of the Borrower at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Borrower, or its properties or liabilities; provided however that the Pathway Transaction and any related transactions thereto will not constitute a "Creditor Proceeding" for the purposes of this Note.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Event of Default"** means any of the events or circumstances specified in Section 14.

**"Governmental Authority"** means Canada, any province or territory thereof, as applicable, any municipal or other political subdivision of any such province or territory, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Indebtedness"** has the meaning ascribed thereto on the face page of this Note.

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporate legislation.

**"Lender"** has the meaning as set out in the preamble.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Material Adverse Effect"** means any matter, event or circumstance, other than with respect to the Pathway Transaction or any transactions related thereto, relating to the Borrower which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any Indebtedness under, or perform any other obligations in accordance with, this Note or any of the Security to which it is a party, (iii) the validity or enforceability of this Note or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** has the meaning ascribed thereto in Section 2.

**"Note"** means this amended and restated secured promissory grid note, together with all schedules, appendices and exhibits attached to it.

**"Note Documents"** means this Note and the Security.

**"Obligations"** means, at any time and from time to time, all Indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Note Documents or otherwise payable pursuant to this Note, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Pathway Grid Note"** means the secured convertible promissory grid note dated February 3, 2023 in the principal amount of \$1,250,000 issued by Pathway, as borrower, in favour of HEAL Global Holdings Corp., as lender.

**"Pathway Third-Party Loan"** means the senior secured \$3.5 million line of credit that is expected to be offered to the Borrower by an arms-length third party in connection with the Pathway Transaction and, if offered and entered into, the senior secured \$3.5 million line of credit entered into between the Borrower and such arms-length third party.

**"Pathway Transaction"** means the Arrangement pursuant to the Arrangement Agreement, together with the Private Placement. **"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is or would be classified as a current liability on the Borrower's financial statements;

- 4 -

- (b) all Indebtedness of the Borrower to the Lender, or under or secured by any Security;
- (c) capital lease obligations and indebtedness secured by purchase money liens;
- (d) the ADH Credit Facility;
- (e) the Pathway Grid Note;
- (f) the Pathway Third-Party Loan, so long as any security granted by the Borrower to the lender under such Pathway Third-Party Loan is satisfactory to the Lender;
- (g) indebtedness of 10030712 Manitoba Ltd., a 51% owned subsidiary of Pathway, in respect of leasehold improvement loans;
- (h) Canada Emergency Business Account loans of each of 2563367 Ontario Ltd. (dba Silver Medical Group Centre for Pain Care) and 9393 1681 Quebec Inc. (dba Slawner Ortho Ltee), subsidiaries of Pathway;
- (i) all indebtedness secured by Permitted Liens; and
- (j) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then being contested in good faith;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then being contested in good faith;
- (c) liens arising out of judgments, awards or claims filed which are then being contested in good faith;
- (d) security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then being contested in good faith), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;

- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Note;

*provided that* the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Principal Amount"** has the meaning ascribed thereto on the face page of this Note.

**"Private Placement"** means one or more equity, debt or convertible debt financings for aggregate gross proceeds of up to \$10,000,000, including minimum aggregate proceeds of \$500,000 to be subscribed for by management of Pathway and other Pathway associates and related parties, the completion of which is a condition to closing of the Arrangement.

**"Repayment Triggering Event"** means that date on which the Borrower receives the proceeds of the Private Placement.

**"Security"** means the GSA, the guarantees, security agreements and other documents provided to the Lender under the ADH Credit Facility and extended to this Note pursuant to Section 10, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include any Additional Security.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

**"TSXV"** means the TSX Venture Exchange.

2. **Loan.** A loan of up to an aggregate amount of Cdn.\$1,200,000 is being made available to be Borrower by the Lender. The Borrower may, with the prior approval of the Lender (other than when an Event of Default has occurred and is continuing), borrow amounts from the Lender on the terms as set out in this Note according to the following schedule:

- (a) On the date hereof, Cdn.\$600,000; and
- (b) On or after May 15, 2023, Cdn.\$600,000,

which the Lender shall advance to the Borrower in reliance upon the representations and warranties contained herein and subject to the terms and conditions of this Note. Notwithstanding the foregoing,

the Lender may provide Advances hereunder at such times and from time to time, in such amounts as requested by the Borrower.

3. **Advances.** As a condition precedent to the Lender making an Advance to the Borrower:

- (a) Each Note Document, duly executed, shall have been received, each in full force and effect and in form and substance satisfactory to the Lender, acting reasonably
- (b) no Event of Default shall have occurred and be continuing or would arise immediately after giving effect to or as a result of such extension of credit; and
- (c) the representations and warranties of the Borrower in Section 11 shall be true and correct as of the date of such Advance,

and the Lender, in its sole and unfettered discretion, may require evidence of the above by way of affidavit, officer's certification or otherwise prior to making an Advance.

4. **Repayment.** Payment of all Indebtedness owing under this Note shall be made on or before the earlier of: (i) July 21, 2023; and (ii) the date of the Repayment Triggering Event (in either case, the "Maturity Date") and (iii) subject to Section 15, upon the occurrence of an Event of Default. In the event that the Maturity Date occurs as a result of the occurrence of the Repayment Triggering Event, the Borrower covenants to pay all Indebtedness owing under this Note in priority to all other indebtedness of any nature and kind whatsoever.

Payment of Principal Amount, any fees and the interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Lender, by written notice to the Borrower. Interest on this Note shall accrue and be paid in accordance with Section 5. All payments under this Note shall be made in lawful money of Canada in immediately available funds.

5. **Interest.** The outstanding Principal Amount shall bear interest on the terms and conditions set forth herein, from the date hereof. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year.

In the event that: (i) all Indebtedness is not repaid on or before the Maturity Date, or (ii) there occurs an Event of Default on, before or in connection with the Maturity Date, interest will be deemed to accrue from the issuance date of the Note at a rate of 24% per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year and added to the Indebtedness.

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Note now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous provincial legislation which may be inconsistent with this Note

Notwithstanding any provision of this Note, the parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at, but not in excess of, the highest rate recoverable under Applicable Law.

6. **Reporting Requirements.** The Borrower covenants to report to the Lender once weekly, no later than 5 pm (EST) on the last Business Day of each week prior to the Maturity Date as to the current status of those events and milestones set forth in Schedule "D".
7. **Expenses.** The Borrower shall pay all reasonable and documented attorneys' fees and court costs incurred by Lender in enforcing and collecting in respect of the Note Documents. Each party shall bear their own costs and expenses incurred to document the Note Documents, while the Borrower shall bear the costs and expenses related to required regulatory or other filings to protect Lender's security interest and any amendments, modifications or supplements to the Note Documents. Amounts due under this provision, together with the principal and interest and amounts due shall form part of the Obligations.
8. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty upon no less than three Business Days' notice to the Lender, prior to the Maturity Date;
9. **Setoff.** The Obligations owing under the Note Documents shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
10. **Security.** Payment of all Indebtedness and Obligations owing to Lender under this Note are secured by the Security granted to the lender under the ADH Credit Facility and any Additional Security. The Borrower expressly acknowledges and agrees that the grant of the Security to the Lender under the ADH Credit Facility shall apply to the Indebtedness as if the Indebtedness were incurred under the ADH Credit Facility *mutatis mutandis* and hereby grants such Security to the Lender.

The Security required to be created hereby shall be effective upon execution and delivery thereof, and the undertakings as to any guarantees and Security herein or in any document hereunder shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such guarantees or other Security, or before or after or upon the date of execution of any amendments to or restatements of this Agreement, and shall not be affected by any Obligations fluctuating from time to time.

The Lender shall have the right to request Additional Security from time-to-time at its sole discretion. The Borrower shall do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's counsel in renewing or refiling

any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.

11. **Representation and Warranties.** In addition to the representations and warranties set forth in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower represents and warrants to the Lender as at the date hereof and as at the date of each Advance, as follows:
- (a) the Borrower is duly organized, validly existing and in good standing in its jurisdiction of formation. The Borrower has all requisite power and authority to execute and deliver the Note Documents and to perform the obligations hereunder;
  - (b) the execution, delivery and performance by the Borrower of the Note Documents has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Borrower's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Borrower which could result a Material Adverse Effect;
  - (c) each this Note and the other Note Documents in existence as at the date hereof has been duly executed by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;
  - (d) the execution, delivery and performance by the Borrower of the Note Documents does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets, subject only to the filing of requisite forms under applicable securities laws and TSXV approval, if required;
  - (e) except as otherwise previously disclosed to the Lender, the Borrower is not in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
  - (f) except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against it at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and it is not in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;
  - (g) all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the results of its operations for the periods covered thereby, have been prepared in accordance with generally accepted

accounting principles and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or its properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;

- (h) other than as disclosed to the Lender in writing, the Borrower has filed all tax returns which were required to be filed, has paid or made provision for payment of all taxes which are due and payable, and has provided adequate reserves for the payment of any taxes the payment of which is being contested in good faith;
- (i) the Borrower has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (j) the Borrower is in material compliance with all Applicable Laws;
- (k) subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;
- (l) except as otherwise disclosed to the Lender, no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (m) to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

12. **General Covenants.** In addition to covenants set forth elsewhere in this Note and in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall:

- (a) *Pay and Perform Obligations:* duly and punctually pay all principal, interest, fees and other amounts payable hereunder on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Note Documents;
- (b) *Use of Proceeds:* use the proceeds advanced by the Lender under the Note solely for those purposes set forth in Schedule "C" attached hereto, except where the Borrower has received the prior written consent of the Lender to deviate from such purposes.
- (c) *Maintain Existence:* maintain and preserve its existence and status in its jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower has received the prior written consent of the Lender to carry out such action;

- 10 -

- (d) *Conduct Business*: conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) *Pay Remittances*: duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (f) *Provide Access*: permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and conditions of confidentiality and during normal business hours;
- (g) *Maintain Security*: ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;
- (h) *Security Registrations*: co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (i) *Give Notice*: promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (iv) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of it in any Collateral which is not a Permitted Lien; and
  - (v) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of it that has or would reasonably be expected to have a Material Adverse Effect,and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (j) *Provide Other Documents*: use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Note and the Security, and any other Note Document.

13. **Negative Covenants.** Without the prior written consent of the Lender or in connection with the Pathway Transaction, the Borrower hereby covenants and agrees that it shall not:

- (a) *Incur Debt:* create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
- (b) *Financial Assistance:* provide financial assistance, guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;
- (c) *Negative Pledge:* create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
- (d) *Material Changes:* liquidate or dissolve, cease to carry on business as now being conducted by it, complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its constituting documents;
- (e) *Limit Activities:* make any material change in the nature of its business nor take any action that is inconsistent with past practices, or that is not taken in the ordinary course of the normal day-to-day operations of its business, until such time as the Obligations are repaid in full, or with the written consent of the Lender,;
- (f) *Restrictions on Dispositions:* directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$100,000;
- (g) *Distributions:* declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
- (h) *Change of Control:* permit a change of control or ownership.

14. **Events of Default.** In addition to Events of Default set forth in the other Note Documents and which are applicable to the Borrower, which are expressly incorporated by reference into this Note and form an integral part hereof, the occurrence of any one or more of the following events, other than in connection with the Pathway Transaction, after the expiry of any applicable cure period set out below, shall constitute an "Event of Default" under this Note:

- (a) if the Borrower or any of its Affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in any Note Document or in any document executed in connection herewith, in any other future loan or credit facility agreement between the Lender and the Borrower, or in any document executed in connection therewith;
- (b) if the Borrower defaults in payment of any of the Obligations of the Borrower to the Lender when due;

- (c) if the Borrower fails to repay any of the Obligations of the Borrower upon the occurrence of the Repayment Triggering Event;
- (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Borrower, except as expressly permitted by the Note Documents;
- (e) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Borrower of its business shall be withdrawn or cancelled;
- (f) if any representation or warranty in any Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith, made by the Borrower or any of its Affiliates to the Lender shall be false or inaccurate in any material respect;
- (g) if there is a material default or other failure to perform in any material agreement to which the Borrower is a party or by which the Borrower is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$50,000;
- (h) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, or in any other Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith;
- (i) if the Borrower shall:
  - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
  - (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
  - (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
  - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
  - (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (i) or in paragraph (j) below;

- (j) if any petition shall be filed, application be made or other proceeding be instituted by a third party against it:
  - (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
  - (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or
  - (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 15 Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against it thereunder in the interim, such grace period shall cease to apply;

- (k) if any of its property having a fair market value in excess of \$100,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$100,000 shall exist or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distrain upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than 15 Business Days;
- (l) if one or more judgments for the payment of money in the aggregate in excess of \$100,000 from time to time, and not substantially covered by insurance, shall become enforceable against it and it shall not have (i) provided for its discharge in accordance with its terms within 15 Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within 15 Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (m) if it denies, to any material extent, its obligations under the Note or claims the Note to be invalid or withdrawn in whole or in part; or any of the Note or any material provision

becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;

- (n) if the Security is not enforceable or if it shall dispute or deny any liability or obligation under the Security; and
- (o) if a Material Adverse Effect has occurred.

15. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Borrower under this Note shall at the Lender's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by the Borrower; and (b) the Lender shall have all rights, powers and remedies available under the Note Documents, or accorded by Applicable Law, including the right to resort to any or all Collateral for any Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all Applicable Law. All rights, powers and remedies of the Lender may be exercised at any time by the Lender and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
16. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Borrower:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Lender:

P.O. Box 8 Caledon East  
Caledon ON L7C 3L8  
Canada

Attention: Mr. David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the fifth business day following the date of mailing provided that, in the event of an interruption in postal

services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

17. **Waiver.** Borrower hereby waives demand, notice, presentment, protest and notice of dishonor.
18. **Severability.** Any provision of this Note or the Security which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Note fail to provide for any relevant matter, the validity, legality or enforceability of this note shall not hereby be affected
19. **Further Assurances.** The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Note Documents.
20. **Time of the Essence.** Time shall be of the essence in the Note Documents.
21. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Alberta, as applied to agreements among Alberta residents, made and to be performed entirely within the Province of Alberta, without giving effect to conflicts of laws principles.
22. **Indemnification.** The Borrower shall indemnify the Lender against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Lender may sustain or incur as a consequence of any misrepresentation contained in any writing from the Borrower delivered to the Lender in connection with this Note, or from any default in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in the Note Documents.
23. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Borrower and Lender and the prior approval of the TSXV. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them.
24. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may be transferred or assigned by Lender to any person without Borrower's prior written consent provided such person executes and delivers a counterpart to this Note pursuant to which it agrees to be bound by the terms hereof. No such assignment shall relieve the Lender of its obligations hereunder. Interest and principal shall be paid solely to Lender or such permitted assign. Such payment shall constitute full discharge of Borrower's obligation to pay such interest and principal. Borrower may not at any time assign any of its rights or its obligations under this Note.
25. **Amendment and Restatement.** Subject to the terms and conditions of this amended and restated Note, 251, the Borrower and the Lender agree that, effective as of the date of this amended and restated Note, the original Note shall be amended and restated in its entirety on the terms and

- 16 -


conditions of this amended and restated Note, without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of such agreement prior to their amendment and restatement hereunder.

*[Signature Page Follows]*

- 17 -

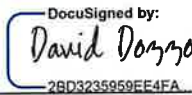
IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By:  7588556E294548D

Name: Ken Yoon  
Title: Chief Executive Officer

**AVONLEA-DREWRY HOLDINGS INC.**

By:  28D3235959EF4FA

Name: David Dozzo  
Title: Director



**SCHEDULE "B"**

**PAYMENT INSTRUCTIONS**

Beneficiary: Dentons Canada LLP

Address: 850 2nd Street SW, Calgary AB T2P 0R8

Beneficiary Bank: Bank of Montreal

Bank Address: 595 8th Avenue SW, Calgary AB T2P 1G1

Swift Code: BOFMCAM2

Bank Code: 001

Branch / Transit: 25159-001

Account Number: 1037-813

Memo reference: 577214-000001

**SCHEDULE "C"**

**USE OF PROCEEDS**

Use of Proceeds/2023	April	May	Total
Working capital (including aging payables)	150,000	150,000	300,000
Transaction costs and professional fees	450,000	150,000	600,000
Growth in existing clinics and medical cannabis		100,000	100,000
	600,000	400,000	1,000,000

## **SCHEDULE "D"**

### **REPORTING EVENTS**

<b>EVENTS</b>
Engagement Letter with an Investment Bank
Interim Order/Mailing of the Information Circular relating to the Arrangement Agreement
Sign-off on Financing Materials and beginning of Marketing Phase
Receipt of TSXV Conditional Approval for Arrangement
Closing of Financing in Escrow
Final Order/Holding of Shareholder Meetings and approval of resolution by shareholders
Closing of transaction and release of offering proceeds

**THIS IS EXHIBIT "F"**

**REFERRED TO IN THE AFFIDAVIT OF**

**MICHAEL STEELE**

**Sworn before me this 9th of August, 2023**

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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## **GUARANTEE**

THIS GUARANTEE is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") has issued a secured interest bearing demand promissory grid note to the Secured Party (the "**Note**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

## **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations

even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

### **3.2 Liability Absolute**

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constituting documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Note Document or any agreement or instrument relating to any Note Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Note Document or any amendment or waiver thereof, or any consent to departure from any Note Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Note Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Note Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Note Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;
- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;

- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Note Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;
- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;

- 5 -

- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Note Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Note Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;
- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;

- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## ARTICLE 5 MISCELLANEOUS

### 5.1 Expenses; Indemnity

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

### 5.2 Amendment; Waiver

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy

hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

### **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

### **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

### **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

Pathway Health Services Corp.  
16 Four Seasons Place, Suite 203A  
Etobicoke, ON M9B 6H7

Attention: Aura Balboa, Chief Financial Officer  
E-mail: [aura.balboa@theclinicnetwork.ca](mailto:aura.balboa@theclinicnetwork.ca)

### **5.6 Taxes**

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such

circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (a) the retention by it of that credit will not be prejudiced thereby; and
- (b) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.7 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Note Documents, constitutes the entire agreement between the parties pertaining to the subject matter of this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Note Documents.
- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable

- 9 -

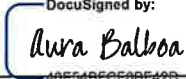
therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.

- (e) Copy Received. The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) Time of Essence. Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF Pathway Health Services Corp. has executed this Guarantee effective as of the day and year first above written.

**PATHWAY HEALTH SERVICES CORP.**

Per:   
Name: Aura Balboa  
Title: Chief Financial Officer

## **SCHEDULE "A" TO GUARANTEE**

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Note"** means the secured interest bearing demand promissory grid note dated as of May 27, 2022, issued to the Secured Party, as lender, the Borrower, as borrower, and pursuant to which the Secured Party may advance up to Cdn.\$1.0 million to the Borrower, as such promissory note may be supplemented, amended, replaced or restated from time to time.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Note and the other Note Documents to which the Borrower is a Party.

**"Note Documents"** has the meaning ascribed thereto in the Note.

A-2

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

**THIS IS EXHIBIT "G"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim

that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

#### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### **3.2 Liability Absolute**

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constituting documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;

- 4 -

- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- 5 -

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

- 6 -

under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured

Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

Pathway Healthcare Technologies Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5

- 8 -

Attention: Michael Steele  
E-mail: [steeleconsult@aol.com](mailto:steeleconsult@aol.com)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

- 9 -

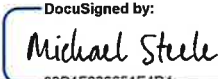
this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) Governing Law, Attornment. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) Copy Received. The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) Time of Essence. Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF Pathway Healthcare Technologies Corp. has executed this Guarantee effective as of the day and year first above written.

**PATHWAY HEALTHCARE TECHNOLOGIES  
CORP.**

DocuSigned by:  
  
Per: 92D1F026551E4B4  
Name: Michael Steele  
Title: President and CEO

## **SCHEDULE "A" TO GUARANTEE**

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Credit Agreement"** has the meaning ascribed thereto in Recital A to this Guarantee.

**"Credit Documents"** has the meaning ascribed thereto in the Credit Agreement.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**2563367 ONTARIO LIMITED**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim

that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

#### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### **3.2 Liability Absolute**

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;

- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- 5 -

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

- 6 -

under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured

Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

(a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

(b) If to the Guarantor, to:

2563367 Ontario Limited  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5

- 8 -

Attention: Kim Wei, President and Chief Executive Officer  
E-mail: [kim.wei@pathwayhealth.ca](mailto:kim.wei@pathwayhealth.ca)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

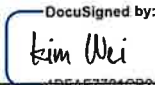
this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) **Copy Received.** The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) **Time of Essence.** Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF 2563367 Ontario Limited has executed this Guarantee effective as of the day and year first above written.

**2563367 ONTARIO LIMITED**

Per:  DocuSigned by:  
Name: Kim Wei  
Title: President and Chief Executive Officer

## SCHEDULE "A" TO GUARANTEE

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Credit Agreement"** has the meaning ascribed thereto in Recital A to this Guarantee.

**"Credit Documents"** has the meaning ascribed thereto in the Credit Agreement.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

A-2

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**SLAWNER ORTHO LTEE.**, (together with its successors and assigns,  
the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and  
assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim

that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

#### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### **3.2 Liability Absolute**

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constituting documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;

- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

- 6 -

under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) Authorization and Enforceability. The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) No Conflict. Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) Governmental Consent. No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) Litigation. Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) No Default or Amendment. Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured

Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

Slawner Ortho Ltee.  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5

- 8 -

Attention: Aura Balboa  
E-mail: [aura.balboa@pathwayhealth.ca](mailto:aura.balboa@pathwayhealth.ca)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

- 9 -

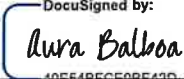
this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) **Copy Received.** The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) **Time of Essence.** Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF Slawner Ortho Ltee. has executed this Guarantee effective as of the day and year first above written.

**SLAWNER ORTHO LTEE.**

Per:   
Name: Aura Balboa  
Title: President

## **SCHEDULE "A" TO GUARANTEE**

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Credit Agreement"** has the meaning ascribed thereto in Recital A to this Guarantee.

**"Credit Documents"** has the meaning ascribed thereto in the Credit Agreement.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

A-2

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

**THIS IS EXHIBIT "H"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## **GENERAL SECURITY AGREEMENT**

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH CORP.**, (together with its successors and assigns, the "**Debtor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Debtor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Debtor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a secured interest bearing demand promissory grid note issued on the date hereof to the Secured Party by the Debtor, as may be amended from time to time (the "**Promissory Note**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (the "**Act**").

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Debtor hereby:
  - (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
  - (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
  - (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;

- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, integrated circuit topographies, trade secrets and other confidential information and all know-how obtained, developed or used by the Debtor or contemplated at any time for use by the Debtor;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Debtor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

### **C. LOCATION OF COLLATERAL**

3. The Debtor hereby represents and warrants to the Secured Party that all Collateral material to the Debtor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Province of Ontario is on the date hereof primarily situate or located at the location set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Debtor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Debtor.
5. Debtor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:

- (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Debtor; and the execution, delivery and performance of this Security Agreement by the Debtor are within its corporate powers and have been duly authorized by all necessary corporate action of the Debtor; and
- (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Debtor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Debtor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Debtor is party or by which it is bound.

6. Debtor further represents and warrants to the Secured Party that on the date hereof:

- (a) it has rights in the Collateral and other than permitted encumbrances, the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Debtor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
- (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
- (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

#### **D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

#### **E. AGREEMENTS OF THE DEBTOR**

8. The Debtor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Debtor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Debtor has rights in such Collateral.
9. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
- (a) it will not, without the prior written consent of the Secured Party:
    - (i) create, issue, transfer, or assign any new securities of the Debtor, whether debt or equity, but notwithstanding the foregoing, the Debtor may issue new securities, whether debt or equity, without consent of the Secured Party, provided that the

- proceeds are used, at least in part, to satisfy and fully pay the Obligations outstanding;
- (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary course of the Debtor's business and as would not have a material adverse effect on Debtor, its ability to pay the Obligations or the interests of the Secured Party hereunder;
  - (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or without prior written notice to the Secured Party; or
  - (v) change its name without receiving written consent of the Secured Party.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, it will:
- (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Debtor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Debtor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Debtor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Debtor relating to the Collateral or any policy issued to the Debtor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever it deems necessary, either in person or by agent, enter upon the Debtor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;
  - (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party at any time upon request by the Secured Party all such information concerning the Debtor's affairs and business as the Secured Party may reasonably require;

- (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;
- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Debtor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Debtor, including without limitation any change in the Debtor's registered office address, the Debtor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Debtor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Debtor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Debtor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;

- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same may become due and payable;
  - (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
  - (xv) carry on and conduct the business of the Debtor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Debtors' business as well as accurate and complete records concerning the Collateral;
  - (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
    - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
    - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
    - C. all financial statements prepared by or for Debtor regarding Debtor's business,
    - D. all policies and certificates of insurance relating to the Collateral, and
    - E. such information concerning Collateral, Debtor and Debtor's business and affairs as the Secured Party may reasonably request;
  - (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
  - (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
  - (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Debtor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.
10. The Debtor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.
11. Subject to compliance with the Debtor's covenants contained herein, the Debtor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess,

operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor.

**F. DEFAULT**

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable in each and every of the events following (each, an "**Event of Default**"):

- (a) if the Debtor or any of its affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Debtor to the Secured Party in the Promissory Note, this Security Agreement, in any document executed in connection herewith, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith, other than as contemplated in Section 12(b) below;
- (b) if the Debtor defaults in payment of any of the Obligations of the Debtor to the Secured Party when due;
- (c) if the Debtor ceases or threatens to cease to carry on business or if the Debtor commits or threatens to commit any act of bankruptcy or if the Debtor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Debtor;
- (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Debtor, except as expressly permitted by this Security Agreement;
- (e) if the Debtor shall seek relief or consents to the filing of a petition against it under any law which involves any compromise of any secured creditor's rights against the Debtor;
- (f) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the property of the Debtor or any part thereof, provided such execution, court process, distress or analogous process is in response to an award or award(s) against the Debtor which in the aggregate exceed CDN\$250,000;
- (g) if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral with equal priority to or senior to the charge created by this Security Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
- (h) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled;
- (i) if any representation or warranty in the Promissory Note, in this Security Agreement, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith, made by the Debtor or any of its

affiliates or officers to the Secured Party shall be false or inaccurate in any material respect;

- (j) if the Debtor is dissolved or the Debtor's existence is otherwise terminated or any action is taken by the Debtor to effect such termination or dissolution;
- (k) if any material portion of the Debtor's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity or if the Debtor is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of the Debtor's assets by any government agency;
- (l) if there is a material default or other failure to perform in any material agreement to which the Debtor is a party or by which the Debtor is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$250,000; or
- (m) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, in the Promissory Note, in this Security Agreement, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith.

provided, that, notwithstanding the foregoing, the Obligations shall not become payable and the security granted pursuant to this Security Agreement shall not become enforceable by reason only of the occurrence of an Event of Default (if such Event of Default is an Event of Default other than as a result of: (i) a failure to pay any Obligation of the Debtor to the Secured Party when due, as contemplated by paragraph (b) above, or (ii) if the Debtor ceases to carry on business or if the Debtor commits any act of bankruptcy or if the Debtor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Debtor as contemplated by paragraph (c) above), and such Event of Default is remedied within thirty (30) business days from the date the Debtor became aware of such Event of Default or should reasonably have become aware of such Event of Default, or does not otherwise continue for at least thirty (30) business days from such date. Any event set forth above which pursuant to this section, the Debtor may remedy within the permitted thirty (30) business day period, shall not be considered to be an "Event of Default" unless such event goes unremedied for a period of twenty (20) consecutive business day, however, the Debtor hereby covenants to advise the Secured Party in writing immediately upon the occurrence of an event, set forth above regardless of any permitted remedy period.

13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Debtor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:

- (a) entry;
- (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party

may remove any receiver or receivers so appointed and appoint another or others in his or their stead);

- (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
- (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
- (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or
- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Debtor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Debtor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Debtor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and

without any other formality (except as required by law), all of which are hereby waived by the Debtor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Debtor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the reasonable and documented fees and expenses of any receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments or other proceeds of the Collateral received by the Debtor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Debtor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Debtor receives any such money or proceeds without any request by it, the Debtor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Debtor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Debtor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance,

it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.

19. The Debtor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other persons and securities as the Secured Party may see fit.
21. Nothing herein shall obligate the Secured Party to extend any credit to the Debtor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

#### **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Debtor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Debtor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor, the Secured Party shall, upon request in writing by the Debtor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Ontario. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Debtor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.

28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and, subject to the final sentence of Section 22, shall be binding on the Debtor, its successors and permitted assigns.
31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Promissory Note. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Debtor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Debtor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.
33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.

**K. INDEMNIFICATION**

34. The Debtor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Debtor, or to enforce any provisions of any accounts, the Debtor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documented expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Debtor.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor and the Secured Party as of the date first written above.

**DEBTOR:**

**PATHWAY HEALTH CORP.**

By: \_\_\_\_\_

DocuSigned by:  
  
7500556E294548B...  
Name: Ken Yoon

Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By: \_\_\_\_\_

DocuSigned by:  
  
28D4235050EE4FA  
Name: David Dozzo

Title: Director

## **SHARE PLEDGE AGREEMENT**

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH CORP.**, (together with its successors and assigns,  
the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and  
assigns, the "**Secured Party**")

### **1. DEFINITIONS**

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### **2. SECURITY INTEREST AND CHARGE**

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:
  - (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of Pathway Health Services Corp., Pathway Wellness Corp., Pathway Healthcare Technologies Corp. and 1319923 Canada Ltd., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
  - (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
  - (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
  - (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
  - (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;

- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and
- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "**Default**") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## **6. REMEDIES**

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
- (f) any Receiver will be deemed to be the agent of the Pledgor, and the Pledgor will be solely responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver.

## **7. POWER OF ATTORNEY**

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

transfer the Pledged Shares or any part thereof into its own name or that of its nominee(s) in the event of Default so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

**8. ACCELERATION**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

**9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the Promissory Note.

**10. COSTS AND EXPENSES**

The Pledgor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable and documented legal fees as between a solicitor and his own client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Pledged Shares and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Pledged Shares and shall be secured hereby.

**11. MISCELLANEOUS**

- (a) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Pledgor, sureties and others and with the Pledged Shares and other security as the Secured Party may see fit without prejudice to the Secured Party's right to hold and realize the Security Interest.
- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.
- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any

monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

**12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

**13. DELIVERY**

This Agreement may be delivered in PDF or other electronic form which Agreement when so delivered shall be valid and binding as if delivered in original form. The Pledgor shall forthwith deliver an original of the signed copy of this Agreement which was so delivered.

**14. GOVERNING LAW**

This Agreement shall be governed by the laws of the Province of Ontario.

**15. COPY OF AGREEMENT**

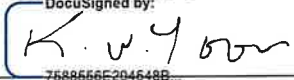
The Pledgor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

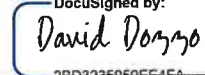
**PLEDGOR:**

**PATHWAY HEALTH CORP.**

DocuSigned by:  
  
By: 75895665204648B...  
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

DocuSigned by:  
  
By: 2BD3235959EE4FA...  
Name: David Dozzo  
Title: Director

SCHEDULE A  
PLEDGED SECURITIES

Issuer	Holder	Number and Class of Shares	Share Certificate No.
Pathway Health Services Corp.	Pathway Health Corp.		
Pathway Wellness Products Corp.	Pathway Health Corp.	100 Common	C-2
Pathway Healthcare Technologies Corp.	Pathway Health Corp.	100 Common	C-2
13199223 Canada Ltd.	Pathway Health Corp.	50,000 Common	C-1

**THIS IS EXHIBIT "I"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## **GENERAL SECURITY AGREEMENT**

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Guarantor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Guarantor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Guarantor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a guarantee executed on the date hereof in favor of the Secured Party by the Guarantor, as may be amended from time to time (the "**Guarantee**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (the "**Act**").

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Guarantor hereby:

- (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
- (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;
- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual

property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, integrated circuit topographies, trade secrets and other confidential information and all know-how obtained, developed or used by the Guarantor or contemplated at any time for use by the Guarantor;

- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Guarantor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

#### **C. LOCATION OF COLLATERAL**

3. The Guarantor hereby represents and warrants to the Secured Party that all Collateral material to the Guarantor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Province of Ontario is on the date hereof primarily situate or located at the location set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Guarantor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Guarantor.
5. Guarantor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:
- (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and

to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Guarantor; and the execution, delivery and performance of this Security Agreement by the Guarantor are within its corporate powers and have been duly authorized by all necessary corporate action of the Guarantor; and

- (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Guarantor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Guarantor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Guarantor is party or by which it is bound.

6. Guarantor further represents and warrants to the Secured Party that on the date hereof:

- (a) it has rights in the Collateral and other than permitted encumbrances, the Collateral is genuine and owned by the Guarantor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Guarantor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
- (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
- (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

#### **D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

- 7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Guarantor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Guarantor shall stand possessed of the reversion of one day remaining in the Guarantor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

#### **E. AGREEMENTS OF THE GUARANTOR**

- 8. The Guarantor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Guarantor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Guarantor has rights in such Collateral.
- 9. The Guarantor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
  - (a) it will not, without the prior written consent of the Secured Party:
    - (i) create, issue, transfer, or assign any new securities of the Guarantor, whether debt or equity;
    - (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary

course of the Guarantor's business and as would not have a material adverse effect on Guarantor, its ability to pay the Obligations or the interests of the Secured Party hereunder;

- (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or without prior written notice to the Secured Party; or
  - (v) change its name without receiving written consent of the Secured Party.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, it will:
  - (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Guarantor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Guarantor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Guarantor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Guarantor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Guarantor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Guarantor relating to the Collateral or any policy issued to the Guarantor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever it deems necessary, either in person or by agent, enter upon the Guarantor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;
  - (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party at any time upon request by the Secured Party all such information concerning the Guarantor's affairs and business as the Secured Party may reasonably require;
  - (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;

- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Guarantor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Guarantor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Guarantor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Guarantor, including without limitation any change in the Guarantor's registered office address, the Guarantor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Guarantor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Guarantor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Guarantor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;
- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Guarantor or the Collateral as and when the same may become due and payable;

- (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
  - (xv) carry on and conduct the business of the Guarantor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Guarantors' business as well as accurate and complete records concerning the Collateral;
  - (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
    - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
    - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
    - C. all financial statements prepared by or for Guarantor regarding Guarantor's business,
    - D. all policies and certificates of insurance relating to the Collateral, and
    - E. such information concerning Collateral, Guarantor and Guarantor's business and affairs as the Secured Party may reasonably request;
  - (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
  - (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
  - (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Guarantor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.
10. The Guarantor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.
11. Subject to compliance with the Guarantor's covenants contained herein, the Guarantor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Guarantor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the

Guarantor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Guarantor.

**F. DEFAULT**

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable in each and every of the events following (each, an "**Event of Default**"):

- (a) if the Guarantor defaults in the observance or performance of any material agreement or undertaking given by the Guarantor to the Secured Party in the Guarantee, this Security Agreement, or in any document executed in connection herewith, other than as contemplated in Section 12(b) below;
- (b) if the Guarantor defaults in payment of any of the Obligations of the Guarantor to the Secured Party when due;
- (c) if the Guarantor ceases or threatens to cease to carry on business or if the Guarantor commits or threatens to commit any act of bankruptcy or if the Guarantor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Guarantor;
- (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Guarantor, except as expressly permitted by this Security Agreement;
- (e) if the Guarantor shall seek relief or consents to the filing of a petition against it under any law which involves any compromise of any secured creditor's rights against the Guarantor;
- (f) if an execution or any other process of any court becomes enforceable against the Guarantor or if a distress or analogous process is levied upon the property of the Guarantor or any part thereof, provided such execution, court process, distress or analogous process is in response to an award or award(s) against the Guarantor which in the aggregate exceed CDN\$250,000;
- (g) if the Guarantor shall permit any sum which has been admitted as due by the Guarantor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral with equal priority to or senior to the charge created by this Security Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
- (h) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Guarantor of its business shall be withdrawn or cancelled;
- (i) if any representation or warranty in the Guarantee, in this Security Agreement or in any document executed in connection therewith, made by the Guarantor or any of its affiliates or officers to the Secured Party shall be false or inaccurate in any material respect;
- (j) if the Guarantor is dissolved or the Guarantor's existence is otherwise terminated or any action is taken by the Guarantor to effect such termination or dissolution;
- (k) if any material portion of the Guarantor's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity or if the Guarantor is enjoined, restrained, or in any way

prevented by court order from continuing to conduct all or any material part of its affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of the Guarantor's assets by any government agency;

- (l) if there is a material default or other failure to perform in any material agreement to which the Guarantor is a party or by which the Guarantor is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$250,000; or
- (m) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, in the Guarantee, in this Security Agreement or in any document executed in connection therewith,

provided, that, notwithstanding the foregoing, the Obligations shall not become payable and the security granted pursuant to this Security Agreement shall not become enforceable by reason only of the occurrence of an Event of Default (if such Event of Default is an Event of Default other than as a result of: (i) a failure to pay any Obligation of the Guarantor to the Secured Party when due, as contemplated by paragraph (b) above, or (ii) if the Guarantor ceases to carry on business or if the Guarantor commits any act of bankruptcy or if the Guarantor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Guarantor as contemplated by paragraph (c) above), and such Event of Default is remedied within thirty (30) business days from the date the Guarantor became aware of such Event of Default or should reasonably have become aware of such Event of Default, or does not otherwise continue for at least thirty (30) business days from such date. Any event set forth above which pursuant to this section, the Guarantor may remedy within the permitted thirty (30) business day period, shall not be considered to be an "Event of Default" unless such event goes unremedied for a period of twenty (20) consecutive business days, however, the Guarantor hereby covenants to advise the Secured Party in writing immediately upon the occurrence of an event, set forth above regardless of any permitted remedy period.

- 13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Guarantor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

- 14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:
  - (a) entry;
  - (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party may remove any receiver or receivers so appointed and appoint another or others in his or their stead);
  - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
  - (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
  - (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms

as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Guarantor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;

- (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or
- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Guarantor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Guarantor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Guarantor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Guarantor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Guarantor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Guarantor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Guarantor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the fees and

expenses of any reasonable and documented receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "**receiver**" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Guarantor acknowledges that any payments or other proceeds of the Collateral received by the Guarantor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Guarantor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Guarantor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Guarantor receives any such money or proceeds without any request by it, the Guarantor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Guarantor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Guarantor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
19. The Guarantor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Guarantor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from

perfecting securities of, may accept compositions from, and may otherwise deal with the Guarantor and all other persons and securities as the Secured Party may see fit.

21. Nothing herein shall obligate the Secured Party to extend any credit to the Guarantor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Guarantor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Guarantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

#### **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Guarantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Guarantor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Guarantor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Guarantor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Guarantor, the Secured Party shall, upon request in writing by the Guarantor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Ontario. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Guarantor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.
28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and, subject to the final sentence of Section 22, shall be binding on the Guarantor, its successors and permitted assigns.

31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Guarantee. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Guarantor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Guarantor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Guarantor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Guarantor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Guarantor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Guarantor, including, without limiting the generality of the foregoing, the death of any or all of the partners.
33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.

**K. INDEMNIFICATION**

34. The Guarantor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Guarantor, or to enforce any provisions of any accounts, the Guarantor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documents expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account Guarantor or obligor thereunder, arising out of a breach by the Guarantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account Guarantor or obligor or its successors from the Guarantor.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Security Agreement has been executed by the Guarantor and the Secured Party as of the date first written above.

**GUARANTOR:**

**PATHWAY HEALTH SERVICES CORP.**

By: \_\_\_\_\_

DocuSigned by:  
  
7588556E294548B  
Name: Ken Yoon

Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By: \_\_\_\_\_

DocuSigned by:  
  
29D3236959EE4FA  
Name: David Dozzo

Title: Director

[Signature page to General Security Agreement for PHSC]

## SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### 1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### 2. SECURITY INTEREST AND CHARGE

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:
  - (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of 10030712 Manitoba Ltd., 2563367 Ontario Limited and Slawner Ortho Ltee., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
  - (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
  - (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
  - (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
  - (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;

- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and
- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "**Default**") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## 6. REMEDIES

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
- (f) any Receiver will be deemed to be the agent of the Pledgor, and the Pledgor will be solely responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver.

## 7. POWER OF ATTORNEY

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

transfer the Pledged Shares or any part thereof into its own name or that of its nominee(s) in the event of Default so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

**8. ACCELERATION**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

**9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the credit agreement among, *inter alios*, Pathway Health Corp., as borrower, the Pledgor, as a guarantor and the Secured Party, as lender, as amended, supplemented, restated or replaced from time to time.

**10. COSTS AND EXPENSES**

The Pledgor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable and documented legal fees as between a solicitor and his own client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Pledged Shares and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Pledged Shares and shall be secured hereby.

**11. MISCELLANEOUS**

- (a) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Pledgor, sureties and others and with the Pledged Shares and other security as the Secured Party may see fit without prejudice to the Secured Party's right to hold and realize the Security Interest.
- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.

- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

## **12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

## **13. DELIVERY**

This Agreement may be delivered in PDF or other electronic form which Agreement when so delivered shall be valid and binding as if delivered in original form. The Pledgor shall forthwith deliver an original of the signed copy of this Agreement which was so delivered.

## **14. GOVERNING LAW**

This Agreement shall be governed by the laws of the Province of Ontario.

## **15. COPY OF AGREEMENT**

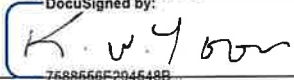
The Pledgor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

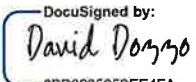
**PLEDGOR:**

**PATHWAY HEALTH SERVICES CORP.**

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: David Dozzo  
Title: Director

SCHEDULE A  
PLEDGED SECURITIES

Issuer	Holder	Number and Class of Shares	Share Certificate No.
10030712 Manitoba Ltd.	Pathway Health Services Corp.	51 Common	C4
2563367 Ontario Limited	Pathway Health Services Corp.	50 Common	C4
Slawner Ortho Ltee.	Pathway Health Services Corp.	100 Class A Shares	A-003

**THIS IS EXHIBIT "J"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## **SHARE PLEDGE AGREEMENT**

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**, (together with its successors and assigns, the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **1. DEFINITIONS**

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### **2. SECURITY INTEREST AND CHARGE**

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:
- (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of 1964433 Alberta Ltd., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
  - (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
  - (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
  - (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
  - (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall

be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;
- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor

threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and

- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "Default") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## 6. REMEDIES

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
- (f) any Receiver will be deemed to be the agent of the Pledgor, and the Pledgor will be solely responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver.

## 7. POWER OF ATTORNEY

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

transfer the Pledged Shares or any part thereof into its own name or that of its nominee(s) in the event of Default so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

**8. ACCELERATION**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

**9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the credit agreement among, *inter alios*, Pathway Health Corp., as borrower, the Pledgor, as a guarantor and the Secured Party, as lender, as amended, supplemented, restated or replaced from time to time.

**10. COSTS AND EXPENSES**

The Pledgor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable and documented legal fees as between a solicitor and his own client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Pledged Shares and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Pledged Shares and shall be secured hereby.

**11. MISCELLANEOUS**

- (a) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Pledgor, sureties and others and with the Pledged Shares and other security as the Secured Party may see fit without prejudice to the Secured Party's right to hold and realize the Security Interest.
- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.

- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

## **12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

## **13. DELIVERY**

This Agreement may be delivered in PDF or other electronic form which Agreement when so delivered shall be valid and binding as if delivered in original form. The Pledgor shall forthwith deliver an original of the signed copy of this Agreement which was so delivered.

## **14. GOVERNING LAW**

This Agreement shall be governed by the laws of the Province of Ontario.

## **15. COPY OF AGREEMENT**

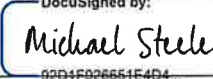
The Pledgor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

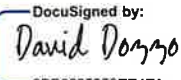
**PLEDGOR:**

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

By:   
Name: Michael Steele  
Title: President and CEO

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By:   
Name: David Dozzo  
Title: Director

SCHEDULE A  
**PLEDGED SECURITIES**

<b>Issuer</b>	<b>Holder</b>	<b>Number and Class of Shares</b>	<b>Share Certificate No.</b>
1964433 Alberta Ltd.	Pathway Healthcare Technologies Corp.	1,515,126 Class A Voting	A-31

**THIS IS EXHIBIT "K"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Search ID #:** Z16437714

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

**Search ID #:** Z16437714

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:19:54

**Business Debtor Search For:**

PATHWAY HEALTH CORP

**Exact Result(s) Only Found**

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16437714

**Business Debtor Search For:**

PATHWAY HEALTH CORP

Search ID #: Z16437714

Date of Search: 2023-Aug-09

Time of Search: 08:19:54

Registration Number: 23020717584

Registration Date: 2023-Feb-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

Exact Match on:

Debtor

No: 1

**Debtor(s)****Block****Status**  
Current

1 PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties****Block****Status**  
Current

1 HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

**Collateral: General****Block** **Description****Status**  
Current

1 All present and after-acquired personal property of the debtor.

**Search ID #:** Z16437714

**Business Debtor Search For:**

PATHWAY HEALTH CORP

**Search ID #:** Z16437714

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:19:54

---

Registration Number: 23020717625

Registration Date: 2023-Feb-07

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1

PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

---

**Secured Party / Parties**

**Block**

**Status**

Current

1

HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete



## Personal Property Registry Search Results Report

Page 1 of 3

Search ID #: Z16437719

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

Search ID #: Z16437719

Date of Search: 2023-Aug-09

Time of Search: 08:20:15

**Business Debtor Search For:**

PATHWAY HEALTH SERVICES CORP

Inexact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16437719

**Business Debtor Search For:**

PATHWAY HEALTH SERVICES CORP

Search ID #: Z16437719

Date of Search: 2023-Aug-09

Time of Search: 08:20:15

Registration Number: 23020717584

Registration Date: 2023-Feb-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

Inexact Match on:

Debtor

No: 1

**Debtor(s)****Block****Status**

Current

1 PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties****Block****Status**

Current

1 HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

**Collateral: General****Block****Description****Status**

Current

1 All present and after-acquired personal property of the debtor.

# Government of Alberta

## Personal Property Registry Search Results Report

Page 3 of 3

Search ID #: Z16437719

### Business Debtor Search For:

PATHWAY HEALTH SERVICES CORP

Search ID #: Z16437719

Date of Search: 2023-Aug-09

Time of Search: 08:20:15

Registration Number: 23020717625

Registration Date: 2023-Feb-07

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Inexact Match on:

Debtor

No: 1

### Debtor(s)

#### Block

#### Status

Current

1 PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

### Secured Party / Parties

#### Block

#### Status

Current

1 HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete

**Search ID #:** Z16437724

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881

Phone #: 780 429 5969

Reference #:

**Search ID #:** Z16437724

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:20:39

**Business Debtor Search For:**

PATHWAY HEALTHCARE TECHNOLOGIES CORP

**Inexact Result(s) Only Found**

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16437724

**Business Debtor Search For:**

PATHWAY HEALTHCARE TECHNOLOGIES CORP

Search ID #: Z16437724

Date of Search: 2023-Aug-09

Time of Search: 08:20:39

Registration Number: 23020717584

Registration Date: 2023-Feb-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

Inexact Match on:

Debtor

No: 1

**Debtor(s)****Block****Status**

Current

1

PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5**Secured Party / Parties****Block****Status**

Current

1

HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com**Collateral: General****Block****Description****Status**

Current

1

All present and after-acquired personal property of the debtor.

**Search ID #: Z16437724**

**Business Debtor Search For:**

**PATHWAY HEALTHCARE TECHNOLOGIES CORP**

**Search ID #: Z16437724**

**Date of Search: 2023-Aug-09**

**Time of Search: 08:20:39**

---

Registration Number: 23020717625

Registration Date: 2023-Feb-07

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

---

Inexact Match on: Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete

**THIS IS EXHIBIT "L"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

**SECURED CONVERTIBLE PROMISSORY GRID NOTE**

Calgary, Alberta

February 3, 2023

FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta ("**Pathway**" or the "**Borrower**") promises to pay to the order of **HEAL GLOBAL HOLDINGS CORP.**, a corporation existing under the laws of the Province of Alberta or its permitted assigns ("**HEAL**" or the "**Lender**"), the aggregate principal sum of all Advances (as defined herein) equal to the greater of:

- a) five hundred thousand Canadian Dollars (Cdn.\$500,000); and
- b) the amount of the principal balance from time to time owing by the Borrower to the Lender as recorded by or on behalf of the Lender on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of Cdn.\$1,250,000,

(in the case of a) and b), the "**Principal Amount**"), together with accrued and unpaid interest thereon, and other fees and expenses from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 5 below (the Principal Amount, accrued and unpaid interest thereon and any other fees and expenses being collectively referred to herein as the "**Indebtedness**"), subject to the terms and conditions of this Note, as the same may be amended from time to time.

1. **Definitions.** In this Note, including the recitals and the Schedules hereto and in all notices given pursuant to this Note, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as the same may be amended from time to time.

"**Accounts Payable**" means all accounts payable, notes payable, trade payables, bonus payable and other amounts, due, owing or accruing by the Borrower.

"**Accounts Receivable**" means all accounts receivable, notes receivable, trade receivables, rights to receive payment, book debts and other amounts, due, owing or accruing due to the Borrower.

"**Additional Security**" means the security agreements and other documents required to be provided to the Lender pursuant to Section 11, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.

**"ADH Credit Facility"** means the credit agreement entered into among the Borrower, as borrower, certain subsidiaries of the Borrower, as guarantors, and Avonlea-Drewry Holdings Inc., as lender pursuant to which the lender advanced \$3.5 million to the Borrower, on a secured, non-convertible basis.

**"Advance"** means each disbursement made by the Lender to the Borrower under this Note.

**"Affiliate"** means an affiliate as defined in the ABCA.

**"Amount Due and Payable"** has the meaning ascribed thereto in Section 6.

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Borrower"** means Pathway Health Corp., a corporation incorporated under the laws of the Province of Alberta.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta.

**"Canadian Dollars"**, **"Cdn.\$"** or **"\$"** mean lawful money of Canada.

**"Collateral"** means all property, assets and undertaking of the Borrower at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Common Shares"** means the common shares in the capital of the Borrower.

**"Conversion Price"** means in respect of the Principal Amount \$0.05 per Common Share and in respect of any accrued but unpaid interest, the Market Price at the time of such conversion in accordance with the rules and policies of the TSXV.

**"Conversion Shares"** has the meaning ascribed thereto in Section 6.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Borrower, or its properties or liabilities; provided however that the Pathway Transaction and any related transactions thereto will not constitute a Creditor Proceeding for the purposes of this Note.

**"Default Rate"** has the meaning ascribed there in Section 5.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Effective Time"** shall have the meaning set forth in the Pathway Definitive Agreement.

**"Event of Default"** means any of the events or circumstances specified in Section 16.

**"Extended Maturity Date Period"** has the meaning ascribed thereto in Section 6.

**"GSA"** means the general security agreement entered into between the Borrower and the Lender concurrently with the issuance of this Note and which secures the Obligations.

**"Governmental Authority"** means Canada, any province or territory thereof, as applicable, any municipal or other political subdivision of any such province or territory, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Indebtedness"** has the meaning ascribed thereto on the face page of this Note.

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporate legislation.

**"Lender"** means HEAL Global Holdings Corp. and its successors and assigns, as lender under this Note.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Market Price"** has the meaning ascribed thereto in the TSXV Corporate Finance Manual, policy 1.1.

**"Material Adverse Effect"** means any matter, event or circumstance, other than with respect to the Pathway Transaction or any transactions related thereto, relating to the Borrower which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any Indebtedness under, or perform any other obligations in accordance with, this Note or any of the Security to which it is a party, (iii) the validity or enforceability of this Note or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** has the meaning ascribed thereto in Section 2.

- 4 -

**"Note"** means this secured convertible promissory grid note, together with all schedules, appendices and exhibits attached to it.

**"Note Documents"** means this Note, the Security and the certificate evidencing the issuance of the Warrants, substantially in the form attached hereto as Schedule "D".

**"Obligations"** means, at any time and from time to time, all Indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Note Documents or otherwise payable pursuant to this Note, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Outside Date"** has means June 30, 2023.

**"Pathway LOI"** means the letter of intent entered into between the Borrower, the Lender and The Newly Institute Inc. dated December 16, 2022, as amended from time-to-time.

**"Pathway Transaction"** means the transaction substantially as set forth in the Pathway LOI.

**"Pathway Definitive Agreement"** means the definitive agreement in relation to the Pathway Transaction that is to be entered into among Pathway, HEAL and The Newly Institute Inc., and, if entered into, the definitive agreement in relation to the Pathway Transaction entered into among Pathway, HEAL and The Newly Institute Inc.

**"Pathway Third-Party Loan"** means the senior secured \$3.5 million line of credit that is expected to be offered to the Borrower by an arms-length third party in connection with the Pathway Transaction and, if offered and entered into, the senior secured \$3.5 million line of credit entered into between the Borrower and such arms-length third party.

**"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is or would be classified as a current liability on the Borrower's financial statements;
- (b) all Indebtedness of the Borrower to the Lender under this Note or under or secured by any Security;
- (c) capital lease obligations and indebtedness secured by purchase money liens;
- (d) the ADH Credit Facility;
- (e) the Pathway Third-Party Loan, so long as any security granted by the Borrower to the lender under such Pathway Third-Party Loan is satisfactory to the Lender;
- (f) indebtedness of 10030712 Manitoba Ltd., a 51% owned subsidiary of Pathway, in respect of leasehold improvement loans;

- 5 -

- (g) Canada Emergency Business Account loans of each of 2563367 Ontario Ltd. (dba Silver Medical Group Centre for Pain Care) and 9393 1681 Quebec Inc. (dba Slawner Ortho Lteé), subsidiaries of Pathway;
- (h) all indebtedness secured by Permitted Liens; and
- (i) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then being contested in good faith;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then being contested in good faith;
- (c) liens arising out of judgments, awards or claims filed which are then being contested in good faith;
- (d) security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then being contested in good faith), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;
- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Note;

*provided that* the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Principal Amount"** has the meaning ascribed thereto on the face page of this Note.

**"Security"** means the GSA, the guarantees, security agreements and other documents required to be provided to the Lender pursuant to Section 11, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include any Additional Security.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

**"TSXV"** means the TSX Venture Exchange.

**"Warrants"** means Common Share purchase warrants issued to the Lender in connection with this Note which are exercisable for Common Shares at a price of \$0.05 per share for a period of 12-months from the date of issuance.

2. **Loan.** A loan of up to an aggregate amount of Cdn.\$1,250,000 is being made available to be Borrower by the Lender. The Borrower may, with the prior approval of the Lender (other than when an Event of Default has occurred and is continuing), borrow amounts from the Lender on the terms as set out in this Note according to the following schedule:

- (a) On the date hereof, Cdn.\$500,000;
- (b) On or after February 15, 2023, Cdn.\$500,000; and
- (c) On or after March 15, 2023, Cdn.\$250,000,

which the Lender shall advance to the Borrower in reliance upon the representations and warranties contained herein and subject to the terms and conditions of this Note.

Notwithstanding the foregoing, the Lender may provide Advances hereunder at such times and from time to time, in such amounts as determined by the Lender, or may refuse to make any Advance for any reason whatsoever, in its sole and unfettered discretion.

3. **Advances.** As a condition precedent to the Lender making an Advance to the Borrower:

- (a) no Event of Default shall have occurred and be continuing or would arise immediately after giving effect to or as a result of such extension of credit; and
- (b) the representations and warranties of the Borrower in Section 12 shall be true and correct as of the date of such Advance,

and the Lender, in its sole and unfettered discretion, may require evidence of the above by way of affidavit, officer's certification or otherwise prior to making an Advance.

4. **Repayment.** Payment of all Indebtedness owing under this Note shall be made on or before the earlier of: (i) the Outside Date; (ii) that date on which the Pathway LOI is terminated (other than

- 7 -

by reason of the entering into of the Pathway Definitive Agreement) or expires in accordance with its terms; and (iii) that date on which the Pathway Definitive Agreement is terminated in accordance with its terms (in each case, the "**Maturity Date**"). Payment of Principal Amount, any fees and the interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Lender, by written notice to the Borrower. Interest on this Note shall accrue and be paid in accordance with Section 5. All payments under this Note shall be made in lawful money of Canada in immediately available funds.

Subject to Section 5, in the event that the Maturity Date occurs due to, or in connection with, the occurrence of an Event of Default, the Lender shall have the option (but not the obligation), at its sole discretion, to:

- (a) avail itself of the remedies as provided for in Section 17 and in the Note Documents; or
- (b) subject to the prior approval of the TSXV, extend the Maturity Date of the Note to the last day of the Extended Maturity Date Period, during which time the Note will accrue interest at the Default Rate.

5. **Interest.** The Principal Amount shall bear interest on the terms and conditions set forth herein, from the date hereof. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year.

In the event that: (i) all Indebtedness is not repaid on or before the Maturity Date, or (ii) there occurs an Event of Default on, before or in connection with the Maturity Date, interest will be deemed to accrue from the issuance date of the Note at a rate of 24% per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year (the "**Default Rate**") and added to the Indebtedness.

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Note now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous provincial legislation which may be inconsistent with this Note

Notwithstanding any provision of this Note, the parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at, but not in excess of, the highest rate recoverable under Applicable Law.

6. **Conversion.** All or any portion of the outstanding Indebtedness owing to the Lender under this Note, is convertible into Common Shares at any time and from time-to-time on or before the Maturity Date at the Conversion Price, subject only to the rules and policies of the TSXV regarding the conversion price applicable to accrued but unpaid interest. In addition, in the event

that this Note is not fully repaid on the Maturity Date and the Note has not otherwise been converted, the Lender shall, subject to the prior approval of the TSXV, have the option to extend the Maturity Date for a period of up to 24 months (the "**Extended Maturity Date Period**"), during which time the Note shall accrue interest at the Default Rate. For greater certainty, no conversion of the Note shall occur following the Effective Time.

The conversion of all or any portion of the Indebtedness (the aggregate amount of such Indebtedness so converted hereinafter referred to as the "**Amount Due and Payable**") into Common Shares (the "**Conversion Shares**") at the Conversion Price shall be subject to the following.

- (a) The Lender shall effect the conversion of the Note by delivering to the Borrower a written notice of its intention to convert all or a portion of the Amount Due and Payable pursuant to Section 18 (each, a "**Notice of Conversion**"), specifying therein (i) the Amount Due and Payable of this Note to be converted and the date on which such conversion shall be effected (such date, the "**Conversion Date**"); and (ii) the name and delivery instructions for each person to whom the Conversion Shares are to be issued upon conversion, it being agreed that no Conversion Shares shall be issued in the name of HEAL unless HEAL has satisfied Pathway of compliance with Applicable Laws (including in regard to restrictions in the ABCA relating to a subsidiary corporation holding shares of its parent corporation). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered pursuant to 18;
- (b) If the Borrower at any time subdivides or consolidates the Common Shares issuable upon conversion, the Lender shall thereafter be entitled on conversion to receive the shares to which it was before such subdivision or consolidation entitled, as subdivided or consolidated, and the conversion rate of the Indebtedness shall be adjusted accordingly. Any such adjustment shall become effective on the date and at the time that such subdivision or consolidation becomes effective. The provisions of this Section shall similarly apply to successive subdivisions and consolidations;
- (c) In case of:
  - (i) any reclassification or change of the type or class of shares issuable upon conversion;
  - (ii) any consolidation, merger or amalgamation of the Borrower with or into another corporation or corporations;
  - (iii) the sale of the properties and assets of the Borrower substantially as an entirety to any other corporation or corporations followed by a winding-up of the Borrower or a distribution of its assets to the shareholders; or
  - (iv) the sale of the properties and assets of the Borrower substantially as an entirety to another person or persons in exchange for securities in or of such other person or persons or any affiliate thereof;

the Lender shall have the right thereafter to convert this Note (or any portion thereof) into the kind and amount of shares or other securities and property (or the applicable portion thereof) receivable on such reclassification, change, consolidation, merger, amalgamation or sale that the Lender would have been entitled to receive thereupon had the Lender been the registered holder of the number of shares into which this Note might have been converted immediately prior thereto. The provisions of this Section shall similarly apply to successive reclassifications and changes of shares and to successive consolidations, mergers, amalgamations and sales.

- (d) Upon issuance of the Conversion Shares, the Lender shall surrender this Note to the Borrower marked "paid in full" and upon such surrender the Borrower shall forthwith issue and deliver to the Lender, certificate(s) evidencing the Conversion Shares, and, if only a portion of this Note was converted, the Borrower shall, in addition, forthwith issue and deliver to the Lender a new Note evidencing the remaining Amount Due and Payable.
- (e) Upon the conversion or payment of all of the Amount Due and Payable under this Note through the issuance of Conversion Shares in respect of any conversion (or successive conversions) or otherwise, this Note shall terminate and the Borrower shall be released and discharged by the Lender from all of the Borrower's obligations and agreements under the Note Documents; provided that the Borrower shall not be released and discharged if any other Note has been issued to which the Security applies. Further, the Lender shall execute and deliver all such documents as the Borrower may reasonably request to effect such release, discharge and reconveyance of the Security.
- (f) In the event that a final order of the Court is issued pursuant to subsection 193(4) of the ABCA, in form and substance satisfactory to each Party, acting reasonably, approving the Pathway Transaction, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably), the Lender agrees to convert the entire Amount Due and Payable into Conversion Shares at the Conversion Price immediately prior to the Effective Time failing which the entire Amount Due and Payable shall automatically convert into Conversion Shares at the Conversion Price without any further action of the Lender or the Borrower.

7. **Reporting Requirements.** The Borrower shall cause to be prepared and delivered to the Lender, in form and substance satisfactory to the Lender, the following:

- (a) no later than three (3) Business Days after the end of each calendar week, a report describing all Accounts Payable and the Accounts Receivable, and the aging thereof; and
- (b) no later than the 25<sup>th</sup> day after the end of each calendar month, internally prepared monthly financial statements on a consolidated basis.

8. **Expenses.** The Borrower shall pay all reasonable and documented attorneys' fees and court costs incurred by Lender in enforcing and collecting this Note. Each party shall bear their own costs and expenses incurred to document the Note, while the Borrower shall bear the costs and expenses related to required regulatory or other filings to protect Lender's security interest and any amendments, modifications or supplements to the Note. Amounts due under this provision, together with the principal and interest and amounts due shall form part of the Obligations.

9. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty:
- (a) upon no less than three Business Days' notice to the Lender prior to the Maturity Date; and
  - (b) upon no less than 10 Business days' notice during the Extended Maturity Date Period.
10. **Setoff.** The Obligations owing under this Note shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
11. **Security.** Payment of all Indebtedness and Obligations owing to Lender under this Note are secured by the Security and any Additional Security. The Lender shall have the right to request Additional Security from time-to-time at its sole discretion. The Borrower shall do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's counsel in renewing or refiling any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.
12. **Warrants.** In connection with the transaction contemplated herein, the Borrower agrees to issue to the Lender 25,000,000 Warrants in the form attached hereto as Schedule "D", such Warrants which shall be "Detachable Warrants" as such term is defined in the policy 4.1 of the TSXV Corporate Finance Manual, and such Warrants shall be issued to the Lender at the time of each Advance, in proportion to the amount of the Advance as compared to the aggregate Principal Amount available to the Borrower hereunder.
13. **Representation and Warranties.** In addition to the representations and warranties set forth in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower represents and warrants to the Lender as follows:
- (a) the Borrower is duly organized, validly existing and in good standing in its jurisdiction of formation. The Borrower has all requisite power and authority to execute and deliver the Note Documents and to perform the obligations hereunder;
  - (b) the execution, delivery and performance by the Borrower of the Note Documents has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Borrower's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Borrower which could result a Material Adverse Effect;
  - (c) this Note has been duly executed by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms,

except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;

- (d) the execution, delivery and performance by the Borrower of the Note Documents does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets, subject only to the filing of requisite forms under applicable securities laws and TSXV approval;
- (e) except as otherwise previously disclosed to the Lender, the Borrower is not in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (f) except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against it at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and it is not in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;
- (g) all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the results of its operations for the periods covered thereby, have been prepared in accordance with generally accepted accounting principles and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or its properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;
- (h) other than as disclosed to the Lender in writing, the Borrower has filed all tax returns which were required to be filed, has paid or made provision for payment of all taxes which are due and payable, and has provided adequate reserves for the payment of any taxes the payment of which is being contested in good faith;
- (i) the Borrower has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (j) the Borrower is in material compliance with all Applicable Laws;
- (k) subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the

Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;

- (l) except as otherwise disclosed to the Lender, no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (m) to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

14. **General Covenants.** In addition to covenants set forth elsewhere in this Note and in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall:

- (a) *Pay and Perform Obligations:* duly and punctually pay all principal, interest, fees and other amounts payable hereunder on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Note Documents;
- (b) *Use of Proceeds:* use the proceeds advanced by the Lender under the Note solely for those purposes set forth in Schedule "C" attached hereto, except where the Borrower has received the prior written consent of the Lender to deviate from such purposes.
- (c) *Maintain Existence:* maintain and preserve its existence and status in its jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower has received the prior written consent of the Lender to carry out such action;
- (d) *Conduct Business:* conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) *Pathway Transaction:* use commercially reasonable efforts to effect the Pathway Transaction in accordance with the Pathway Definitive Agreement prior to the Outside Date;
- (f) *Pay Remittances:* duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (g) *Provide Access:* permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and conditions of confidentiality and during normal business hours;

- (h) *Maintain Security:* ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;
- (i) *Security Registrations:* co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (j) *Give Notice:* promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (iv) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of it in any Collateral which is not a Permitted Lien; and
  - (v) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of it that has or would reasonably be expected to have a Material Adverse Effect,and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (k) *Provide Other Documents:* use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Note and the Security, and any other Note Document.

15. **Negative Covenants.** Without the prior written consent of the Lender or in connection with the Pathway Transaction, the Borrower hereby covenants and agrees that it shall not:

- (a) *Incur Debt:* create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
- (b) *Financial Assistance:* provide financial assistance, guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;

- (c) *Negative Pledge*: create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
- (d) *Material Changes*: liquidate or dissolve, cease to carry on business as now being conducted by it, complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its Constating Documents;
- (e) *Limit Activities*: make any material change in the nature of its business nor take any action that is inconsistent with past practices, or that is not taken in the ordinary course of the normal day-to-day operations of its business, until such time as the Obligations are repaid in full, or with the written consent of the Lender, including any change which would effect the ability of the Lender to convert the Obligations into Conversion Shares;
- (f) *Restrictions on Dispositions*: directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$100,000;
- (g) *Distributions*: declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
- (h) *Change of Control*: permit a change of control or ownership.

16. **Events of Default.** In addition to Events of Default set forth in the other Note Documents and which are applicable to the Borrower, which are expressly incorporated by reference into this Note and form an integral part hereof, the occurrence of any one or more of the following events, other than in connection with the Pathway Transaction, after the expiry of any applicable cure period set out below, shall constitute an "**Event of Default**" under this Note:

- (a) if the Borrower or any of its Affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in any Note Document or in any document executed in connection herewith, in any other future loan or credit facility agreement between the Lender and the Borrower, or in any document executed in connection therewith;
- (b) if the Borrower defaults in payment of any of the Obligations of the Borrower to the Lender when due;
- (c) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Borrower, except as expressly permitted by the Note Documents;
- (d) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Borrower of its business shall be withdrawn or cancelled;
- (e) if any representation or warranty in any Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith, made by the Borrower or any of its Affiliates to the Lender shall be false or inaccurate in any material respect;

- 15 -

- (f) if there is a material default or other failure to perform in any material agreement to which the Borrower is a party or by which the Borrower is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$50,000;
- (g) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, or in any other Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith
- (h) if the Borrower shall:
  - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
  - (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
  - (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
  - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
  - (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (h) or in paragraph (i) below;
- (i) if any petition shall be filed, application be made or other proceeding be instituted by a third party against it:
  - (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
  - (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or

- (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 15 Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against it thereunder in the interim, such grace period shall cease to apply;

- (j) if any of its property having a fair market value in excess of \$100,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$100,000 shall exist or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distrain upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than 15 Business Days;
- (k) if one or more judgments for the payment of money in the aggregate in excess of \$100,000 from time to time, and not substantially covered by insurance, shall become enforceable against it and it shall not have (i) provided for its discharge in accordance with its terms within 15 Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within 15 Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (l) if it denies, to any material extent, its obligations under the Note or claims the Note to be invalid or withdrawn in whole or in part; or any of the Note or any material provision becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;
- (m) if the Security is not enforceable or if it shall dispute or deny any liability or obligation under the Security;
- (n) if the Pathway LOI is terminated (other than by reason of entering into the Pathway Definitive Agreement) or expires, if the Pathway Definitive Agreement is terminated, or if the Pathway Transaction does not close on or before the Outside Date; or
- (o) if a Material Adverse Effect has occurred.

17. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Borrower under this Note shall at the Lender's option and without notice become immediately due and payable without presentment, demand, protest or notice of

dishonor, all of which are hereby expressly waived by the Borrower; and (b) the Lender shall have all rights, powers and remedies available under the Note Documents, or accorded by Applicable Law, including the right to resort to any or all Collateral for any Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all Applicable Law. All rights, powers and remedies of the Lender may be exercised at any time by the Lender and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

18. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Borrower:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Lender:

HEAL Global Holdings Corp.  
12<sup>th</sup> Floor Banker's Court  
850, 2 Street SW  
Calgary, AB T2P 0R8

Attention: Mr. Michael Steele, Chief Executive Officer  
E-mail: [steeleconsult@aol.com](mailto:steeleconsult@aol.com)

With a copy to (which shall not constitute legal notice):

Dentons Canada LLP  
12<sup>th</sup> Floor Banker's Court  
850, 2 Street SW  
Calgary, AB T2P 0R8

Attention: James O'Sullivan  
E-mail : [james.osullivan@dentons.com](mailto:james.osullivan@dentons.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the

fifth business day following the date of mailing provided that, in the event of an interruption in postal services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

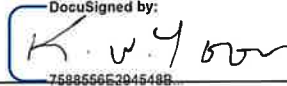
19. **Waiver.** Borrower hereby waives demand, notice, presentment, protest and notice of dishonor.
20. **Severability.** Any provision of this Note or the Security which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Note fail to provide for any relevant matter, the validity, legality or enforceability of this note shall not hereby be affected
21. **Further Assurances.** The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Note Documents.
22. **Time of the Essence.** Time shall be of the essence in the Note Documents.
23. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Alberta, as applied to agreements among Alberta residents, made and to be performed entirely within the Province of Alberta, without giving effect to conflicts of laws principles.
24. **Indemnification.** The Borrower shall indemnify the Lender against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Lender may sustain or incur as a consequence of any misrepresentation contained in any writing from the Borrower delivered to the Lender in connection with this Note, or from any default in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in the Note Documents.
25. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Borrower and Lender and the prior approval of the TSXV. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them.
26. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may not be transferred or assigned by Lender to any person other than ADH without Borrower's prior written consent provided ADH executes and delivers a counterpart to this Note pursuant to which it agrees to be bound by the terms hereof. No such assignment shall relieve the Lender of its obligations hereunder. Interest and principal shall be paid solely to Lender or such permitted assign. Such payment shall constitute full discharge of Borrower's obligation to pay such interest and principal. Borrower may not at any time assign any of its rights or its obligations under this Note.

*[Signature Page Follows]*

- 19 -

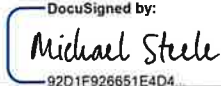
IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By:  DocuSigned by:  
7598556E304548B

Name: Ken Yoon  
Title: Chief Executive Officer

**HEAL GLOBAL HOLDINGS CORP.**

By:  DocuSigned by:  
92D1F926551E4D4

Name: Michael Steele  
Title: Chief Executive Officer

[illegible]

**SCHEDULE "B"**

**PAYMENT INSTRUCTIONS**

Beneficiary: Dentons Canada LLP

Address: 850 2nd Street SW, Calgary AB T2P 0R8

Beneficiary Bank: Bank of Montreal

Bank Address: 595 8th Avenue SW, Calgary AB T2P 1G1

Swift Code: BOFMCAM2

Bank Code: 001

Branch / Transit: 25159-001

Account Number: 1037-813

Memo reference: 592347-000001

**SCHEDULE "C"****USE OF PROCEEDS**

<b>DOF / 2023</b>	<b>Initial date</b>	<b>February</b>	<b>March</b>	<b>Total</b>
Working capital (including aging payables)	277,000	173,000	50,000	500,000
Transaction costs and professional fees (audit, legal, other professional fees)	148,000	125,000	85,000	358,000
Growth/ Expansion/ Integration Projects				
- IRP Clinics (BC)		30,000		30,000
- Growth in existing clinics		117,000	50,000	167,000
- Medical cannabis /ecommerce project	75,000	55,000	65,000	195,000
				0
<b>TOTAL</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 250,000</b>	<b>\$1,250,000</b>

**SCHEDULE "D"**

**FORM OF WARRANT**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE [●], 2023.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED BY 5:00 P.M. (CALGARY TIME), ON FEBRUARY [●], 2024 OR SUCH EARLIER DATE AS PROVIDED HEREIN, AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT.

Number of Warrants: 25,000,000

Issue Date: February [●], 2023

Certificate No: W-1

Expiry Date: February [●], 2024

#### **WARRANT CERTIFICATE**

#### **PATHWAY HEALTH CORP.**

For value received pursuant to the Pathway Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HEAL Global Holdings Corp. ("HEAL"), 12th Floor Banker's Court, 850, 2 Street SW Calgary, AB T2P 0R8 (HEAL, and any transferee from time to time pursuant to a transfer made in accordance with the terms hereof, the "Holder") is the registered holder of that number of warrants (the "Warrants") of Pathway Health Corp. ("Pathway" or the "Corporation") as set forth above.

1. **Glossary.** Unless otherwise defined herein, the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

- (a) "1933 Act" has the meaning ascribed thereto in Section 14;
- (b) "Affiliate" means an affiliate as defined in the *Business Corporations Act* (Alberta);
- (c) "Business Day" means any day other than a Saturday or Sunday or a day that is a statutory or civic holiday or day on which banking institutions are closed in the City of Calgary, Alberta;
- (d) "Capital Reorganization" has the meaning ascribed thereto in Section 10(d);
- (e) "Corporation" has the meaning ascribed thereto on the face page of this Warrant certificate;
- (f) "Current Market Price" means, at any date, the weighted average sale price per Share (or any other security in respect of which a determination of Current Market Price is being made) on the principal stock exchange or over-the-counter market on which the Shares (or any other security in respect of which a determination of Current Market Price is being made) are listed or posted for trading, or such other stock exchange on which the Shares (or any other security in respect of which a determination of Current Market Price is being made) may then be listed, during the 20

consecutive Trading Days prior to the date on which the Current Market Price must be determined; provided that the weighted average sale price will be determined by dividing the aggregate sale price of all Shares (or any other security in respect of which a determination of Current Market Price is being made) sold on such exchange or market, as the case may be, during such 20 consecutive Trading Days by the total number of Shares (or any other security in respect of which a determination of Current Market Price is being made) so sold; and provided further that if the Shares (or any other security in respect of which a determination of Current Market Price is being made) are not then listed on any stock exchange or over-the-counter market, then the Current Market Price will be determined by an independent third party valuator selected by the directors of the Corporation, acting reasonably and in good faith, such valuator to be a nationally recognized investment banking firm having appropriate valuation experience and who is independent of both parties and their respective Affiliates, which determination shall be conclusive (absent manifest error); and provided further that if the Shares (or any other security in respect of which a determination of Current Market Price is being made) are listed on more than one stock exchange or quotation system, the Current Market Price shall be calculated based on the stock exchange or quotation system on which the volume of transactions for the Shares (or any other security in respect of which a determination of Current Market Price is being made) was the highest during such 20 consecutive Trading Days;

- (g) **“Equity Shares”** means the Shares and shares of any other class or series of the Corporation which may from time to time be authorized for issue if by their terms such shares confer on the holders hereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation beyond a fixed sum or a fixed sum plus accrued dividends;
- (h) **“Exemption”** has the meaning ascribed thereto in Section 14;
- (i) **“Exercise Price”** means CAD \$0.05 per Share as may be adjusted pursuant to Section 10, Section 11 and (or) Section 12;
- (j) **“Expiry Date”** means February [●], 2024;
- (k) **“Expiry Time”** means 5:00 pm (Calgary time) on the Expiry Date;
- (l) **“Holder”** has the meaning ascribed thereto on the face page of this Warrant certificate;
- (m) **“Issue Date”** means February [●], 2023;
- (n) **“Pathway Note”** means the Secured Convertible Promissory Grid Note dated February 3, 2023 issued by Pathway as borrower to HEAL as lender thereunder;
- (o) **“Register”** has the meaning ascribed thereto in Section 5;
- (p) **“Reporting Jurisdictions”** has the meaning ascribed thereto in Section 17(c);
- (q) **“Rights Offering”** has the meaning ascribed thereto in Section 10(b);
- (r) **“Rights Period”** has the meaning ascribed thereto in Section 10(b);
- (s) **“Share”** has the meaning ascribed thereto in Section 2;
- (t) **“Share Reorganization”** has the meaning ascribed thereto in Section 10(a);
- (u) **“Special Distribution”** has the meaning ascribed thereto in Section 10(c);

- (v) **“successor corporation”** has the meaning ascribed thereto in Section 12(a);
- (w) **“Trading Day”** means a day on which the TSXV is open for trading;
- (x) **“TSXV”** means the TSX Venture Exchange; and
- (y) **“Warrants”** has the meaning ascribed thereto on the face page of this Warrant certificate.

2. **Warrants.** Each Warrant shall entitle the Holder to purchase one common share in the capital of the Corporation as constituted on the Issue Date (each, a **“Share”**) at the Exercise Price at any time prior to the Expiry Time.

3. **Transferable.** All or any portion of the Warrants represented by this Warrant certificate may be transferred upon written notice by the Holder to the Corporation in the form attached as Schedule “C” hereto duly completed and executed. Transfer of the Warrants shall be subject to the receipt of such documentation from the Holder and the transferee(s) as may be required by applicable laws, including securities laws and stock exchange rules.

4. **Warrants Exercise Procedure.** The Warrants represented by this Warrant certificate may be exercised by the Holder in whole or in part at any time prior to the Expiry Time by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 20(g) hereof together with a subscription form in the form attached as Schedule “A” hereto duly completed and executed, such additional documents as may be contemplated thereby, and a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation or by wire transfer as directed by the Corporation, subject to the cashless exercise provisions of this Warrant certificate.

5. **Register of Warrantholders.** The Corporation shall cause a register (the **“Register”**) to be kept in which shall be entered the name and address of the Holder of the Warrants and the number of Warrants held. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

6. **Partial Exercise.** The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant certificate prior to the Expiry Time, the Corporation shall issue a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.

7. **Cashless Exercise.** The Holder may, in lieu of delivering cash to exercise such Warrants, elect to receive such number of Shares as is equal to quotient obtained by the following formula:

$$X = \frac{Y(A-B)}{A}$$

where

X = the number of Shares to be issued to the Holder upon exercise of Warrants pursuant to this Section 7;

Y = the number of Warrants being exercised;

A = the Current Market Price; and

B = the Exercise Price (as adjusted to the date of such calculation).

8. **Delivery of Shares.** Within three Business Days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment noted in, Section 4, the Corporation will deliver a certificate(s) representing the Shares subscribed for and purchased by the Holder hereunder, and a replacement Warrant certificate, if any.

9. **No Rights of Shareholders.** Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.

10. **Adjustment to Exercise Price.** The Exercise Price in effect at any time the Warrants remain outstanding is subject to adjustment from time to time in the events and in the manner provided as follows:

(a) **Share Reorganizations**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation:

- (i) fixes a record date for the issue of, or issues, Shares or securities exchangeable or exercisable for or convertible into Shares to all or substantially all the holders of all or substantially all of the outstanding Shares as a stock dividend, or
- (ii) fixes a record date for the distribution to, or makes a distribution to, the holders of all or substantially all of the outstanding Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares, or
- (iii) subdivides, re-divides or changes its outstanding Shares into a greater number of Shares, or reduces, combines or consolidates its outstanding Shares into a smaller number of Shares,

(each such event a “**Share Reorganization**”), then, in each such event, the Exercise Price will be adjusted effective immediately on the earlier of the effective date or record date for the happening of a Share Reorganization, as the case may be, by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which is the number of Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Share Reorganization and the denominator of which is the number of Shares outstanding immediately after giving effect to such Share Reorganization (including, in the case where securities exchangeable or exercisable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had all such securities been exchanged, exercised or converted into Shares on such effective date or record date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 10(a)(i) or Section 10(a)(ii) as a result of the fixing by the Corporation of a record date in respect of a stock dividend or distribution specified in such sections, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry. To the extent the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of a subdivision or consolidation or reduction, combination or consolidation, as the case may be, then upon the exercise of such right thereafter, the Holder shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Section 10(a), the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) **Rights Offerings**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation fixes a record date for the issue or distribution of rights, options or warrants to the

holders of all or substantially all of its outstanding Shares under which such holders are entitled to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares, where:

- (i) the right to subscribe for or purchase Shares, or the right to exchange securities for or convert securities into Shares, expires not more than 90 days after the record date of such issuance (the period from the record date to such date of expiry, the "**Rights Period**"), and
- (ii) the subscription or purchase price per Share during the Rights Period (or, in the case of securities exchangeable or exercisable for or convertible into Shares, the exchange, exercise or conversion price per Share) is less than 95% percent of the Current Market Price of the Shares on the record date,

(each such event a "**Rights Offering**"), then the Exercise Price will be adjusted effective immediately after the record date for such Rights Offering to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which is the aggregate of:
  - (A) the number of Shares outstanding as of the record date for the Rights Offering; and
  - (B) a number determined by dividing either:
    - (1) where the event giving rise to the application of this Section 10(b) was the issue or distribution of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase additional Shares, the product of the maximum number of Shares so offered and the subscription or purchase price per Share at which such Shares are offered, or
    - (2) where the event giving rise to the application of this Section 10(b) was the issue or distribution of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase securities exchangeable or exercisable for or convertible into Shares, the product of the exchange, exercise or conversion price per security of the securities so offered and the maximum number of Shares for or into which the securities so offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be,by the Current Market Price of the Shares as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and including the number of Shares offered pursuant to the Rights Offering (including, in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares for or into which such securities may be exchanged, exercised or converted).

Any Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation will be deemed not to be outstanding for the purpose of any such computation.

If by the terms of the rights, options or warrants referred to in this Section 10, there is more than one subscription, purchase, conversion, exercise or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion, exercise or exchange price of the convertible securities exchangeable so offered, will be calculated for purposes of the adjustment on the basis of (a) the lowest subscription, purchase, conversion, exercise or exchange price per Share, as the case may be, if such price is applicable to all Shares which are subject to the rights, options or warrants, and (b) the average subscription, purchase, conversion, exercise or exchange price per Share, as the case may be, if the applicable price is determined by reference to the number of Shares acquired.

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 10 as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in this Section 10, the Exercise Price will be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right. To the extent that such Rights Offering is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

- (c) **Special Distributions**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation fixes a record date for the issue or the distribution to the holders of all or substantially all its Shares of:

- (i) shares of the Corporation of any class other than Shares;
- (ii) rights, options or warrants to acquire shares of any class of the Corporation or securities exchangeable for or convertible into shares of any class of the Corporation or property or other assets of the Corporation;
- (iii) evidence of indebtedness of the Corporation; or
- (iv) any property or other assets of the Corporation,

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such event, other than a Share Reorganization or a Rights Offering, a “**Special Distribution**”), the Exercise Price will be adjusted effective immediately after such record date to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which is:
  - (A) the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date; less
  - (B) the aggregate fair market value (as determined by action of the directors of the Corporation, and subject to the approval of any stock exchange on which the Shares may then be listed, where required) to the holders of the Shares of such securities, indebtedness or property or other assets so issued or distributed in the Special Distribution; and
- (ii) the denominator of which is the number of Shares outstanding on such record date multiplied by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation will be deemed not to be outstanding for the purpose of any such computation. To the

extent that such Special Distribution is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) ***Adjustment to Exercisable Securities based on Capital Reorganizations***—If and whenever at any time after the date hereof and prior to the Expiry Date there is:

- (i) a reclassification or redesignation of the Shares outstanding at any time or change of the Shares into other shares or other securities or that results in the Shares ceasing to exist or any other capital reorganization, including an arrangement;
- (ii) a consolidation, amalgamation or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding Shares or a change of the Shares into other shares); or
- (iii) a transfer of the undertaking, property, or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity;

(each such event, a “**Capital Reorganization**”), the Warrants shall remain outstanding and the Holder, upon exercising any of the Warrants after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Shares to which such Holder was theretofore entitled upon such exercise, the aggregate number of shares or other securities or other property (including cash) which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which such Holder was theretofore entitled upon exercise of such Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments will be made in the application of the provisions set forth in this Section 10 with respect to the rights and interests thereafter of the Holder such that the provisions set forth in this Section 10 will thereafter be applicable in a like manner to any shares, other securities or other property thereafter deliverable upon the exercise hereof.

(e) ***Adjustment to Exercisable Shares on Certain Events***—If at any time after the date hereof and prior to the Expiry Date any adjustment in the Exercise Price shall occur as a result of:

- (i) an event referred to in Section 10(a);
- (ii) the fixing by the Corporation of a record date for a Rights Offering referred to in Section 10(b); or
- (iii) the fixing by the Corporation of a record date for a Special Distribution referred to in Section 10(c) if such event constitutes the issue or distribution of Equity Shares, or securities exchangeable for or convertible into Equity Shares at an exchange or conversion price per Equity Share less than the Current Market Price on such record date or rights, options or warrants to acquire Equity Shares at an exercise, exchange or conversion price per Equity Share less than the Current Market Price on such record date,

then, the number of Shares issuable upon the subsequent exercise of any of the Warrants shall be simultaneously adjusted by multiplying the number of Shares issuable upon the exercise of a Warrant immediately prior to such adjustment by a fraction which shall be the reciprocal of the applicable fraction employed in the adjustment of the Exercise Price pursuant to Section 10(a), Section 10(b) or Section 10(c), as applicable. To the extent any adjustment in subscription rights occurs pursuant to this Section 10(e) as a result of a distribution of exchangeable, exercisable or convertible securities referred to in Section 10(a) or as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in Section 10(b), the

number of Shares issuable upon exercise of a Warrant shall be readjusted immediately after the expiration of any relevant exchange, exercise or conversion right to the number of Shares which would be issuable based upon the number of Shares actually issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right. To the extent that any adjustment in subscription rights occurs pursuant to this Section 10(e) as a result of the fixing by the Corporation of a record date for the distribution of exchangeable, exercisable or convertible securities or rights, options or warrants referred to in Section 10(c), the number of Shares issuable upon exercise of a Warrant shall be readjusted immediately after the expiration of any relevant exchange, exercise or conversion right to the number which would be issuable pursuant to this Section 10(e) if the fair market value of such securities or such rights, options or warrants had been determined for purposes of the adjustment pursuant to this Section 10(e) on the basis of the number of Shares issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right.

11. **Rules Regarding Calculation of Adjustment of Exercise Price.** The following rules shall apply to the calculation of adjustment of the Exercise Price:

- (a) If more than one subsection of Section 10 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of Section 10 so as to result in duplication.
- (b) The adjustments provided for in Section 10 are cumulative and will apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such section and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 11.
- (c) If at any time a dispute arises with respect to adjustments provided for in Section 10, such dispute will be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other independent firm of chartered accountants as may be selected by action of the directors of the Corporation and any such determination, where required, will be binding upon the Corporation, the Holder and shareholders of the Corporation, absent manifest error. The Corporation will provide such auditors or accountants with access to all necessary records of the Corporation.
- (d) In case the Corporation after the date hereof takes any action affecting the Shares, other than action described in Section 10, which would reasonably be expected to materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Corporation, acting reasonably, but subject in all cases to the approval of any stock exchange on which the Shares may then be listed, where required, and any necessary regulatory approval.
- (e) If the Corporation sets a record date to determine the holders of the Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.
- (f) In the absence of a resolution of the directors of the Corporation fixing a record date for a Special Distribution or Rights Offering, the Corporation will, for the purposes of this Warrant certificate, be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

- (g) As a condition precedent to the taking of any action which would require any adjustment to this Warrant certificate, including the Exercise Price, the Corporation shall take such corporate action as may be necessary in order that the Corporation will have unissued and reserved in its authorized capital, and may validly and legally issue as fully paid and non-assessable, such shares or other securities which the Holder is then entitled to receive on the full exercise thereof in accordance with the provisions hereof.
- (h) The Corporation will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 10, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.
- (i) The Corporation covenants to and in favour of the Holder that, so long as this Warrant certificate remains outstanding, it will give notice to the Holder of its intention to fix a record date for any event referred to in Section 10 and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation is only required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 21 days (or such fewer number of days as the Holder may accept) prior to each such applicable record date or effective date.

12. **Consolidation and Amalgamation.**

- (a) In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a “**successor corporation**”) whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation, and forthwith following the occurrence of such event the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation) shall expressly assume, by supplemental certificate satisfactory in form to the Holder, acting reasonably, and executed and delivered to the Holder, the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and the securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate.
- (b) Whenever the conditions of Section 12(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the directors or officers of the successor corporation.

13. **Warrants for Fractions of Shares.** To the extent that the Holder is entitled to receive on the exercise or partial exercise hereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate entitle the Holder to receive a whole number of Shares.

14. **Legending of Shares.** The Warrants have been, and Shares issued upon exercise of the Warrants will be, issued pursuant to an exemption from the prospectus requirements of applicable securities law set forth in National Instrument 45-106 *Prospectus Exemptions* (an “**Exemption**”). The Shares issued upon exercise of the Warrants may, to the extent required pursuant to the applicable Exemption, be subject to restrictions on resale and transferability contained in applicable securities laws and the certificate or certificates representing such Shares shall, to the extent required, be impressed with a legend in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE \_\_\_\_, 2023.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS AND A DAY AFTER JUNE \_\_\_\_, 2023.

The Warrants and the Shares issuable upon exercise hereof have not been registered under the United States *Securities Act of 1933*, as amended (the “1933 Act”), or the securities laws of any state of the United States. Accordingly, the Warrants and the Shares issuable upon exercise hereof may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the applicable securities laws of all applicable states or available exemption therefrom. The Warrants may not be exercised by or on behalf of a U.S. person or person in the United States unless the Warrants and the Shares issuable upon exercise of the Warrants have been registered under the 1933 Act and the applicable securities legislation of any such state or an exemption from such registration requirements is available. “United States” and “U.S. person” are as defined by Regulation S under the 1933 Act.

The Holder hereby agrees and consents by acceptance hereof that all certificates representing Shares acquired upon exercise of the Warrants by, or for the account or benefit of, U.S. persons or persons in the United States shall have the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.

provided that, if the Shares are being sold under clause (B) above, the legend set forth above may be removed by providing a declaration to the Corporation and its registrar and transfer agent in the form attached hereto as Schedule “B” or such other evidence of exemption as the Corporation or its registrar and transfer agent may from time to time prescribe (which may include an opinion satisfactory to the Corporation and its registrar and transfer agent), to the effect that the sale of the Shares is being made in compliance with Rule 904 of Regulation S under the 1933 Act; provided further that, if any of the Shares are being sold pursuant to Rule 144 of the 1933 Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws.

15. **Change; Waiver.** Subject to the receipt of any necessary approval of the TSXV, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

16. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to exercise Warrants or the Corporation to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

17. **Covenants.**

- (a) The Corporation covenants that (i) so long as any Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares available for purchase and issuance under outstanding Warrants, and (ii) all Shares issued upon the due exercise of the Holder's right to purchase pursuant to the provisions hereof, shall be issued as fully paid and non-assessable common shares in the capital of the Corporation and, in respect of the Corporation, free of all liens, charges and encumbrances.
- (b) The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.
- (c) The Corporation shall use commercially reasonable efforts to maintain the listing of its Shares on the TSXV or such other recognized stock exchange and its status as a reporting issuer not in default or the equivalent under the securities legislation of each of the jurisdictions in which it is a reporting issuer or the equivalent as of the date hereof (the "**Reporting Jurisdictions**") up to and including the Expiry Date, provided the foregoing shall not, in any manner, preclude the Corporation from pursuing or completing a transaction that would result in the delisting of the Shares from the TSXV or ceasing to be a reporting issuer or the equivalent in each of the Reporting Jurisdictions where the board of directors of the Corporation, acting in good faith and in accordance with applicable laws, determines that such a transaction is in the best interests of the Corporation.
- (d) If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Shares which the Holder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.

18. **Representations and Warranties.**

The Corporation hereby represents and warrants to the Holder as follows:

- (a) the Corporation is duly authorized and has the corporate power and authority to create and issue this Warrant certificate and the Shares issuable upon the exercise hereof and perform its obligations hereunder, and this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;
- (b) the Corporation has applied to the TSXV to list the Shares issuable upon the exercise of the Warrants, subject to TSXV approval in respect thereof.

19. **Lost Certificate.** If this Warrant certificate is stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

20. **General.**

- (a) The headings in this Warrant certificate are for reference only and do not constitute terms of the Warrant certificate.
- (b) Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- (c) This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Time shall be of the essence of this Warrant certificate.
- (e) This Warrant shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta, with respect to any dispute related to or arising from this Warrant certificate.
- (f) All references herein to monetary amounts are references to lawful money of Canada.
- (g) All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or electronic mail; and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic mail, on the date of transmission if sent before 5:00 p.m. (Calgary time) on a Business Day or, if such day is not a Business Day, on the first Business Day following the date of transmission.

Notices to the Holder shall be addressed to the address of the Holder set out in this Warrant certificate.

Notices to the Corporation shall be addressed to:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

***[REMAINDER OF PAGE INTENTIONALLY BLANK – EXECUTION PAGE FOLLOWS]***

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer effective as of the Issue Date.

**PATHWAY HEALTH CORP.**

By: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE "A"****WARRANT CERTIFICATE SUBSCRIPTION FORM**

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attn: Chief Executive Officer

Dear Sirs/Mesdames:

The undersigned hereby subscribes for \_\_\_\_\_ common shares (the "**Shares**") of Pathway Health Corp. (the "**Corporation**") upon the exercise of the corresponding number of Warrants referred to in the Warrant certificate attached hereto according to the terms and conditions thereof as follows (please check **ONE** applicable box):

This Subscription Form is accompanied by a certified cheque or bank draft payable to or to the order of the Corporation or by wire transfer as directed by the Corporation for the whole amount of the exercise price of the Shares.	<input type="checkbox"/>
The Warrants are being exercised pursuant to the cashless exercise provisions set forth in Section 7 of the Warrant certificate.	<input type="checkbox"/>

In connection with the exercise of the Warrants as set forth herein, the undersigned represents as follows (please check the **ONE** box applicable):

- ☐ 1. The undersigned (i) at the time of exercise is not a U.S. person, (ii) at the time of exercise is not within the United States, (iii) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States, and (iv) did not execute or deliver this Subscription Form in the United States.
- ☐ 2. The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"1933 Act" means the United States *Securities Act of 1933*, as amended. "U.S. person" and "United States" are as defined by Regulation S under the 1933 Act.

Certificates representing Shares issued upon exercise of the Warrants hereto will not be registered or delivered to an address in the United States unless Box 2 is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares issued upon exercise of Warrants hereto pursuant to Box 2 above will bear a U.S. restrictive legend.

If any Warrants represented by this Warrant certificate are not being exercised, a new Warrant certificate evidencing the Warrants that remain outstanding will be issued and delivered with the Share certificate(s).

Please issue and deliver a certificate for the Shares being purchased as follows:

NAME: \_\_\_\_\_  
(please print)

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DELIVERY \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**INSTRUCTIONS:**

1. The registered holder of a Warrant may exercise its right to acquire Shares by completing and surrendering to the Corporation this Subscription Form and the ORIGINAL Warrant certificate representing the Warrants being exercised, subject to Section 7 of the Warrant certificate, together with the aggregate amount of the exercise price for the Shares as provided for in the Warrant certificate. Certificates representing the Shares acquired on exercise of such Warrants will be sent by prepaid first class mail to the address(es) above within three business days after the receipt of all required documentation, subject to the terms of the Warrant certificate.
2. If this Subscription Form indicates that the Shares are to be issued to a person or persons other than the registered holder of the Warrants exercised: (i) the signature of the registered holder on this Subscription Form must be medallion guaranteed by an authorized officer of a chartered bank, trust Corporation or an investment dealer who is a member of a recognized stock exchange, and (ii) the registered holder must pay to the Corporation all applicable taxes and other duties.
3. If this Subscription Form is signed by a trustee, executor, administrator, custodian, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, this Subscription Form must be accompanied by evidence of authority to sign satisfactory to the Corporation.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Signature of Witness  
[Please Note Instruction 2]

\_\_\_\_\_  
Signature of registered holder or Signatory thereof

\_\_\_\_\_  
Print name of Witness

\_\_\_\_\_  
If applicable, print Name and Office of Signatory

\_\_\_\_\_  
Print Name of registered holder as on certificate

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, Province/State and Postal/ZIP Code

**SCHEDULE "B"**

**FORM OF DECLARATION FOR REMOVAL OF U.S. LEGEND**

To: The Registrar and Transfer Agent for the Common Shares of Pathway Health Corp. (the "**Corporation**").

And To: The Corporation

The undersigned (a) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States *Securities Act of 1933*, as amended (the "**1933 Act**") and (b) certifies that (1) the undersigned is not an "affiliate" of the Corporation (as that term is defined in Rule 405 under the 1933 Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the TSXV and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities of the Corporation and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

\_\_\_\_\_  
Date

X \_\_\_\_\_  
Signature of individual (if Holder is an individual)

\_\_\_\_\_  
Name of Holder (please print)

X \_\_\_\_\_  
Authorized signatory (if Holder is not an individual)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory (please print)

**SCHEDULE "C"****WARRANT TRANSFER FORM**

FOR VALUE RECEIVED, the undersigned registered owner of the Warrants evidenced by Warrant Certificate No. W-1 (the "**Warrant Certificate**") of Pathway Health Corp. (the "**Corporation**") hereby sells, assigns and transfers unto the transferee (the "**Transferee**") named below all of the right, title and interest of the undersigned to the Warrants set forth in the Warrant Certificate (and otherwise) including, without limitation, all rights to exercise the Warrants to purchase the number of Shares (as defined in the Warrant Certificate) set forth below:

Name of Transferee	Address	No. of Shares

and does hereby irrevocably constitute and appoint \_\_\_\_\_ to make such transfer on the books of the Corporation maintained for the purpose, with full power of substitution in the premises.

The Transferee is not a "U.S. person" as defined in Regulation S under the Securities Act of 1933, as amended (the "**1933 Act**") or purchasing to or for the account or benefit of a U.S. person.

The undersigned, by execution of this transfer form, represents and warrants, and the Transferee, by receipt of a Warrant certificate evidencing the Warrants transferred to the Transferee, shall be deemed to have represented and warranted, that the Transferee acknowledges and agrees that (i) the Warrants and the Shares to be issued upon exercise of the Warrants are being acquired for investment only; (ii) the Transferee will not offer, sell, transfer or otherwise dispose of any such Warrants and/or Shares issued upon exercise of the Warrants except under circumstances that will not result in a violation of the 1933 Act, or any state securities laws; and (iii) upon exercise of the Warrants, the Transferee shall, if requested by the Corporation, confirm in writing, in a form satisfactory to the Corporation, that the Shares so purchased upon such exercise are being acquired for investment only and not with a view to distribution or resale.

\_\_\_\_\_  
Date

**X** \_\_\_\_\_

Authorized signatory (if Holder is not an individual)

**X** \_\_\_\_\_

Signature of individual (if Holder is an individual)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Name of Holder (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory  
(**please print**)

The signatures on this transfer form must correspond with the name as written upon the face of the Warrant Certificate, in every particular, without alteration or enlargement, or any change whatsoever, and must be guaranteed by a Canadian chartered bank or eligible guarantor institution with membership in an approved signature medallion program.

**THIS IS EXHIBIT "M"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**

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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

## GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 3rd day of February, 2023

BY:

**PATHWAY HEALTH CORP.** (together with its successors and assigns, the "**Debtor**")

IN FAVOUR OF:

**HEAL GLOBAL HOLDINGS CORP.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Debtor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Debtor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a secured convertible promissory grid note issued on the date hereof to the Secured Party by the Debtor, as may be amended from time to time (the "**Promissory Note**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Alberta, this Security Agreement is governed by the *Personal Property Security Act* (Alberta) and insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (in each case the "**Act**", as the case may be). Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed thereto in the Promissory Note or the Joint Facility Agreement, as the case may be.

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Debtor hereby:
  - (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
  - (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
  - (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets

referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;

- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, clinical and treatment protocols, trade secrets and other confidential information and all know-how obtained, developed or used by the Debtor or contemplated at any time for use by the Debtor;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Debtor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

### **C. LOCATION OF COLLATERAL**

3. The Debtor hereby represents and warrants to the Secured Party that all Collateral material to the Debtor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

16 Four Seasons Place, Suite 203A, Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Provinces of Ontario is on the date hereof primarily situate or located at the locations set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Debtor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing, clinic or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Debtor.

5. Debtor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:
- (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Debtor; and the execution, delivery and performance of this Security Agreement by the Debtor are within its corporate powers and have been duly authorized by all necessary corporate action of the Debtor; and
  - (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Debtor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Debtor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Debtor is party or by which it is bound.
6. Debtor further represents and warrants to the Secured Party that on the date hereof:
- (a) it has rights in the Collateral and other than Permitted Encumbrances the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Debtor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
  - (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
  - (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

**D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

**E. AGREEMENTS OF THE DEBTOR**

8. The Debtor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Debtor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Debtor has rights in such Collateral.
9. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
- (a) it will not, without the prior written consent of the Secured Party:

- (i) create, issue, transfer, or assign any new debt securities of the Debtor but, notwithstanding the foregoing, the Debtor may issue new debt securities without consent of the Secured Party, provided that the proceeds are used, at least in part, to satisfy and fully pay the Obligations outstanding;
  - (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary course of the Debtor's business and as would not have a material adverse effect on Debtor, its ability to pay the Obligations or the interests of the Secured Party hereunder;
  - (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or Canada without prior written notice to the Secured Party; or
  - (v) change its name without notifying the Secured Party in writing.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, or as contemplated by the Pathway Definitive Agreement or the Pathway LOI (until such time as it is superseded by the Pathway Definitive Agreement), it will:
- (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Debtor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Debtor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Debtor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Debtor relating to the Collateral or any policy issued to the Debtor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever reasonably necessary, either in person or by agent, enter upon the Debtor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;

- (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party such financial information as required by the Promissory Note;
- (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;
- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Debtor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Debtor, including without limitation any change in the Debtor's registered office address, the Debtor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Debtor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Debtor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Debtor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the

Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;

- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same may become due and payable;
- (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
- (xv) carry on and conduct the business of the Debtor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Debtors' business as well as accurate and complete records concerning the Collateral;
- (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
  - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
  - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
  - C. all financial statements prepared by or for Debtor regarding Debtor's business,
  - D. all policies and certificates of insurance relating to the Collateral, and
  - E. such information concerning Collateral, Debtor and Debtor's business and affairs as the Secured Party may reasonably request;
- (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
- (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
- (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Debtor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.

10. The Debtor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better

mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.

11. Subject to compliance with the Debtor's covenants contained herein, the Debtor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor.

#### **F. DEFAULT**

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable upon the occurrence of any Event of Default, as such term is defined in the Promissory Note (for the purposes of this Security Agreement, each, an "**Event of Default**").
13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Debtor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:
  - (a) entry;
  - (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party may remove any receiver or receivers so appointed and appoint another or others in his or their stead);
  - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
  - (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
  - (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
  - (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or

- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Debtor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Debtor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Debtor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Debtor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Debtor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the reasonable and documented fees and expenses of any receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments or other proceeds of the Collateral received by the Debtor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Debtor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Debtor receives any such money or proceeds without any request by it, the Debtor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Debtor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Debtor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
19. The Debtor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other persons and securities as the Secured Party may see fit.
21. Nothing herein shall obligate the Secured Party to extend any credit to the Debtor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility

with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

#### **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Debtor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Debtor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor, the Secured Party shall, upon request in writing by the Debtor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Alberta. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Debtor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.
28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding on the Debtor, its successors and permitted assigns.
31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Promissory Note. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Debtor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Debtor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its"

and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.
34. To the extent of any conflict between the provisions of this Security Agreement and the provisions of the Promissory Note, the provisions of the Promissory Note shall govern.

**K. INDEMNIFICATION**

35. The Debtor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Debtor, or to enforce any provisions of any accounts, the Debtor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documented expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Debtor.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor and the Secured Party as of the date first written above.

**DEBTOR:**

**PATHWAY HEALTH CORP.**

By: \_\_\_\_\_

Name: Ken Yoon

Title: Chief Executive Officer

**SECURED PARTY**

**HEAL GLOBAL HOLDINGS CORP.**

By: \_\_\_\_\_

Name: Michael A . Steele

Title: Chief Executive Officer

**THIS IS EXHIBIT "N"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

# PATHWAY HEALTH CORP. ANNOUNCES RESIGNATION OF MANAGEMENT TEAM AND BOARD OF DIRECTORS



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NEWS PROVIDED BY  
**Pathway Health Corp. →**  
28 Jul, 2023, 09:29 ET

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CALGARY, AB, July 28, 2023 /CNW/ - Pathway Health Corp. (TSXV: PHC) ("**Pathway**" or the "**Corporation**") today announces the resignation of the executive management team and board of directors of the Corporation and each of its subsidiaries.

The Corporation has been advised that its senior secured lender will not provide additional financing to support any ongoing operations, and Pathway has been unable to secure funding from other sources. The Corporation is unable to support its operations due to the lack of ability to produce sufficient revenue or raise capital to support its operations and maintain compliance with its current obligations. All employees of the Corporation and its subsidiaries have been terminated.

At this time, Kenneth Howling, Alison Wright, Dr. Rakesh Jetly, Mark Goldhar and Ken Yoon have resigned from their positions as board members of Pathway and from board and management positions at certain of Pathway's subsidiaries, as applicable. Additionally, Ken Yoon - Chief Executive Officer, Aura Balboa - Chief Financial Officer, Kim Wei - Chief Commercial Officer and Pram Sandhu - Vice President, Pharmacy Programs and Regulatory

Attairs have resigned as executives of the Corporation and from board and management positions of Pathway's subsidiaries. Marc Wagner has also resigned from his respective director and officer position at another Pathway subsidiary.

Following these resignations, the Corporation and its subsidiaries have no remaining directors or officers.

***Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this Press Release. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.***

SOURCE Pathway Health Corp.

For further information: Pathway Health Corp., Email: [investor-relations@pathwayhealth.ca](mailto:investor-relations@pathwayhealth.ca)

**THIS IS EXHIBIT "O"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**  
**Sworn before me this 9<sup>th</sup> of August, 2023**

---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**大成 DENTONS****Derek Pontin**  
Partnerderek.pontin@dentons.com  
D +1 403 268 6301Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail****Pathway Health Corp.**  
16 Four Seasons Place, Suite  
203A, Toronto, Ontario M9B  
6E5**Pathway Health Corp.**  
1500-850 2 Street SW  
Calgary AB T2P 0R8

To Whom It May Concern:

**Re: Obligations of Pathway Health Corp. (the "Borrower") to Avonlea-Drewry Holdings Inc. ("Lender")**

We are counsel to the Lender in connection with the credit facilities outstanding between the Borrower and the Lender. Reference is made to the credit facility documentation set out in Schedule "A" to this letter (hereafter, the "**Facility Documents**").

Advances have been made to the Borrower by the Lender and the Borrower is presently indebted to the Lender, as at August 3, 2023, as follows:

<u>Facility</u>	<u>Principal</u>	<u>Accrued Loan Fee</u>	<u>Accrued Work Fee</u>	<u>Accrued Interest</u>	<u>Accrued PIK Interst</u>	<u>Total</u>
Facilities Outstanding	\$4,700,000	100,000.00	\$35,000	\$511,811	\$70,000	\$5,416,811.00
<b>TOTAL</b>	<b>\$4,700,000</b>	<b>\$100,000</b>	<b>\$35,000</b>	<b>\$511,811</b>	<b>\$70,000</b>	<b>\$5,416,811.00</b>

The Borrower is in default of its repayment obligations, including (without limitation) for failure to pay to the Lender amounts owing as the same have come due. The Borrower is obligated to repay its indebtedness upon demand.

Demand is hereby made upon the Borrower for repayment of the indebtedness in full, which, as at August 3, 2023, equals \$5,416,811.00, plus interest, plus all fees and costs, including all legal costs incurred by the Lender on a solicitor and its own client full indemnity basis (collectively, the "**Indebtedness**").

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

The Indebtedness will continue to accrue interest at the rates agreed and to accrue costs and fees, all of which the Borrower is responsible for. Payment may be made by providing either a certified cheque or bank draft to the following address:

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Borrower must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Borrower: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Borrower, is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B6BF40CA84D9...  
Derek Pontin  
Partner

FOR

Enclosure

PT/r/c

**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Lender intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

- Credit Agreement dated July 29, 2023;
- Secured Promissory Grid Note dated May 27, 2022;
- Amended and Restated Secured Promissory Grid Note dated April 21, 2023;
- Guarantee provided by Pathway Health Services Corp. in support of Pathway Health Corp. dated May 27, 2022;
- General Security Agreement provided by Pathway Health Services Corp dated May 27, 2022;
- General Security Agreement provided by Pathway Health Corp. dated May 27, 2022;
- Guarantee provided by Pathway Health Technologies Corp. in support of Pathway Health Corp. dated July 29, 2022;
- Guarantee provided by Slawner Ortho Ltee in support of Pathway Health Corp. dated July 29, 2022;
- Guarantee provided by 2563367 Ontario Limited in support of Pathway Health Corp. dated July 29, 2022;
- Share Pledge Agreement provided by Pathway Health Corp. dated May 27, 2022;
- Share Pledge Agreement provided by Pathway Health Services Corp. dated July 29, 2022;
- Share Pledge Agreement provided by Pathway Health Technologies Corp. dated July 29, 2022;
- Secured Convertible Promissory Grid Note dated February 3, 2023; and
- General Security Agreement provided by Pathway Health Corp. to Heal Global Holdings Corp. dated February 3, 2023.

The Lender further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time., all as may have been entered into from time to time.

FORM 86

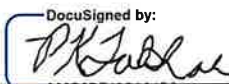
Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Health Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All present and after acquired personal and real property;
  - (b) All shares held in Pathway Health Services Corp, Pathway Wellness Corp., Pathway Wellness Products Corp., Pathway Healthcare Technologies Corp. and 13199223 Canada Ltd.; and
  - (c) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is the following
  - (a) General Security Agreement, dated May 27, 2022; and
  - (b) Share Pledge Agreement, dated May 27, 2022;(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:  
  
98986BF40CA84D0...

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
For: Derek Pontin

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTH CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

Name:

Title:

I have authority to bind the corporation.

大成 DENTONS

Derek Pontin  
Partner

derek.pontin@dentons.com  
D +1 403 268 6301

Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail**

**Sent Via Email: [aura.balboa@theclinicnetwork.ca](mailto:aura.balboa@theclinicnetwork.ca)**

Pathway Health Services Corp. Pathway Health Services Corp.  
16 Four Seasons Place, Suite 1500-850 2 Street SW  
203A Calgary AB T2P 0R8  
Etobicoke, Ontario M9B 6H7

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by Pathway Health Services Corp. (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

Reference is made to the guarantee provided by the Guarantor, in support of the indebtedness of the Debtor to the Lender (the "**Guarantees**"). Under the Guarantee, the Guarantor agreed to repay to the Lender all obligations of the Debtor to the Lender. The Guarantee is unlimited.

The Guarantee is payable upon demand. **Demand is hereby made upon you for payment in the amount of \$5,416,811.00, plus interest and costs as are provided for under the Guarantee (the "Indebtedness").**

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing is received.

Payment may be made by providing either a certified cheque or bank draft to the following address:

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Guarantor, is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B6BF40CA84D0...  
Derek Pontin  
Partner

FOR

Enclosure

PT/rlc

FORM 86

Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Health Services Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All present and after acquired personal and real property;
  - (b) All shares held in 10030712 Manitoba Ltd., 2563367 Ontario Limited and Slawner Ortho Ltee; and
  - (c) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is the following
  - (a) General Security Agreement, dated May 27, 2022; and
  - (b) Share Pledge Agreement, dated July 29, 2022;(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:

  
989B6BF40CA84D0

FOR

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
Per: Derek Pontin

## CONSENT AND WAIVER

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTH SERVICES CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

Name:

Title:

I have authority to bind the corporation.

大成 DENTONS

Derek Pontin  
Partner

derek.pontin@dentons.com  
D +1 403 268 6301

Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail**

**Delivered via Email: steeleconsult@aol.com**

Pathway Healthcare Technologies Corp. Pathway Healthcare Technologies Corp.  
16 Four Seasons Place, Suite 203A 1500-850 2 Street SW  
Toronto, Ontario M9B 6E5 Calgary AB T2P 0R8

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by Pathway Healthcare Technologies Corp. (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

Reference is made to the guarantee provided by the Guarantor, in support of the indebtedness of the Debtor to the Lender (the "**Guarantee**"). Under the Guarantee, the Guarantor agreed to repay to the Lender all obligations of the Debtor to the Lender. The Guarantee is unlimited.

The Guarantee is payable upon demand. **Demand is hereby made upon you for payment in the amount of \$5,416,811.00, plus interest and costs as are provided for under the Guarantee (the "Indebtedness").**

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing is received.

Payment may be made by providing either a certified cheque or bank draft to the following address:

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

NATDOCS\72402250\V-1

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Guarantor, is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:



989B6BF40CA84D0...

Derek Pontin  
Partner

FOR

Enclosure

PT/r/c

FORM 86

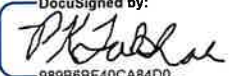
Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Healthcare Technologies Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All shares held in 1964433 Alberta Ltd.; and
  - (b) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is a Share Pledge Agreement, dated July 29, 2022 (the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:  
  
989B6BF40CA84D0...

FOR

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
Per: Derek Pontin

## CONSENT AND WAIVER

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

Per: \_\_\_\_\_

Authorized Signatory

Name:

Title:

I have authority to bind the corporation.

大成 DENTONS

Derek Pontin  
Partner

derek.pontin@dentons.com  
D +1 403 268 6301

Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail**

2563367 Ontario Limited	2563367 Ontario Limited
16 Four Seasons Place, Suite	16 Four Seasons Place, Suite
203A	203A
Toronto, Ontario M9B 6E5	Etobicoke, Ontario M9B 6H7

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by 2563367 Ontario Limited (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

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The Guarantee is payable upon demand. **Demand is hereby made upon you for payment in the amount of \$5,416,811.00, plus interest and costs as are provided for under the Guarantee (the "Indebtedness").**

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing is received.

Payment may be made by providing either a certified cheque or bank draft to the following address:

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

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Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B6BF40CA84D0...  
Derek Pontin  
Partner

FOR Enclosure

PT/rlc

大成 DENTONS

Derek Pontin  
Partner

derek.pontin@dentons.com  
D +1 403 268 6301

Dentons Canada LLP  
15th Floor, Bankers Court  
850-2nd Street SW  
Calgary, AB, Canada T2P 0R8

dentons.com

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail**

**Delivered via Email: [aura.balboa@pathwayhealth.ca](mailto:aura.balboa@pathwayhealth.ca)**

Slawner Ortho Ltee  
16 Four Seasons Place, Suite  
203A  
Toronto, Ontario M9B 6E5

Slawner Ortho Ltee  
4890 rue Jean-Talon O  
Montréal (Québec) H4P1W9  
Canada

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by 2563367 Ontario Limited (the "Guarantor")**

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Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B88E40CA84D0...  
Derek Pontin  
Partner

FOR

Enclosure

PT/rlc

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

AVONLEA-DREWRY HOLDINGS INC.

DEFENDANTS

PATHWAY HEALTH CORP., PATHWAY HEALTH SERVICES CORP., PATHWAY HEALTHCARE TECHNOLOGIES CORP., 2563367 ONTARIO LIMITED AND SLAWNER ORTHO LTEE

DOCUMENT

**CERTIFICATE OF COMMISSIONER FOR OATHS**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION FOR PARTY  
FILING THIS DOCUMENT

Dentons Canada LLP  
Bankers Court  
15th Floor, 850 - 2nd Street S.W.  
Calgary, Alberta T2P 0R8  
Attention: Derek M. Pontin  
Ph. (403) 268-6301 Fx. (403) 268-3100  
File No.:

### **CERTIFICATE OF COMMISSIONER FOR OATHS**

As described by the Chief Justice and Associate Chief Justices in NPP#2020-02 dated March 25, 2020, the process I followed for the commissioning of this Affidavit is as follows:

- A. The Deponent, **Michael Steele**, appeared in front of me by way of video technology on **August 9, 2023**.
- B. While connected by way of video technology:
  - 1. The Deponent showed me the front and back of the Deponent's Government issued photo identification.

2. I compared this photo identification to the video image I saw before me and was satisfied that the Deponent was the person shown on the photo identification.
3. I confirmed that the Deponent and I each had an electronic copy of the Affidavit and all exhibits in front of us, and immediately thereafter the Deponent and I reviewed each page of the electronic copies before us to ensure they were identical.
4. At the conclusion of this review I administered the oath and the Deponent swore said oath, after which I watched the Deponent sign the Affidavit.
5. The Deponent sent me an electronic copy of the sworn Affidavit and I compared each page to the pages of my copy of the Affidavit to ensure the Deponent had signed an identical copy.
6. I satisfied myself that the electronic copy of the Affidavit I received from the Deponent was identical to the copy I had before me, and affixed my name to the jurat of my initialled copy of the Affidavit.
7. Finally, I attached a copy of the sworn Affidavit I received from the Deponent to my copy of the Affidavit with the completed jurat.

I, **Pavin Takhar**, Barrister and Solicitor in and for the Province of Alberta, am satisfied that the process of utilizing video technology for remote commissioning of affidavits was necessary because it was impossible or unsafe, for medical reasons, for the Deponent and any commissioner to be physically present together.

Dated: **August 9, 2023**



---

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

AVONLEA-DREWRY HOLDINGS INC.

DEFENDANTS

PATHWAY HEALTH CORP., PATHWAY HEALTH SERVICES CORP., PATHWAY HEALTHCARE TECHNOLOGIES CORP., 2563367 ONTARIO LIMITED and SLAWNER ORTHO LTEE.

DOCUMENT

**AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Dentons Canada LLP  
Bankers Court  
15th Floor, 850 - 2nd Street S.W.  
Calgary, Alberta T2P 0R8  
Attn: Derek Pontin  
Ph. (403) 268-6301 Fx. (403) 268-3100  
File No.: 587135-10

**AFFIDAVIT OF MICHAEL STEELE**  
**Sworn on August 9, 2023**

I, **MICHAEL STEELE**, of the Town of Oliver, in the Province of British Columbia, **SWEAR AND SAY THAT:**

1. I am the CEO and a Director of the Plaintiff, Avonlea-Drewry Holdings Inc. ("**ADH**") and have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief. Where that knowledge is based on information or belief, I have stated the source of that information and verily believe it to be true.
2. I swear this Affidavit in support of ADH's application (the "**Interim Receivership Application**") seeking the appointment of KSV Restructuring Inc. ("**KSV**") as interim receiver (in such capacity, the "**Interim Receiver**") over all of the current and future assets, undertakings and property of Pathway Health Corp. ("**PHC**") and Pathway Health Services Corp. ("**PHSC**") and, together with PHC, the "**Debtors**").
3. I have reviewed the business records of ADH relevant to the Interim Receivership Application and ADH's application seeking the appointment of an interim receiver and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of ADH.

**The Parties**

4. ADH is a corporation existing pursuant to the laws of Ontario, doing business in Alberta and elsewhere in Canada.

PKJ

5. PHC is a company incorporated pursuant to the laws of Alberta, carrying on business of investing in businesses operating in the medical and retail cannabis industry, in the Province of Alberta and elsewhere in Canada. A copy of the Government of Alberta Corporation/Non-Profit Search for PHC is attached hereto and marked as **Exhibit "A"**.
6. PHSC is a company incorporated pursuant to the laws of Canada and extra provincially registered in the Province of Alberta, carrying on business in the Province of Alberta and elsewhere in Canada. A copy of the Government of Alberta Corporation/Non-Profit Search for PHSC is attached hereto and marked as **Exhibit "B"**.
7. Other companies, substantially wholly owned subsidiaries of PHC, comprise the Pathway group of companies (the "**Pathway Group**"), including Pathway Wellness Products Corp.; Pathway Healthcare Technologies Corp. ("**Pathway Technologies**"); 13199223 Canada Ltd. ("**223 Canada**"); 10030712 Manitoba Ltd.; 2563367 Ontario Limited ("**367 Ontario**"); Slawner Ortho Ltee ("**Slawner**"); and 1964433 Alberta Ltd.
8. 223 Canada is a company incorporated pursuant to the laws of Canada. A copy of a Government of Canada corporate NUANS search is attached hereto and marked as **Exhibit "C"**.
9. For certainty, the focus of the immediate application made by ADH is upon PHC and PHSC, with only tangential implications for the balance of companies within the Pathway Group.

#### **Loan Obligations**

10. ADH as lender, PHC as borrower and PHSC, Pathway Technologies, 367 Ontario, and Slawner as guarantors, are parties to a credit facility agreement, dated July 29, 2022 (the "**Credit Facility Agreement**"). A copy of the Credit Facility Agreement is attached hereto, marked as **Exhibit "D"**.
11. Pursuant to the Credit Facility Agreement, ADH provided PHC a revolving credit facility in the amount of \$3,500,000.00 with interest at the greater of 12% per annum and the Bank of Canada prime rate plus 8.80%.
12. In advance of the entering of the Credit Facility Agreement, PHC and ADH executed a secured promissory grid note, dated May 27, 2022 and Amended and Restated Secured Promissory Grid Note dated April 21, 2023 (together, the "**ADH Note**"), in favour of ADH. A copy of the ADH Note is attached hereto and marked as **Exhibit "E"**.
13. In support of the ADH Note, PHSC provided to ADH an unlimited guarantee, dated May 27, 2022 (the "**PHSC Guarantee**"). A copy of the PHSC Guarantee is attached hereto, marked as **Exhibit "F"**.
14. In support of the repayment of the indebtedness of PHC pursuant to the Credit Agreement each of Pathway Technologies, 367 Ontario and Slawner, provided to ADH an unconditional and unlimited guarantee, dated July 29, 2022 (the "**Credit Agreement Guarantees**"). Copies of the Credit Agreement Guarantees are attached hereto and marked as **Exhibit "G"**.
15. To secure its obligations to ADH, PHC provided to ADH a General Security Agreement, dated May 27, 2022, charging all present and after-acquired personal property of PHC and a Share Pledge Agreement, dated May 27, 2022, charging all shares held by PHC in the capital of PHSC, Pathway Wellness Corp., Pathway Technologies, and 223 Canada (the "**PHC Security**"). Copies of the PHC Security are attached hereto and marked as **Exhibit "H"**.
16. To secure its obligations to ADH, PHSC provided to ADH a General Security Agreement dated May 27, 2022, charging all present and after-acquired personal property of PHSC and a Share Pledge Agreement, dated July 29, 2022, charging all shares held by PHC in the capital of 10030712

Manitoba Ltd., 367 Ontario and Slawner (the "**PHSC Security**"). Copies of the PHSC Security are attached hereto and marked as **Exhibit "I"**.

17. To secure its obligations to ADH, Pathway Technologies provided to ADH a Share Pledge Agreement dated July 29, 2022, charging all shares held by Pathway Technologies in the capital of 1964433 Alberta Ltd. (the "**Pathway Technologies Security**"). A copy of the Pathway Technologies Security is attached hereto and marked as **Exhibit "J"**.
18. The PHC Security, PHSC Security and Pathway Technologies Security are collectively the "**Security**".
19. The Credit Facility Agreement, ADH Note, PHSC Guarantee, Credit Agreement Guarantees and Security are collectively, the "**Loan Documents**".
20. ADH is in the process of registering its Security against each of PHC and PHSC and Pathway Technologies, as applicable. There are no registered/priority creditors to ADH and Heal. Copies of the Alberta Personal Property Debtor Name Search for each of PHC, PHSC and Pathway Technologies is attached hereto and marked as **Exhibit "K"**.

#### *Heal Loan*

21. Heal Global Holdings Corp. ("**Heal**") and PHC, executed a secured convertible promissory grid note in favour of Heal, dated February 3, 2023 (the "**Heal Note**"). A copy of the Heal Note is attached hereto and marked as **Exhibit "L"**.
22. To secure its obligations to Heal pursuant to the Heal Note, PHC provided to Heal a General Security Agreement, dated February 3, 2023, charging all present and after-acquired personal property of PHC (the "**Heal Security**"). A copy of the Heal Security is attached hereto and marked as **Exhibit "M"**.
23. ADH and I own 100% of the common voting equity of Heal, and I am the sole director and officer of Heal. Heal is currently reviewing assignment of the Heal Note and Heal Security to ADH, to consolidate that indebtedness; however, at the date of this application that has not occurred. I confirm Heal is aware of and supports the within application, as a secured creditor of PHC.

#### **Default and Demand**

24. Each of the Debtors are in default of the Loan Documents for, among other reasons, failure to repay the Indebtedness owing to ADH in accordance with the terms of their agreements.
25. More urgently, the Board of Directors of PHC recently resigned. Attached hereto, marked as **Exhibit "N"**, is a copy of the press release advising of the resignations of all directors and officers of PHC.
26. Through my direct discussions with the former directors and officers of PHC, including Mr. Kim Wei, the former COO of PHC and PHSC, I am advised and aware that the directors and officers of each of PHSC, Pathway Wellness Corp. and Pathway Technologies have all resigned.
27. I am advised by Mr. Kim Wei that the landlord for the premises rented by 367 Ontario has taken action in the manner of taking over that business, as of August 1, 2023, and is purporting to operate. I am not aware of the current state of that business, or to where revenues are being applied.
28. ADH has demanded each of the Defendants repay their respective indebtedness to ADH and has issued Notices of Intention to Enforce Security under subsection 244(1) of the *Bankruptcy and*

*Insolvency Act*, RSC 1985 c B-3 (the "**NOIs**") to Pathway, Pathway Services and Pathway Technologies. Copies of the demands and NOIs are attached hereto and marked as **Exhibit "O"**.

29. The Defendants have each refused or neglected, and continue to refuse or neglect, to repay the Indebtedness to ADH.

**Indebtedness Owing to ADH and Others** Pursuant to their respective obligations under the Loan Documents, the Defendants are each jointly and severally indebted to ADH as of August 3, 2023, in the amount of \$5,416,811.00 plus accrued and accruing interest, costs and expenses (including legal costs on a solicitor and own client, full indemnity basis) (the "**Indebtedness**").


31. As of August 9, 2023, the Indebtedness has not been repaid.
32. It is a term of the Loan Documents that the Indebtedness shall continue to accrue interest on all amounts outstanding at the rates set forth therein.
33. I am advised by Mr. Kim Wei that Canada Revenue Agency is a creditor of PHSC, in the approximate amount of \$37,744.
34. I am aware that Tilray Medical is a creditor of PHC in the approximate amount of \$250,000. My understanding is that Tilray Medical is unsecured. I have discussed the proposed interim receivership with Tilray Medical and I verily believe they are not opposed to the relief sought in the within Application.
35. I am not aware of any other secured creditor of PHC and PHSC, other than ADH and Heal. I am further advised by Mr. Kim Wei that, to the best of his knowledge, there are no other secured creditors of PHC and PHSC.

**Appointment and Necessity of an Interim Receiver**

36. ADH is entitled to prosecute its legal remedies under its agreements with the Debtors, which includes the right to apply to this Honourable Court to appoint an interim receiver over the property, assets and undertaking of the Debtors. ADH wishes to exercise such right at this time.
37. The immediate appointment of an interim receiver of the assets, properties, and undertakings of the Debtors is necessary to protect the economic interests of ADH, and other stakeholders. This is principally driven by:
- (a) The resignation from all companies, other than 223 Canada, of all directors and officers.
  - (b) The resulting cessation of business operations of PHC and PHSC.
  - (c) The majority of value in the Pathway Group is comprised of its licenses, intellectual property, goodwill and patient lists. These are not tangible assets that can be mothballed and marketed in a methodical fashion. The enterprise must be preserved, if ADH is to be able to realize any amount of its indebtedness.
  - (d) 223 Canada holds a non-possessory sales license for cannabis, for the purposes of facilitating the distribution of medical cannabis through the Pathway Group business infrastructure. That license is uncommon in Canada, and both time-consuming and expensive to obtain. Mr. Kim Wei has so far not resigned as a director and officer of 223 Canada, principally to preserve that license, but without operations in the Pathway Group, Mr. Wei is not being remunerated and is not incentivized to continue to remain in place. Mr. Wei's resignation from 223 Canada would invalidate the license, resulting in a significant loss of value to Pathway Group stakeholders.

- (e) The landlord of 367 Ontario has enforced its rights, without regard for the rights and claims of ADH as against that company. ADH is not aware of what other erosions are currently occurring in respect of the value and recoverability of its collateral.
- (f) PHSC was in the midst of negotiating a sale of Slawner when the leadership resignations occurred. There is significant potential value in that sale being completed. I am aware a term sheet was being circulated with a proposed closing date before the end of August. I believe the interim receiver, or a later appointed receiver, could revive and pursue that transaction.
- (g) On the balance of factors, there is no other just and convenient option for ADH and other stakeholders to preserve enterprise value in the circumstances. Moreover, the proposed appointment of an interim receiver, as a function of preservation, and not liquidation, creates no prejudice to any party that I am aware of.
38. I verily believe that KSV Restructuring Inc., with offices in the City of Calgary, is qualified and prepared to act as interim receiver of PHC and PHSC.
39. ADH intends to apply for appointment of KSV as receiver manager of PHC and PHSC within 30 days, which I understand is the legislated time limit in which either an extension of interim receivership or appointment of a receiver must be sought.
40. ADH intends to make that application for appointment of a receiver on notice to all affected parties. The within application, for appointment of KSV as interim receiver, is on notice only to the other secured creditor, due to the significant time constraints. As mentioned above, the secured creditor, Heal, has consented to the relief being sought.
41. I make this Affidavit in support of ADH's application for an interim receiver in respect of Pathway and Pathway Services.
42. The deponent Michael Steele was not physically present before me but was linked with me utilizing video technology. I, PAVIN TAKHAR, confirm that while connected via video technology, Michael Steele had shown to me the front and back of his government-issued photo identity document and I am reasonably satisfied it is the same person and the document is valid and current. I confirm that I have reviewed each page of this affidavit and exhibits with Michael Steele and verify that the pages are identical.

SWORN BEFORE ME at Calgary, Alberta, this )  
9<sup>th</sup> day of August 2023. )

  
\_\_\_\_\_  
Commissioner for Oaths in and for the )  
Province of Alberta )

\_\_\_\_\_  
**MICHAEL STEELE**



**THIS IS EXHIBIT "A"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/08/08  
Time of Search: 01:52 PM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 40260851  
Customer Reference Number:

Corporate Access Number: 2018454393  
Business Number: 727752487  
Legal Entity Name: PATHWAY HEALTH CORP.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
COLSON CAPITAL CORP.	2021/05/31

Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2014/09/04 YYYY/MM/DD  
Date of Last Status Change: 2017/01/05 YYYY/MM/DD

## Registered Office:

Street: 1500-850 2 ST SW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P0R8

## Records Address:

Street: 1500-850 2 ST SW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P0R8

Email Address: CORPORATE.CALGARY@DENTONS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
O'SULLIVAN	JAMES	P.	DENTONS CANADA LLP	1500-850 2 ST SW	CALGARY	ALBERTA	T2P0R8	JAMES.OSULLIVAN@DENTONS.COM

## Directors:

Last Name: GOLDHAR  
First Name: MARK

PKJ

**Street/Box Number:** 239 FIVE ISLAND ROAD  
**City:** HUBLEY  
**Province:** NOVA SCOTIA  
**Postal Code:** B3Z1B5

**Last Name:** HOWLING  
**First Name:** KENNETH  
**Street/Box Number:** 43 PARKHURST BOULEVARD  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M4G2C8

**Last Name:** JETLY  
**First Name:** RAKESH  
**Street/Box Number:** 317 AMITA CRESCENT  
**City:** OTTAWA  
**Province:** ONTARIO  
**Postal Code:** K2C4J1

**Last Name:** WRIGHT  
**First Name:** ALISON  
**Street/Box Number:** 1458 WOODDEDEN DRIVE  
**City:** MISSISSAUGA  
**Province:** ONTARIO  
**Postal Code:** L5H2T9

**Last Name:** YOON  
**First Name:** KEN  
**Street/Box Number:** 138 DUNBLAINE AVENUE  
**City:** NORTH YORK  
**Province:** ONTARIO  
**Postal Code:** M5M2S3

**Transfer Agents:**

**Legal Entity Name:** TSX TRUST COMPANY  
**Corporate Access Number:** 3023749967  
**Street:** 300-100 ADELAIDE ST W  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M5H1S3

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE SCHEDULE  
**Share Transfers Restrictions:** NONE  
**Min Number Of Directors:** 3

PKJ

**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE

**Holding Shares In:**

<b>Legal Entity Name</b>
PATHWAY HEALTH SERVICES CORP.

**Other Information:**

**Last Annual Return Filed:**

<b>File Year</b>	<b>Date Filed (YYYY/MM/DD)</b>
2022	2022/10/26

**Filing History:**

<b>List Date (YYYY/MM/DD)</b>	<b>Type of Filing</b>
2014/09/04	Incorporate Alberta Corporation
2016/11/02	Status Changed to Start for Failure to File Annual Returns
2020/02/21	Update BN
2021/05/31	Name/Structure Change Alberta Corporation
2021/06/08	Change Address
2021/06/29	Change Agent for Service
2022/10/12	Change Director / Shareholder
2022/10/26	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded (YYYY/MM/DD)</b>
<a href="#">Share Structure</a>	ELECTRONIC	2014/09/04
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2014/09/04
<a href="#">Consolidation, Split, Exchange</a>	ELECTRONIC	2021/05/31

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



PKJ

**THIS IS EXHIBIT "B"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/08/08  
Time of Search: 04:10 PM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 40262818  
Customer Reference Number:

**Corporate Access Number:** 2122929827

**Business Number:**

**Legal Entity Name:** PATHWAY HEALTH SERVICES CORP.

**Name History:**

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
12352877 CANADA LTD.	2020/10/27
PATHWAY HEALTH CORP.	2021/05/28

**Legal Entity Status:** Active  
**Extra-Provincial Type:** Federal Corporation  
**Registration Date:** 2020/10/06 YYYY/MM/DD  
**Date Of Formation in Home Jurisdiction:** 2020/09/18 YYYY/MM/DD  
**Home Jurisdiction:** CANADA  
**Home Jurisdiction CAN:** 12352877

**Head Office Address:**

**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8  
**Email Address:** CORPORATE.CALGARY@DENTONS.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
O'SULLIVAN	JAMES		DENTONS CANADA LLP	1500-850 2 ST SW	CALGARY	ALBERTA	T2P0R8	CORPORATE.CALGARY@DENTONS.COM

**Directors:**

**Last Name:** GOLDHAR  
**First Name:** MARK  
**Street/Box Number:** 239 FIVE ISLAND ROAD  
**City:** HUBLEY  
**Province:** NOVA SCOTIA  
**Postal Code:** B3Z1B5

PKJ

**Last Name:** HOWLING  
**First Name:** KENNETH  
**Street/Box Number:** 43 PARKHURST BOULEVARD  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M4G2C8

**Last Name:** JETLY  
**First Name:** RAKESH  
**Street/Box Number:** 317 AMITA CRESCENT  
**City:** OTTAWA  
**Province:** ONTARIO  
**Postal Code:** K2C4J1

**Voting Shareholders:**

**Legal Entity Name:** PATHWAY HEALTH CORP.  
**Corporate Access Number:** 2018454393  
**Street:** 1500-850 2 ST SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0R8  
**Percent Of Voting Shares:** 100

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2022/11/23

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2020/10/06	Register Extra-Provincial Profit / Non-Profit Corporation
2021/03/28	Attorney for Service converted to Agent for Service
2021/05/28	Name Change Extra-Provincial
2022/10/12	Change Director / Shareholder
2022/11/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

PKJ



PKJ

**THIS IS EXHIBIT "C"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**

Government  
of CanadaGouvernement  
du Canada

# Do a pre-search: results - Nuans

Welcome [Lindsey Ehredt \(/app/scr/corp/nuans/sso/idmAccount.html\)](/app/scr/corp/nuans/sso/idmAccount.html) | [Dashboard \(/app/scr/corp/nuans/member/home.html\)](/app/scr/corp/nuans/member/home.html) | [Sign out \(/app/scr/corp/nuans/sso/logout.html\)](/app/scr/corp/nuans/sso/logout.html)

The results in the Search criteria entered table are based on the criteria you entered on the previous page. You can change your criteria by pressing the **Refine search** button.

## Search criteria

**Corporate name:** 13199223 Canada

**Registration information or application number:**

**Search within:** Search all

Refine search

## Warning

Your search resulted in an exact match. This occurs when a search exactly matches another name in our database. Please review all exact matches before ordering a report with your chosen name. Pay special attention to any names and trademarks that could be confused with your name. Trademarks are protected.

For more information, see:

- [Matching company names](#) (Results are limited to 200 matching company names)











By clicking a name in one of the tables below, additional details about that company or trademark will appear in a dialogue box.

Download results as PDF 

Showing 1 to 2 of 2 entries **Show**  **entries**

## Matching company names

Jurisdiction and Name		Creation date (YYYY-MM-DD)	Status description	Status date (YYYY-MM-DD)
				

Name  	Jurisdiction and number  	Creation date (YYYY-MM-DD)  	Status description  	Status date (YYYY-MM-DD)  
<u>13199223</u> <u>CANADA</u> <u>LTD.</u>	ON-5054642	2021-07-20	Registered	2021-09-24
<u>13199223</u> <u>Canada Ltd.</u>	CD-13199223	2021-07-20	Active	2021-07-20

1

Want to know the currency of Nuans data? See [Nuans refresh dates.](https://app/scr/corp/nuans/member/resources/updates.html#updatesTable)  
([/app/scr/corp/nuans/member/resources/updates.html#updatesTable](https://app/scr/corp/nuans/member/resources/updates.html#updatesTable))

[Search for another name](#)[Order a report](#)[Order multiple reports](#)[Cancel](#)**Date modified:**

2023-04-14

**THIS IS EXHIBIT "D"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**

**CREDIT AGREEMENT**

among

**PATHWAY HEALTH CORP.,**  
as the Borrower

and

**PATHWAY HEALTH SERVICES CORP.,  
PATHWAY HEALTHCARE TECHNOLOGIES CORP.,  
2563367 ONTARIO LIMITED,  
SLAWNER ORTHO LTEE.**  
as Guarantors

and

**AVONLEA-DEWRY HOLDINGS INC.,**  
as Lender

DATED AS OF JULY 29, 2022

## TABLE OF CONTENTS

<b>ARTICLE I INTERPRETATION .....</b>	<b>1</b>
1.1 Definitions .....	1
1.2 Knowledge .....	8
1.3 Headings and Table of Contents .....	8
1.4 References .....	8
1.5 Rules of Interpretation and Extended Meanings .....	8
1.6 Generally Accepted Accounting Principles .....	8
1.7 Time .....	8
1.8 Currency References .....	9
1.9 Payment for Value .....	9
1.10 Schedules .....	9
<b>ARTICLE II CREDIT FACILITIES .....</b>	<b>9</b>
2.1 Advances and Obligations under Promissory Note .....	9
2.2 Credit Facility .....	9
2.3 Notices and Payments .....	10
2.4 Evidence of Indebtedness .....	10
<b>ARTICLE III INTEREST RATES AND FEES .....</b>	<b>10</b>
3.1 Interest on Advances .....	10
3.2 Payment in Kind .....	11
3.3 Interest on Overdue Amounts .....	11
3.4 Arrangement Fee .....	11
3.5 Annual Work Fee .....	12
3.6 Maximum Rate Permitted by Law .....	12
3.7 Interest and Fees Generally .....	12
3.8 Per Annum Calculations .....	12
<b>ARTICLE IV SECURITY MATTERS .....</b>	<b>12</b>
4.1 Security Documents .....	12
4.2 Continuing Guarantees and Security .....	13
4.3 Dealing With Guarantees .....	13
4.4 Effectiveness .....	13
4.5 Registration .....	13
4.6 Permitted Liens and Permitted Indebtedness .....	14
<b>ARTICLE V CONDITIONS PRECEDENT .....</b>	<b>14</b>
5.1 Conditions Precedent to Promissory Note .....	14
5.2 Conditions Precedent to Closing and Initial Advance .....	14
5.3 Conditions Precedent to Subsequent Advances .....	15
5.4 Waiver .....	16
<b>ARTICLE VI REPRESENTATIONS AND WARRANTIES .....</b>	<b>16</b>
6.1 Representations and Warranties .....	16
6.2 Survival of Representations and Warranties .....	18

<b>ARTICLE VII COVENANTS.....</b>	<b>18</b>
7.1    General Covenants .....	18
7.2    Financial Covenant .....	20
7.3    Reporting Requirements .....	20
7.4    Negative Covenants.....	21
<b>ARTICLE VIII DEFAULT .....</b>	<b>21</b>
8.1    Events of Default.....	21
8.2    Acceleration, Demand and Termination of Rights .....	24
8.3    Remedies .....	24
8.4    Waivers .....	24
8.5    Saving .....	24
8.6    Perform Obligations .....	25
8.7    Third Parties .....	25
8.8    Remedies Cumulative .....	25
<b>ARTICLE IX MISCELLANEOUS PROVISIONS .....</b>	<b>25</b>
9.1    Severability.....	25
9.2    Amendment, Supplement or Waiver .....	25
9.3    Governing Law; This Agreement to Govern .....	26
9.4    Address for Notice.....	26
9.5    Time of the Essence .....	26
9.6    Further Assurances.....	26
9.7    Payments on Business Day .....	26
9.8    Entire Agreement .....	26
9.9    Assignment .....	26
9.10   Conflicting Terms .....	27
9.11   Acknowledgements .....	27
9.12   Amendment and Restatement .....	27
9.13   Continuing Effect.....	27
9.14   Counterparts and Facsimile .....	27

**THIS CREDIT AGREEMENT** is made as of the 29<sup>th</sup> day of July, 2022

**AMONG:**

**PATHWAY HEALTH CORP.,**  
as the Borrower

and

**PATHWAY HEALTH SERVICES CORP.,  
PATHWAY HEALTHCARE TECHNOLOGIES CORP.,  
2563367 ONTARIO LIMITED,  
SLAWNER ORTHO LTEE.,**  
as Guarantors

and

**AVONLEA-DEWRY HOLDINGS INC.,**  
as Lender

**WHEREAS** the Borrower has requested a credit facility from the Lender to assist with (i) certain acquisitions, (ii) certain capital expenditures, (iii) general working capital; and (iv) the repayment of amounts owing by the Borrower to the Lender under the Promissory Note (as defined below), and the Lender has agreed to provide such credit facility to the Borrower subject to the execution and delivery of this Agreement and the other Credit Documents as described herein;

**AND WHEREAS** the Borrower has granted to the Lender that certain secured promissory grid note dated May 27, 2022, pursuant to which the Borrower is indebted to the Lender in the principal amount of One Million Dollars (\$1,000,000.00) plus interest accrued at 15% per annum (the "**Promissory Note**");

**AND WHEREAS**, in connection with the above, the Borrower, the Guarantors and the Lender wish to arrange for the aforementioned credit facility and, in connection therewith, to amend and restate the terms and conditions of the Promissory Note, without novation, as more particularly set out in this Agreement;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

## **ARTICLE I**

### **INTERPRETATION**

#### **1.1 Definitions**

In this Agreement, including the recitals and the Schedules hereto and in all notices given pursuant to this Agreement, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**1964433 Alberta**" means 1964433 Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta.

**"2563367 Ontario"** means 2563367 Ontario Limited, a corporation incorporated under the laws of the Province of Ontario.

**"10030712 Manitoba"** means 10030712 Manitoba Ltd., a corporation incorporated under the laws of the Province of Manitoba.

**"13199223 Canada"** means 13199223 Canada Ltd., a corporation incorporated under the federal laws of Canada.

**"Additional Security"** means the security agreements and other documents required to be provided to the Lender pursuant to Section 4.1, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.

**"Adjusted EBITDA"** means the EBITDA adjusted for, as applicable, share-based compensation, loss of control of related company, non-cash expenses, extraordinary and non-recurring expenses.

**"Advance"** means each and every advance of sums hereunder by the Lender to the Borrower.

**"Affiliate"** means an affiliate as defined in the CBCA.

**"Agreement"** means this credit agreement and any schedules hereto, as amended, supplemented, restated or replaced from time to time.

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Borrower"** means Pathway Health Corp., a corporation incorporated under the laws of the Province of Alberta.

**"Borrower's Counsel"** means Dentons Canada LLP, and/or such other legal counsel acceptable to the Lender.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta, Toronto, Ontario and Montreal, Quebec.

**"Canadian Dollars", "Cdn\$" or "\$"** mean lawful money of Canada.

**"CBCA"** means the *Business Corporations Act* (Canada), including the regulations promulgated thereunder, as the same may be amended from time to time.

**"CEBA Loans"** means the Canada Emergency Business Accounts loans to the Borrower in the amount of \$80,000.

PKJ

**"Closing Date"** has the meaning ascribed to that term in Section 5.2.

**"Collateral"** means all property, assets and undertaking of the Credit Parties at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Constituting Documents"** means, with respect to a corporation, its articles of incorporation, amalgamation or continuance or other similar documents, and its by-laws, and with respect to any other person which is not a natural person, the organization and governance documents of such person; in each case as amended, supplemented, restated or replaced from time to time.

**"Credit Documents"** means this Agreement, the Security, and all other certificates, instruments, notices and documents delivered or to be delivered by the Credit Parties pursuant to this Agreement.

**"Credit Facility"** has the meaning ascribed thereto in Section 2.2.

**"Credit Parties"** means, collectively, the Borrower and the Guarantors, and **"Credit Party"** means any of them as the context requires.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Credit Parties, or their respective properties or liabilities.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Drawdown Date"** means the date, which shall be a Business Day, of any Advance requested pursuant to a Drawdown Notice.

**"Drawdown Notice"** means a notice requesting an Advance issued by the Borrower to the Lender, substantially in the form of Schedule A attached hereto.

**"EBITDA"** means net (loss)/income adjusted for income tax, depreciation of property and equipment, amortization of intangible assets, interest on long-term debt and other financing costs, interest income, and changes in fair values of derivative financial instruments.

**"Enforcement Notice"** has the meaning ascribed thereto in Section 8.3.

**"Environmental Law"** means all Applicable Law which pertains to public health or safety, the protection or enhancement of the environment or pursuant to which Environmental Liabilities would arise or have arisen, including relating to a Release or threatened Release of any Hazardous Material or the generation, use, storage or transportation of any Hazardous Material, and including any condition, restriction, prohibition or requirement contained in an approval, permit, license, consent, certificate or qualification or other authorization issued pursuant to Applicable Law.

**"Environmental Liabilities"** means any and all liabilities and obligations for any Release, any environmental damage, any contamination or any other environmental problem caused or alleged to have been caused to any person, property or the environment as a result of any Release or the condition of any property or asset, whether or not caused by a breach of Environmental Law, including, without limitation, all liabilities and obligations arising from or related to any surface, underground, air, groundwater or surface water contamination; the abandonment or plugging of any well; restorations and reclamations; the removal of or failure to remove any foundations, structures or equipment; the cleaning up or reclamation of storage sites; any Release; the violation of pollution standards; and personal injury (including sickness, disease or death) and property damage arising from any of the foregoing.

**"Event of Default"** means any of the events or circumstances specified in Section 8.1.

**"Existing Security"** means the following guarantees and security documents previously delivered by certain of the Credit Parties, in favour of the Lender in connection with the Promissory Note:

- (a) a general security agreement from the Borrower granting a first priority Lien in and to all present and after-acquired personal property of the Borrower;
- (b) a share pledge agreement from the Borrower in respect of the shares of Pathway Health Services, Pathway Wellness Products, Pathway Healthcare Technologies and 13199223 Canada;
- (c) a guarantee from Pathway Health Services; and
- (d) a general security agreement from Pathway Health Services.

**"Governmental Authority"** means Canada, any Province, as applicable, any municipal or other political subdivision of any such Province, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Guarantee"** means, in respect of any person, any undertaking to assume, guarantee, indemnify, endorse (other than the routine endorsement of cheques in the ordinary course of business), contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness of any person; provided that the amount of each Guarantee shall be deemed to be the amount of the indebtedness guaranteed thereby unless the Guarantee is limited to a specified amount as to realization exclusively on specified assets in which case the amount of such Guarantee shall be deemed to be the lesser of such specified amount or the fair market value of such specified assets, as the case may be, or the amount of such indebtedness.

**"Guarantors"** means, collectively, Pathway Health Services, Pathway Healthcare Technologies, 2563367 Ontario and Slawner Ortho and **"Guarantor"** means any of them as the context requires.

**"Hazardous Material"** means any substance or mixture of substances, or any pollutant or contaminant, toxic or dangerous waste, toxic mould, or hazardous material, as defined in or regulated by any Environmental Law, from time to time, that if Released to the environment could reasonably be expected to cause, immediately or at some future time, harm or damage to or impairment of the environment, or any risk to human health or safety or property.

**"IFRS"** means International Financial Reporting Standards as set by the International Accounting Standards Board.

**"Insolvency Default"** means an Event of Default described in Sections 8.1(g) or (h).

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporations legislation.

**"Interest Payment Date"** means, with respect to the Credit Facility, the last Business Day of each calendar quarter, with the first such Interest Payment Date being the last Business Day of the calendar quarter ending six months from the Closing Date.

**"Interest Rate"** has the meaning ascribed thereto in Section 3.1.

**"Lender"** means Avolea-Drewry Holdings Inc. and its successors and assigns, as lender under the Credit Facility.

**"Lender's Counsel"** means Aird & Berlis LLP, or such other legal counsel as the Lender may from time to time designate.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Manitoba Joint Venture"** means the joint venture between 10022241 Manitoba Ltd. and Pathway Health Services, as shareholders of 1003070712 Manitoba, in respect of the operation of medical clinics in Winnipeg and Selkirk, Manitoba.

**"Material Adverse Effect"** means any matter, event or circumstance relating to a Credit Party which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any indebtedness under, or perform any other obligations in accordance with, this Agreement or any of the Security to which it is a party, (iii) the validity or enforceability of this Agreement or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** means the earlier to occur of (i) the second anniversary of the Closing Date, or (ii) the due date of all Obligations under the Credit Facility resulting from the giving of an Enforcement Notice.

**"Minimum Rate"** has the meaning ascribed thereto in Section 3.1.

**"Obligations"** means, at any time and from time to time, all indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Credit Facility or otherwise payable pursuant to this Agreement, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Outstanding Principal"** means, at any time in relation to the Credit Facility, the aggregate at such time of the principal amounts outstanding thereunder.

**"Pathway Health Services"** means Pathway Health Services Corp., a corporation incorporated under the federal laws of Canada.

**"Pathway Healthcare Technologies"** means Pathway Healthcare Technologies Corp., a corporation incorporated under the federal laws of Canada.

**"Pathway Wellness"** means Pathway Wellness Products Corp., a corporation incorporated under the federal laws of Canada.

**"Permitted Contest"** means action taken by the Borrower in good faith by appropriate proceedings diligently pursued to contest any taxes, claims or other Liens, provided that:

- (a) reasonable reserves have been established in respect thereof in accordance with IFRS; and
- (b) proceeding with any such contest would not reasonably be expected to have a Material Adverse Effect.

**"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is classified as a current liability on the Borrower's financial statements;
- (b) all indebtedness of the Borrower to the Lender under this Agreement or under or secured by any Credit Document;
- (c) the CEBA Loans;
- (d) the RBC Visa;
- (e) capital lease obligations and indebtedness secured by purchase money liens;
- (f) all indebtedness secured by Permitted Liens; and
- (g) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then the subject of a Permitted Contest;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then the subject of a Permitted Contest;

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- (c) Liens arising out of judgments, awards or claims filed which are then the subject of a Permitted Contest;
- (d) Security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then the subject of a Permitted Contest), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;
- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Agreement;

provided that the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Prime Rate"** has the meaning ascribed to that term in Section 3.1.

**"RBC Visa"** means the Royal Bank of Canada corporate visa account with a credit limit in the amount of \$75,000.

**"Release"** or **"Released"** means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leaching or migration of any element or compound in or into the indoor or outdoor environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any contaminant), or in, into or out of any vessel or facility, including the movement of any contaminant through the air, soil, subsoil, surface, water, groundwater, rock formation or otherwise.

**"Revolving Period"** means, in respect of the Credit Facility, the period commencing on the Closing Date and ending at 2:30 p.m. (Toronto time) on the Maturity Date.

**"Security"** means the guarantees, security agreements and other documents required to be provided to the Lender pursuant to Section 4.1, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended

to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include the Existing Security and any Additional Security.

**"Senior Officer"** means any of the Chief Executive Officer, Chief Strategy Officer or Chief Financial Officer.

**"Slawner Ortho"** means Slawner Ortho Ltee., a corporation incorporated under the laws of the Province of Quebec.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

## **1.2 Knowledge**

Where any representation, warranty or other provision of this Agreement is qualified by reference to the knowledge of a Credit Party, after reasonable inquiry, it shall be deemed to refer to the actual knowledge of the senior management of the Credit Party after having made such inquiries of its Senior Officers.

## **1.3 Headings and Table of Contents**

The headings, the table of contents and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.4 References**

Unless something in the subject matter or context is inconsistent therewith, all references to Sections, Articles and Schedules are to Sections, Articles of and Schedules to this Agreement.

## **1.5 Rules of Interpretation and Extended Meanings**

In this Agreement, unless otherwise specifically provided, the singular includes the plural and vice versa, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" means "including, without limitation". Any reference herein to the exercise of discretion by the Lender (including phrases such as "in the opinion of", "to the satisfaction of" and similar phrases) means that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless expressly stated herein.

## **1.6 Generally Accepted Accounting Principles**

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS as in effect from time to time. All calculations of the components of financial information for the purposes of determining compliance with the Financial Covenant contained herein shall be made on a basis consistent with IFRS in existence on the date of this Agreement. IFRS. In the event that such a negotiation is unsuccessful, all calculations thereafter made for the purposes of

determining compliance with the Financial Covenant contained herein shall be made on a basis consistent with IFRS as in existence on the date of this Agreement.

Notwithstanding the foregoing or any other provision of this Agreement, it is agreed that for the purposes of this Agreement and any financial calculations in respect hereof, including the calculation of EBITDA, that the financial results of the Manitoba Joint Venture shall be consolidated with those of the Borrower.

## **1.7 Time**

Unless otherwise stated, all references to time herein shall mean local time in Toronto, Ontario.

## **1.8 Currency References**

All amounts of money referred to in this Agreement are in Canadian Dollars unless otherwise indicated, and all payments made hereunder shall be made in Canadian Dollars.

## **1.9 Payment for Value**

All payments required to be made hereunder shall be made for value on the required day in same day immediately available funds.

## **1.10 Schedules**

Schedule A	-	Form of Drawdown Notice
Schedule B	-	Milestone Matrix
Schedule C	-	2022 Operating Plan
Schedule D	-	Form of Officer's Certificate

# **ARTICLE II**

## **CREDIT FACILITIES**

## **2.1 Advances and Obligations under Promissory Note**

Upon this Agreement becoming effective on the Closing Date and relying on each of the representations and warranties set out in Article VI, and subject to the terms and conditions of this Agreement, the Advance previously made by the Lender under the Promissory Note shall be deemed to be outstanding as an Advance made by the Lender to the Borrower under this Agreement and any obligations under the Promissory Note resulting from accrued but unpaid interest, fees or expenses, shall be Obligations of the Borrower under this Agreement.

## **2.2 Credit Facility**

Subject to the provisions of this Agreement, the Lender agrees to make a credit facility available to the Borrower on a revolving basis during the Revolving Period and complete Advances to the Borrower not exceeding \$3,500,000 (the "**Credit Facility**"), unless otherwise authorized pursuant to the terms of this Agreement (including, for certainty, pursuant to Article III). For greater certainty, all other fees, expenses and interest payable by the Borrower hereunder will not act to reduce the amount available to the Borrower under the Credit Facility, but will be added to the Outstanding Principal, which as a result may exceed

\$3,500,000. The principal amount of any Advance under the Credit Facility that is repaid may be reborrowed from time to time until the Maturity Date, on which date any undrawn amount under the Credit Facility will be cancelled, and all outstanding Obligations under the Credit Facility shall become due and payable in accordance with paragraph (b) below.

- (a) **Purpose:** The Credit Facility shall only be used for general corporate purposes of the Borrower, including without limitation: (i) to pay the fees, costs and expenses relating to the Credit Facility and the preparation, negotiation and settlement of this Agreement, the Security and the other Credit Documents, and (ii) for ongoing acquisition and working capital requirements.
- (b) **Scheduled Repayments:** The Borrower shall repay all outstanding Obligations in respect of the Credit Facility to the Lender on demand, and in the absence of demand, by (i) payments of accrued interest, due and payable in arrears on each Interest Payment Date from and after the Closing Date, and (ii) payment of all Outstanding Principal and any other outstanding Obligations in respect of the Credit Facility, due and payable on the last day of the Revolving Period.
- (c) **Voluntary Repayments:** The Borrower may from time to time repay Outstanding Principal under the Credit Facility in any amounts without notice.

## 2.3 Notices and Payments

- (a) The Borrower may on any Business Day give the Lender irrevocable written notice in the form of a Drawdown Notice for any Advance under the Credit Facility. If a Drawdown Notice is received by the Lender before 12:00 noon on any Business Day, such Advance shall be advanced on the first Business Day after the Drawdown Notice is received by the Lender.
- (b) Payments must be made prior to 12:00 noon on any Business Day that such payment is due. Notice of an intended prepayment of any Advance under the Credit Facility shall be given with the same number of Business Days' prior notice as matches the Drawdown Notice period required for the Advance.
- (c) If a notice or payment is not given or made by 12:00 noon on any Business Day, it shall be deemed to have been given or made on the next Business Day unless the Lender agrees, in its sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

## 2.4 Evidence of Indebtedness

The Obligations of the Borrower resulting from Advances made by the Lender under the Credit Facility shall be evidenced by records maintained by the Lender concerning those Advances it has made. The records maintained by the Lender shall constitute, in the absence of manifest error, *prima facie* evidence of the Obligations of the Borrower to the Lender in respect of Advances made and all details relating thereto. The failure by the Lender to correctly record any such amount or date shall not, however, absent manifest error adversely affect the Obligations of the Borrower to pay amounts due hereunder to the Lender in accordance with this Agreement.

**ARTICLE III**  
**INTEREST RATES AND FEES**

**3.1 Interest on Advances**

The Borrower shall pay to the Lender interest at the greater of:

- (a) 12% per annum (the "**Minimum Rate**"); and
  - (b) a variable rate per annum benchmarked to the Bank of Canada prime rate as at May 1, 2022 (which, for certainty, was 3.20%) (the "**Prime Rate**") plus 8.8%,
- (the "**Interest Rate**").

The Interest Rate shall be calculated monthly in arrears and, unless and to the extent added to the PIK Accrual pursuant to Section 3.2, shall be payable on each Interest Payment Date for the period commencing on and including the immediately prior Interest Payment Date up to and including the last day prior to the Interest Payment Date on which such interest is to be paid and shall be calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section are equivalent are the rates so determined multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest is payable and divided by 365 or 366, as applicable. For greater certainty, the amount of the accrued but unpaid interest shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

**3.2 Payment in Kind**

An amount equal to 2% of the Outstanding Principal will be added to the Outstanding Principal amount (i) as at the day immediately preceding the first anniversary of the Closing Date and (ii) as at the day immediately preceding the second anniversary of the Closing Date (in each case, the "**PIK Accrual**"). For certainty, in each case, the Outstanding Principal shall be deemed to be increased and set at an amount that includes such PIK Accrual and the Work Fee.

In addition to the PIK Accrual referenced in the immediately preceding paragraph, in the event the Interest Rate exceeds the Minimum Rate during the Revolving Period and in respect of such excess amount, such additional interest payable by the Borrower to the Lender may be added to the PIK Accrual at the option of the Borrower. In such an event or events, the Outstanding Principal shall be deemed to be increased and set at an amount that includes such additional amount. For greater certainty, the amount of the PIK Accrual shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

**3.3 Interest on Overdue Amounts**

Notwithstanding any other provision of this Agreement, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Lender interest on such unpaid amount, if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated on the first

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Business Day of each calendar month and be payable on demand, as well after as before maturity, default and judgment, at a rate per annum in respect of the Credit Facility of 20% per annum.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous Provincial legislation which may be inconsistent with this Agreement.

### **3.4 Arrangement Fee**

The Borrower shall pay to the Lender an arrangement fee (the "**Arrangement Fee**") in an amount equal to \$100,000, which fee shall be earned by the Lender on Closing. Payment of the Arrangement Fee will be made by adding such fee to the Outstanding Principal as at the Closing Date, but for greater certainty, shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.5 Annual Work Fee**

The Borrower shall pay the Lender an annual work fee equal to 1% of the Outstanding Principal as at the day immediately preceding the first and second anniversaries of the Closing Date (the "**Work Fee**"). Payment of the Work Fee will be made by adding such fee to the Outstanding Principal as at the relevant dates concurrently with the PIK Accrual. For greater certainty, the Work Fee shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.6 Maximum Rate Permitted by Law**

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under Applicable Law.

### **3.7 Interest and Fees Generally**

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Agreement or in any other Credit Document now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation. For greater certainty, the addition of interest and fees to the Outstanding Principal shall not affect the Borrower's access to an aggregate of \$3,500,000 in Advances, subject to the terms and conditions of this Agreement.

### **3.8 Per Annum Calculations**

Unless otherwise stated, if reference is made in this Agreement to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a 365 or 366 day year, as the case may be. If any interest, fee or other amount is determined or expressed on the basis of a period less than a full year, the equivalent yearly rate is equal to the rate so determined or expressed, multiplied by that number of days in such period, and divided by the actual number of days in that calendar year.



**ARTICLE IV**  
**SECURITY MATTERS**

**4.1 Security Documents**

To secure due repayment and satisfaction in full of all Obligations of the Credit Parties owing to the Lender from time to time, including due performance, payment and satisfaction of all Obligations under this Agreement and the other Credit Documents, the Lender shall continue to hold the Existing Security for the benefit of the Lender, and the Borrower shall cause to be executed and delivered to the Lender the following Additional Security on or prior to the Closing Date:

- (a) a unlimited guarantee from each of 2563367 Ontario, Pathway Healthcare Technologies and Slawner Ortho;
- (b) a share pledge agreement from Pathway Health Services in respect of the shares of 10030712 Manitoba, 2563367 Ontario and Slawner Ortho;
- (c) a share pledge agreement from Pathway Healthcare Technologies in respect of the shares of 1964433 Alberta; and
- (d) such other security documents as may be reasonably required by the Lender,

in each case, in form and substance satisfactory to the Lender and Lender's Counsel (collectively, the "**Additional Security**").

**4.2 Continuing Guarantees and Security**

The Additional Security and any other guarantees and security given shall for all purposes be treated as separate and continuing guarantees and security and shall be deemed to have been given in addition to and not in place of any other guarantee or other security now held or hereafter acquired by the Lender. No item or part of any Guarantee or other Security shall be merged or be deemed to have been merged in or by any simple contract debt or any judgment, and any realization of or steps taken or pursuant to any Guarantee or other Security shall be independent of and not create a merger with any other right available to the Lender under this Agreement, any other Guarantee or other Security, or any other Credit Document held by it or at law or in equity.

**4.3 Dealing With Guarantees**

The Lender may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Credit Parties and other persons (including other guarantors), sureties or securities as the Lender may in its sole discretion see fit, and the Lender may, subject to the provisions hereof, apply all moneys received from the Credit Parties and other persons, or from sureties or securities, to such part of the Obligations as the Lender may instruct, all without prejudice to or in any way limiting the liability of the Credit Parties under any of the Credit Documents.

**4.4 Effectiveness**

The Security required to be created hereby shall be effective upon execution and delivery thereof, and the undertakings as to the Guarantees and other Security herein or in any document hereunder shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before

or after or at the same time as the creation of any such Guarantees or other Security, or before or after or upon the date of execution of any amendments to or restatements of this Agreement, and shall not be affected by any Obligations fluctuating from time to time.

#### **4.5 Registration**

The Borrower shall do, and shall cause each Guarantor to do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's Counsel in renewing or refiling any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.

#### **4.6 Permitted Liens and Permitted Indebtedness**

None of the facts that:

- (a) any Credit Party is permitted to create or suffer to exist any Permitted Lien or Permitted Indebtedness;
- (b) any representation, warranty or covenant contained herein may make an exception for the existence of Permitted Liens or Permitted Indebtedness; or
- (c) the Liens created pursuant to the Credit Documents are stated to be subject to, or are not required to rank in priority to, Permitted Liens,

shall in any manner, nor in any cause or proceeding, directly or indirectly, be taken to constitute a subordination of any Lien created pursuant to the Credit Documents to any Permitted Encumbrance or to any other Lien or other obligation whatsoever, or that the Obligations under the Credit Documents are in any way subordinate or junior in right of payment to any Permitted Indebtedness, it being the intention of the parties that all Liens created pursuant to the Credit Documents shall at all times, to the maximum extent permitted by Applicable Law, rank as first priority Liens in priority to Permitted Liens and all other Liens or other obligations whatsoever and that the Obligations under the Credit Documents will rank in right of payment at all times at least equally with such Permitted Indebtedness.

### **ARTICLE V** **CONDITIONS PRECEDENT**

#### **5.1 Conditions Precedent to Promissory Note**

The parties hereto acknowledge and confirm that all conditions precedent provided for in respect of the Promissory Note were previously satisfied by the Borrower.



## 5.2 Conditions Precedent to Closing and Initial Advance

The Lender shall have no obligation to make the initial Advance under the Credit Facility hereunder unless at the time of such Advance all of the following terms and conditions shall have been satisfied (or waived by the Lender), such date being the "**Closing Date**":

- (a) **Receipt of Documents:** the Lender shall have received, each in full force and effect and in form and substance satisfactory to the Lender, acting reasonably, the following:
  - (i) this Agreement duly executed and delivered by the Borrower and the Guarantors;
  - (ii) each other Credit Document being delivered in connection herewith duly executed and delivered by each Credit Party, as applicable;
  - (iii) a milestone matrix, in the form attached hereto as **Schedule "B"** (the "**Milestone Matrix**");
  - (iv) the 2022 operating statements of the Borrower starting as at July 1, 2022 which are attached hereto as **Schedule "C"** (the "**2022 Operating Plan**"); and
  - (v) an officer's certificate in the form attached hereto as **Schedule "D"** (the "**Officer's Certificate**")
  - (vi) such other documents, certificates, opinions and agreements as are reasonably required to confirm the completion and satisfaction of the foregoing which the Lender may reasonably request.
- (b) **Liens:** all Liens created by the Security shall have been duly perfected and registered against each Credit Party as required by the Lender's Counsel.
- (c) **Approvals:** The Borrower shall have received, in form and substance satisfactory to the Lender, all consents and approvals necessary to enter into this Agreement and each other applicable Credit Document and to perform its obligations hereunder and thereunder, including without limitation:
  - (i) the approval of the TSX Venture Exchange;
  - (ii) the approval of the majority of its minority shareholders pursuant to National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**NI 61-101**") at a duly called meeting of shareholders on the basis that the Credit Facility constitutes a "*related party transaction*" under NI 61-101.
- (d) **No Material Adverse Effect:** since the date of the advance under the Promissory Note, there shall not have occurred any change, development or event relating to any Credit Party which would reasonably be expected to have a Material Adverse Effect.
- (e) **Delivery of Notice:** the Borrower shall have delivered to the Lender a duly completed Drawdown Notice.

- (f) **Due Diligence:** The Lender shall have completed and be satisfied with the business, legal and environmental due diligence review in respect of the Credit Parties and their respective assets.
- (g) **Fees:** the Borrower shall have paid all fees and expenses then due in respect of this Agreement, or will pay any such concurrently with the initial Advance.

### 5.3 Conditions Precedent to Subsequent Advances Under the Credit Facility

The obligation of the Lender to make any subsequent Advance under the Credit Facility is subject to the satisfaction of the following conditions precedent:

- (a) **No Default:** no Default or Event of Default has occurred and is continuing on the Drawdown Date, or would result from the making of any such Advance;
- (b) **Representations and Warranties:** the representations and warranties contained in Article VI and in any other Credit Document shall be, to the extent applicable, true and correct as if made on and as of the Drawdown Date;
- (c) **No Material Adverse Effect:** since the date of the most recent Advance, there shall not have occurred any change, development or event relating to any Credit Party which would reasonably be expected to have a Material Adverse Effect;
- (d) **Delivery of Notice:** the Borrower shall have delivered to the Lender a duly completed Drawdown Notice;
- (e) **Officer's Certificate:** the Borrower shall have delivered to the Lender a duly completed Officer's Certificate; and
- (f) **Other:** all other terms and conditions of this Agreement upon which the Borrower may obtain an Advance are fulfilled, including (i) satisfaction (or waiver) of the conditions precedent set out in Section 5.2 and (ii) the aggregate amount of any proposed Advance when added to all other Advances shall not exceed \$3,500,000.

### 5.4 Waiver

The conditions in this Article V are inserted for the sole benefit of the Lender, and may be waived by the Lender in whole or in part (with or without terms or conditions).

## ARTICLE VI REPRESENTATIONS AND WARRANTIES

### 6.1 Representations and Warranties

The Borrower represents and warrants to the Lender (all of which representations and warranties the Borrower hereby acknowledges are being relied upon by the Lender in entering into this Agreement) that:

- (a) **Corporate Existence:** each Credit Party and each of Pathway Wellness Products Corp., 1319923 Canada, 10030712 Manitoba and 1964433 Alberta is duly incorporated, amalgamated or continued, and is duly organized, validly subsisting and in good standing

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under the laws of its jurisdiction or subsistence, as applicable, subsisting and in good standing under the laws of such jurisdiction and is duly qualified to carry on business in such jurisdiction;

- (b) **Power and Capacity:** each Credit Party has full corporate power and capacity to own its property and assets and conduct its business as presently conducted; and in the case of the Borrower, to borrow money and perform its obligations hereunder; and in the case of any Guarantor, to guarantee the Obligations hereunder and under any applicable Credit Document;
- (c) **Authorization:** the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party have been duly authorized by all necessary corporate or partnership action, as applicable, and are within its power and capacity;
- (d) **Execution and Delivery:** each applicable Credit Document to which a Credit Party is a party has been duly executed and delivered to the Lender;
- (e) **Binding Obligations:** each Credit Document to which a Credit Party is a party is a legal, valid and binding obligation of the Credit Party enforceable against such Credit Party in accordance with its terms, except as such enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;
- (f) **No Legal Bar or Resultant Lien:** the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party will not violate any provision of Applicable Law or its Constituting Documents, and will not result in a breach of or constitute a default or require any consent under, or result in the creation of any Lien on the Collateral (other than Permitted Liens) upon, any of its property or assets pursuant to any indenture or other agreement or instrument to which it is a party or by which it or its property may be bound or affected; and the execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets;
- (g) **Default of Other Contracts:** except as otherwise previously disclosed, no Credit Party is in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (h) **Litigation:** except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against any Credit Party at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and no Credit Party is in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;

- (i) **Financial Condition:** all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the Guarantors and the results of its operations for the periods covered thereby, have been prepared in accordance with IFRS and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or the Guarantors, or their respective properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;
- (j) **Taxes:** Other than as disclosed to the Lender in writing, each Credit Party has filed all tax returns which were required to be filed, has paid or made provision for payment (in accordance with IFRS) of all taxes which are due and payable, and has provided adequate reserves (in accordance with IFRS) for the payment of any taxes the payment of which is the subject of a Permitted Contest;
- (k) **Insurance:** the Borrower and the Guarantors each have in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (l) **Compliance with Laws:** each Credit Party is in material compliance with all Applicable Laws;
- (m) **Environmental Laws:** the Borrower and the Guarantors are each in material compliance with Environmental Law;
- (n) **Projections and Related Information:** subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;
- (o) **Events of Default:** no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (p) **Disclosure:** to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

## 6.2 Survival of Representations and Warranties

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Credit Documents, and shall be deemed to be repeated as of the date of each Advance, subject to modifications made by the Borrower to the Lender in writing and accepted by the Lender, and shall expire and terminate when all Obligations have been indefeasibly repaid and satisfied in full and all Security hereunder has been fully discharged.

## **ARTICLE VII**

### **COVENANTS**

#### **7.1 General Covenants**

The Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall, and shall cause each other Credit Party to (as applicable):

- (a) **Pay and Perform Obligations:** duly and punctually pay all principal, interest, fees and other amounts payable hereunder and under the other Credit Documents on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Credit Documents;
- (b) **Use Proceeds:** use the proceeds of the Credit Facility only for the purposes set out in this Agreement;
- (c) **Maintain Existence:** in respect of itself and, as applicable, in respect of each of Pathway Wellness Products Corp., 1319923 Canada, 10030712 Manitoba and 1964433 Alberta, maintain and preserve its existence and status in each jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower was received the prior written consent of the Lender to carry out such action;
- (d) **Conduct Business:** conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) **Comply With Applicable Laws:** operate its business in substantial compliance with all Applicable Law (including Environmental Law) which, if not operated in compliance with, would reasonably be expected to have a Material Adverse Effect;
- (f) **Pay Taxes:** duly file on a timely basis all tax returns required to be filed by it, and duly and punctually pay all taxes levied or assessed against it (except for those taxes which are then the subject of a Permitted Contest), except to the extent failure to do so would not have a Material Adverse Effect;
- (g) **Pay Remittances:** duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (h) **Provide Access:** permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and during normal business hours;
- (i) **Maintain Security:** ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;

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- (j) **Security Registrations**: co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (k) **Maintain Insurance**: obtain and maintain insurance on all its property with a financially sound and reputable insurance provider, including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are determined to be appropriate by the Borrower acting prudently, and furnish to the Lender upon written request satisfactory evidence of such insurance;
- (l) **TSX Venture Exchange**: maintain good standing on the TSX Venture Exchange;
- (m) **Give Notice**: promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any proposed change in its name or the location of its chief executive office,
  - (iv) any Environmental Liability which would reasonably be expected to have a Material Adverse Effect,
  - (v) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (vi) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of any Credit Party in any Collateral which is not a Permitted Lien,
  - (vii) any material deviation, or any expected material deviation, from the Milestone Matrix (as updated in accordance with Section 7.3), the 2022 Operating Plan or the 2023 Operating Plan; and
  - (viii) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of any Credit Party that has or would reasonably be expected to have a Material Adverse Effect,and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (n) **Provide Other Documents**: use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Agreement and the Security.

## 7.2 Financial Covenant

The Borrower covenants and agrees with the Lender that it shall observe and maintain its Adjusted EBITDA as set out in the 2022 Operating Plan and the 2023 Operating Plan, as applicable, provided that, in each case, the Borrower shall have the right to revise, amend and update the relevant operating plan quarterly, which such revised or amended operating plan shall be subject to the prior approval of the Lender.

## 7.3 Reporting Requirements

The Borrower shall cause to be prepared and delivered to the Lender, in form and substance satisfactory to the Lender, the following:

- (a) an updated Milestone Matrix no later than twenty (20) Business Days following the end of each calendar month;
- (b) an updated Officer's Certificate no later than twenty (20) Business Days following the end of each calendar month; and
- (c) a 2023 operating statement to replace the 2022 Operating Plan by no later than November 30, 2022 (the "**2023 Operating Plan**"), which 2023 Operating Plan shall, once approved in writing by the Lender (acting reasonably), be ratified by the Borrower's Board of Directors by no later than December 15, 2022.

## 7.4 Negative Covenants

Without the prior written consent of the Lender, not to be unreasonably withheld, the Borrower hereby covenants and agrees that it shall not:

- (a) **Incur Debt**: create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
- (b) **Financial Assistance**: provide financial assistance, Guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those in effect on the Closing Date and approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;
- (c) **Negative Pledge**: create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
- (d) **Use Advances**: use the proceeds of any Advance for any purpose other than as expressly contemplated herein;
- (e) **Material Changes**: liquidate or dissolve; cease to carry on business as now being conducted by it; complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its Constatting Documents;

- (f) **Limit Activities**: make any material change in the nature of its business;
- (g) **Restrictions on Dispositions**: directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$150,000 in aggregate in any Fiscal Year unless reinvested within 180 days of disposition;
- (h) **Distributions**: declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
- (i) **Change of Control**: permit a change of control or ownership of the Credit Parties, excluding the Borrower.

## **ARTICLE VIII**

### **DEFAULT**

#### **8.1 Events of Default**

The occurrence of any one or more of the following events, after the expiry of any applicable cure period set out below, shall constitute an "**Event of Default**" under this Agreement:

- (a) if the Borrower fails to pay any amount of principal or interest when the same becomes due and payable hereunder, whether at maturity or otherwise;
- (b) if the Borrower fails to pay any amount of fees or other Obligations (other than principal and interest) within fifteen (15) Business Days after the Borrower having received notice from the Lender of the amount payable;
- (c) if there is a greater than 10% negative deviation from the quarterly Adjusted EBITDA set forth by the Borrower in the 2022 Operating Plan or the 2023 Operating Plan, as applicable, commencing July 1, 2022;
- (d) if any Credit Party fails to observe or perform any covenant or obligation contained herein or in any other Credit Document in any material respect (not otherwise specifically dealt with in this Section 8.1) and such breach or omission shall continue unremedied for more than fifteen (15) Business Days after the earlier of a Senior Officer of the Borrower first having knowledge of such breach or omission, or the Borrower having received notice from the Lender of such breach or omission;
- (e) if any Credit Party makes any representation or warranty under any of the Credit Documents which is incorrect or incomplete in any material respect when made or deemed to have been made and (i) the incorrect or incomplete representation or warranty is not capable of being remedied by such Credit Party, or (ii) if the matter is capable of being remedied, the same shall continue unremedied for more than fifteen (15) Business Days after the earlier of a Senior Officer of the Borrower first having knowledge of such incorrect or misleading representation or warranty, or the Borrower having received written notice from the Lender of such incorrect or misleading representation or warranty;
- (f) if any event or circumstance (including non-payment) shall occur under any agreement or instrument relating to debt of any Credit Party which would permit a person to declare

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(whether immediately or with lapse of time or both) an amount in excess of \$150,000 to become due prior to the stipulated date for repayment thereof, or maturity (or in the case of debt payable on demand or a Guarantee if demand is made at all), and such circumstance shall continue unremedied for more than fifteen (15) Business Days (provided that such grace period shall cease to apply if a demand has been made and any applicable grace period has expired or if the default is not then subject of a Permitted Contest);

(g) if any Credit Party shall:

- (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
- (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
- (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
- (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
- (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (g) or in paragraph (h) below;

(h) if any petition shall be filed, application be made or other proceeding be instituted by a third party against or in respect of any Credit Party:

- (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
- (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
- (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or
- (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

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and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of twenty (20) Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period shall cease to apply;

- (i) if any property of any Credit Party having a fair market value in excess of \$150,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$150,000 shall exist in respect of any Credit Party or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distraint upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta), the *Workers' Compensation Act* (British Columbia), the *Personal Property Security Act* (British Columbia) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than fifteen (15) Business Days;
- (j) if one or more judgments for the payment of money in the aggregate in excess of \$150,000 from time to time, and not substantially covered by insurance, shall become enforceable against any Credit Party and such party shall not have (i) provided for its discharge in accordance with its terms within fifteen (15) Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within fifteen (15) Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (k) if any Credit Party denies, to any material extent, its obligations under the Credit Documents or claims any of the Credit Documents to be invalid or withdrawn in whole or in part; or any of the Credit Documents or any material provision becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;
- (l) if the Security is not enforceable or if any Credit Party shall dispute or deny any liability or obligation under the Security to which it is a party; or
- (m) if a Material Adverse Effect has occurred.

## **8.2 Acceleration, Demand and Termination of Rights**

Upon the occurrence of an Insolvency Default, the Obligations shall become immediately due and payable without the necessity of any demand upon or notice to the Borrower by the Lender. Upon the occurrence and during the continuance of any Event of Default other than an Insolvency Default, the Lender may by written notice to the Borrower declare the Obligations to be immediately due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower.

### **8.3 Remedies**

Upon the occurrence of an Insolvency Default or the making of a declaration contemplated by Section 8.2, the Security shall become immediately enforceable and the Lender may take such action or proceedings as the Lender in its sole discretion deem expedient to enforce the same (that notice by which such enforcement is commenced or any filing by which such enforcement maybe be commenced on an ex parte basis is herein referred to as an "**Enforcement Notice**"), all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Borrower.

### **8.4 Waivers**

The Lender may from time to time waive an Event of Default, absolutely or for a limited time and subject to such terms and conditions as the Lender may specify. No such waiver shall be construed to extend to the occurrence of any other Event of Default. Any such waiver may be given prospectively or retrospectively. No failure of the Lender to exercise, or delay by the Lender in exercising, any of its rights or remedies shall be construed as a waiver of any Event of Default.

### **8.5 Saving**

The Lender shall be under no obligation to the Borrower or any other person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Borrower or any other person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender will be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of the Lender.

### **8.6 Perform Obligations**

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Credit Documents, the Lender may, on notice to the Borrower, but shall be under no obligation to perform, any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Credit Documents. The reasonable expenses (including any legal costs on a solicitor and his own client basis) paid by the Lender in respect of the foregoing shall be added to and become part of the Obligations and shall be secured by the Security.

### **8.7 Third Parties**

No person dealing with the Lender shall be concerned to inquire whether the Security has become enforceable, or whether the powers which the Lender is purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

### **8.8 Remedies Cumulative**

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise

by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lender, shall be deemed not to be a waiver of any subsequent default.

## **ARTICLE IX**

### **MISCELLANEOUS PROVISIONS**

#### **9.1 Severability**

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not hereby be affected.

#### **9.2 Amendment, Supplement or Waiver**

No amendment, supplement or waiver of any provision of the Credit Documents, nor any consent to any departure by any Credit Party therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Lender and the Borrower and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by any Credit Party of any provision of the Credit Documents or the rights resulting therefrom.

#### **9.3 Governing Law; This Agreement to Govern**

This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein. Each party to this Agreement hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of Ontario and all courts competent to hear appeals therefrom.

#### **9.4 Address for Notice**

Notice to be given under the Credit Documents shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended and, unless the law deems a particular notice to be received earlier, a notice shall not be deemed received until actual receipt by the other party of an original of such notice or an email thereof if sent by email transmission. For the purposes hereof: (i) concurrent notice shall be given for and on behalf of the Credit Parties, to Pathway Health Corp. at 16 Four Seasons Place, Suite 203A, Toronto, Ontario M9B 6E5, Attention: Ken Yoon, Chief Executive Officer, email: ken.yoon@pathwayhealth.ca; and (ii) notice shall be given to the Lender at P.O. Box 8 Caledon East, Caledon, Ontario L7C 3L8; Attention: David Dozzo, Director, email: ddozzo@capforminc.com, or in each case at such other mailing or facsimile address as each party from to time may notify the others as aforesaid.

#### **9.5 Time of the Essence**

Time shall be of the essence in this Agreement.

#### **9.6 Further Assurances**

The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Credit Documents.

#### **9.7 Payments on Business Day**

Whenever any payment or performance under the Credit Documents would otherwise be due on a day other than a Business Day, such payment shall be made on the next following Business Day.

#### **9.8 Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

#### **9.9 Assignment**

The Lender may assign all or part of this Agreement or its commitment hereunder: (i) at any time to an affiliate of the Lender with notice to but without the consent of the Borrower, (ii) prior to the occurrence and continuance of an Event of Default, to any other person with prior notice to and the consent of the Borrower, and (iii) after the occurrence and continuance of an Event of Default, to any other person without notice to or the consent of the Borrower. The Borrower shall not assign or transfer all or any part of their rights or obligations under this Agreement at any time.

#### **9.10 Conflicting Terms**

In the event of any conflict between the terms of this Agreement and the terms of any other Credit Documents (or for any inconsistency between this Agreement and the other Credit Documents), the provisions of this Agreement shall prevail to the extent necessary to remove such conflict (or inconsistency).

#### **9.11 Acknowledgements**

The Borrower acknowledges that the Credit Facility and all accounts held by the Borrower with the Lender are for use by the Borrower, and will be used by the Borrower, only for business purposes.

#### **9.12 Amendment and Restatement**

Effective as of the Closing Date, the Promissory Note is hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued pursuant to the provisions of the Promissory Note prior to their amendment hereby, and is, as so amended and restated, hereby ratified and confirmed.

#### **9.13 Continuing Effect**

Each of the Credit Parties acknowledges and agrees that the Existing Security to which each is a party, as applicable, and any other documents entered into in connection therewith, continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be affected or prejudiced in any manner except as specifically provided herein.

**9.14 Counterparts and Facsimile**

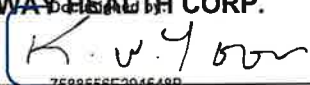
This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile copy.

***[Signature Pages Follow]***



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

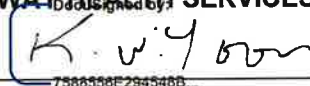
**PATHWAY HEALTH CORP.**

By:   
7588556E294548B...

Name: Ken Yoon

Title: President and CEO

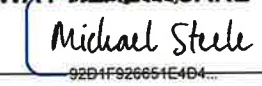
**PATHWAY HEALTH SERVICES CORP.**

By:   
7588556E294548B...

Name: Ken Yoon

Title: Chief Executive Officer

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

By:   
92D1F926651E4D4...

Name: Michael Steele

Title: President and CEO


**2563367 ONTARIO LIMITED**

By:   
4BFAE7701CB2451...

Name: Kim Wei

Title: President and Chief Executive Officer

**SLAWNER ORTHOLTEE.**

By:   
40E548FCE0BF42D...

Name: Aura Balboa

Title: President



**AVONLEA-DREWRY HOLDINGS INC.,**  
as Lender

By:   
Name: David Dozzo  
Title: Director

PKJ

## SCHEDULE A

### FORM OF DRAWDOWN NOTICE

TO: Avonlea-Drewry Holdings Inc.

1. Reference is made to the Credit Agreement dated as of July 29, 2022, made among Pathway Health Corp., as borrower (the "**Borrower**"), the guarantors party thereto, and Avonlea-Drewry Holdings Inc., as lender (the "**Lender**"), as amended, supplemented, restated or replaced from time to time (the "**Credit Agreement**"). All terms used herein but not otherwise defined shall have the same meanings herein as are ascribed thereto in the Credit Agreement.
2. The Borrower hereby requests a drawdown the following in accordance with the Credit Agreement:
  - (a) Date: \_\_\_\_\_
  - (b) Amount of Advance: \_\_\_\_\_
  - (c) Aggregate amount of all Advances, including this Advance: \_\_\_\_\_
  - (d) Account to be credited or other payment arrangements: \_\_\_\_\_
  - (e) Special Instructions (if any): \_\_\_\_\_
3. The Borrower shall use the proceeds of any Advance only for the purposes set out in the Credit Agreement.
4. There has not occurred any unremedied Default or Event of Default.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, •.

Pathway Health Corp.

Per: \_\_\_\_\_

PKJ

## SCHEDULE B

### MILESTONE MATRIX

Key activity	Update
Closing of the Tilray Brands Inc. broker agreement for supply of Cannabis and Cannabis - Related Products to the various buyers introduced by Avida Global and its affiliates.	Draft brokerage and supply agreement reviewed by all parties. Current agreements are sitting with Tilray legal for a second round of comments.
Purchase order and supply agreement for the supply of Cannabis and Cannabis Related Products to various buyers introduced by Avida Global and its affiliates.	Draft brokerage and supply agreement reviewed by all parties. Current agreements are sitting with Tilray legal for a second round of comments.
Approval from Health Canada for a non-possession sales license (Cannabis license Class – Federal sale for medical purposes without possession).	Received comments from Health Canada with minor questions. The Consultant and Pathway have prepared the various answers. Health Canada is waiting for all security clearances to clear. Kenneth Howling's is outstanding.
Launch of e-commerce platform to sell curated Cannabis products under an approved non-possession sales license.	Continuing to work with our partners (Cropsify and various marketing partners) to develop the site and get it up and running. Cannot go live until sales license has been approved.
Securing additional sources of financing.	None sourced yet.

PKJ

**SCHEDULE C**

**2022 OPERATING PLAN**

**(see attached)**

## PATHWAY HEALTH CORP.

	Budget Q1 2022	Budget Q2 2022	Budget Q3 2022	Budget Q4 2022	Budget YE2022	Budget Q1 2023
REVENUE						
Revenue - Cannabis	581,797	657,878	853,110	990,816	3,083,601	789,882
Revenue - Product	0	0	0	0	0	0
Revenue - Provincial Billing Fees	1,254,005	1,340,039	1,082,342	1,071,760	4,748,146	1,074,145
Revenue - Non-OHIP Income	156,768	174,033	152,475	152,475	635,751	152,975
Revenue - Other	44,734	60,779	57,414	57,414	220,341	45,900
Revenue - Sales	566,850	617,360	708,994	710,106	2,603,310	671,038
Total Revenue	2,604,154	2,850,089	2,854,335	2,982,571	11,291,149	2,733,940
Cost of sales						
Consultants	989,795	1,049,840	812,450	805,509	3,657,594	806,857
Cost of goods sold	192,183	221,112	251,311	251,560	916,166	237,888
Clinic and medical expenses	122,049	167,080	171,609	186,111	646,849	135,753
Total cost of sales	1,304,027	1,438,032	1,235,370	1,243,180	5,220,609	1,180,490
Gross Margin	1,300,127	1,412,057	1,618,965	1,739,391	6,070,540	1,553,450
Selling, general and administrative expenses						
Wages and benefits	1,846,539	1,856,592	1,916,406	1,907,565	7,527,102	2,076,112
Professional and consulting fees	240,938	212,348	160,287	140,287	753,860	100,287
Rent and utilities	189,213	264,817	227,025	227,025	908,080	227,619
Marketing	18,256	65,017	188,074	101,693	373,040	129,701
Insurance	71,862	73,662	78,666	78,666	302,856	78,666
Research and development	0	3,000	65,250	68,250	136,500	12,000
Public company costs	172,023	272,522	106,527	111,027	662,099	52,722
Office expenses	211,567	183,543	161,671	153,701	710,482	157,641
Depreciation	237,651	238,435	238,890	238,890	953,866	238,890
Total SG&A	2,988,049	3,169,936	3,142,796	3,027,104	12,327,885	3,073,638
Other expense/(Income)						
Finance expense	98,040	100,158	151,775	207,222	557,195	262,618
Amortization	65,816	70,600	83,006	83,631	303,053	84,256
Share-based compensation	132,136	95,668	72,726	72,726	373,256	69,874
	295,992	266,426	307,507	363,579	1,233,504	416,748
Income/(Loss) before income tax	(1,983,914)	(2,024,305)	(1,831,338)	(1,651,292)	(7,490,849)	(1,936,936)
Non-controlling interest						
EBITDA	(1,582,407)	(1,615,112)	(1,357,667)	(1,121,549)	(5,676,735)	(1,351,172)
Adjustments for one time costs:						
Share-based compensation	132,136	95,668	72,726	72,726	373,256	69,874
ADJUSTED EBITDA	(1,450,271)	(1,519,444)	(1,284,941)	(1,048,823)	(5,303,479)	(1,281,298)
*this figure includes interest expense, financing expense, fair value of financing facilities and accretion expense.						
	Budget Q1 2022	Budget Q2 2022	Budget Q3 2022	Budget Q4 2022		Budget Q1 2023
Balance Sheet						
Assets						
Current						
Cash	1,563,799	334,991	58,802	38,634		15,739
Accounts and other receivables	1,003,953	1,019,499	1,004,719	1,038,585		964,809
Deferred cost	0	0	0	0		0
Inventory	324,050	419,878	421,955	409,823		392,089
Prepays	264,614	84,905	63,679	51,452		39,667
Total current assets	3,156,416	1,859,273	1,549,154	1,538,494		1,412,304
Due from related parties	0	0	0	0		0
Property and equipment	4,744,241	4,505,807	4,276,917	4,038,027		3,799,137
Intangible assets	922,293	851,692	768,686	685,055		600,799
Goodwill	637,662	637,662	637,662	637,662		637,662
Investment in related company	0	0	0	0		0
	0	0	0	0		0
	6,304,196	5,995,161	5,683,265	5,360,745		5,037,599
Total assets	9,460,612	7,854,435	7,232,420	6,899,239		6,449,902
Liabilities and Shareholders' deficiency						
Current						
Accounts payable and accrued liabilities	2,167,779	2,397,532	1,918,751	1,772,128		1,833,907
Due to related parties	0	0	0	0		0
	0	0	0	0		0
	2,167,779	2,397,532	1,918,751	1,772,128		1,833,907
Lease liability	3,673,216	3,472,310	3,330,632	3,185,537		3,047,807
Leasehold improvement loan	498,659	492,613	486,476	480,246		473,923

PKJ

Government loan payable	70,446	73,474	76,668	80,000		80,000
Line of credit	0	200,000	1,960,000	3,500,000		5,000,000
	4,242,321	4,238,398	5,853,776	7,245,783		8,601,730
<b>Total liabilities</b>	<b>6,410,100</b>	<b>6,635,929</b>	<b>7,772,526</b>	<b>9,017,911</b>		<b>10,435,637</b>
<b>Shareholders' Deficiency</b>						
Share capital	42,644,224	42,644,224	42,644,224	42,644,224		42,644,224
Warrants	1,866,866	1,866,866	1,866,866	1,866,866		1,866,866
Contributed surplus	(30,012,037)	(29,819,738)	(29,747,012)	(29,674,286)		(29,604,412)
Non-Controlling Interest	48,464	48,464	48,464	48,464		48,464
Deficit	(11,497,006)	(13,521,311)	(15,352,649)	(17,003,941)		(18,940,877)
	3,050,512	1,218,506	(540,106)	(2,118,672)		(3,985,734)
<b>Total liabilities and shareholders' deficiency</b>	<b>9,460,612</b>	<b>7,854,435</b>	<b>7,232,420</b>	<b>6,899,239</b>		<b>6,449,902</b>
<b>Cash Flow</b>						
<b>Net loss</b>	(1,983,914)	(2,024,305)	(1,831,338)	(1,651,292)	(7,490,849)	(1,936,936)
<b>Operating activities</b>						
<b>Items not affecting cash</b>						
Amortization of intangible assets	65,817	70,601	83,006	83,631	303,055	84,256
Depreciation	237,651	238,434	238,890	238,890	953,866	238,890
Finance expense	92,421	95,502	151,775	207,222	546,920	262,618
Share-based compensation	132,135	95,667	72,726	72,726	373,254	69,874
<b>Changes in non-cash working capital balances</b>	(1,455,889)	(1,524,101)	(1,284,941)	(1,048,823)	(5,313,754)	(1,281,298)
Accounts and other receivables	(79,768)	(6,626)	14,780	(33,866)	(105,481)	73,776
Inventory	15,360	(95,828)	(2,077)	12,132	(70,413)	17,734
Prepays	(15,035)	179,710	21,226	12,226	198,127	11,785
Accounts payable and accrued liabilities	363,719	227,756	(478,781)	(146,623)	(33,928)	61,779
Deferred revenue	0	2,000	0	0	2,000	0
<b>Net cash used in operating activities</b>	<b>(1,171,613)</b>	<b>(1,217,090)</b>	<b>(1,729,793)</b>	<b>(1,204,954)</b>	<b>(5,323,449)</b>	<b>(1,116,224)</b>
<b>Financing activities</b>						
Net advances from related parties	0	0	0	0	0	0
Repayment of lease liability	(148,297)	(200,320)	(141,678)	(145,095)	(635,390)	(137,730)
Repayment of bridge loan	0	0	0	0	0	0
Repayment of loan payable	(5,956)	(4,021)	0	0	(9,977)	0
Proceeds/repayment from government loan	0	0	0	0	0	0
Proceeds from line of credit	0	200,000	1,760,000	1,540,000	3,500,000	1,500,000
Share issuance	0	0	0	0	0	0
Interest paid	(89,549)	(95,088)	(154,719)	(210,119)	(549,475)	(268,941)
NCI proportionate investment in 10030712 Manitoba Ltd	0	87,710	0	0	87,710	0
Proceeds from senior secured notes, net	0	0	0	0	0	0
<b>Net cash provided by financing activities</b>	<b>(243,802)</b>	<b>(11,719)</b>	<b>1,463,603</b>	<b>1,184,786</b>	<b>2,392,868</b>	<b>1,093,328</b>
<b>Investing activities</b>						
Acquisition of NCC	0	0	0	0	0	0
Technology/E-commerce platform	0	0	0	0	0	0
Purchase of property and equipment	(2,543)	0	(10,000)	0	(12,543)	0
	(2,543)	0	(10,000)	0	(12,543)	0
<b>Increase (decrease) in cash</b>	<b>(1,417,958)</b>	<b>(1,228,808)</b>	<b>(276,190)</b>	<b>(20,168)</b>	<b>(2,943,124)</b>	<b>(22,895)</b>
<b>Cash, beginning of period</b>	<b>2,981,758</b>	<b>1,563,800</b>	<b>334,991</b>	<b>58,802</b>	<b>2,981,758</b>	<b>38,634</b>
<b>Cash, end of period</b>	<b>1,563,800</b>	<b>334,991</b>	<b>58,802</b>	<b>38,634</b>	<b>38,634</b>	<b>15,739</b>

RKJ



	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
<b>Day in inventory</b>	150														
Prepays															
Opening Balance	238,279	207,810	185,522	156,313	125,843	95,374	84,905	77,829	70,754	63,679	55,603	58,528	51,452	44,377	45,483
Amortization	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)	(30,469)
Addition	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181	8,181
Ending	207,810	185,522	156,313	125,843	95,374	84,905	77,829	70,754	63,679	55,603	58,528	51,452	44,377	45,483	45,483
<b>Accounts payable and accrued liabilities</b>															
Expenses	886,452	1,127,378	1,014,180	1,064,322	1,182,872	1,499,990	873,746	1,031,620	1,008,403	974,484	948,594	922,128	824,886	833,655	908,907
To be paid out in shares (contingent)	30,000														
Accrued interest on LOC	450,000	450,000	900,000	900,000	900,000	900,000	850,000	850,000	850,000	850,000	850,000	850,000	900,000	900,000	925,000
Additional accrual - provincial billings AP						2,625	15,146	34,637	60,349	91,875	130,974	0			
Ending	1,366,452	1,577,378	1,914,180	1,964,322	2,082,872	2,402,615	1,838,892	1,897,256	1,858,751	1,916,259	1,929,568	1,772,128	1,724,886	1,733,655	1,833,907
<b>Dr. Spharapal loan</b>															
Repayment	20,000														
Interest			(5,000)	(5,000)	(5,000)	(5,000)									
Ending	20,000		(5,000)	(5,000)	(5,000)	(5,000)									
<b>Government Loan</b>															
Opening	67,574	68,549	69,443	70,446	71,430	72,482	73,474	74,535	75,611	76,688	77,775	78,861	80,000	80,000	80,000
Accrual expense	976	894	1,003	984	1,031	1,012	1,061	1,076	1,056	1,107	1,087	1,139			
Payout															
Ending	68,549	69,443	70,446	71,430	72,482	73,474	74,535	75,611	76,688	77,775	78,861	80,000	80,000	80,000	80,000
<b>Lease liability</b>															
Opening	3,712,154	3,663,460	3,614,378	3,564,905	3,518,791	3,472,310	3,425,459	3,378,234	3,330,632	3,282,651	3,234,287	3,185,537	3,140,013	3,094,306	3,047,807
Add interest	29,586	29,198	28,806	28,412	28,044	27,673	27,300	26,923	26,544	26,161	25,775	25,389	25,000	24,612	24,242
Fluro lease															
Fluro lease payments															
Less payments															
Ending	3,741,740	3,692,658	3,643,184	3,593,317	3,543,835	3,494,313	3,444,762	3,395,157	3,345,501	3,295,806	3,246,072	3,196,306	3,146,013	3,096,306	3,046,807
Balance per consol															
Winnipeg + Selkirk - Lease															
Reg Bal.	504,615	502,640	500,654	498,659	496,654	494,638	492,613	490,578	488,532	486,476	484,410	482,333	480,246	478,149	476,041
Payment	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499
Principal	1,975	1,985	1,995	2,005	2,015	2,025	2,035	2,046	2,056	2,066	2,077	2,087	2,097	2,108	2,118
Interest	2,523	2,513	2,503	2,493	2,483	2,473	2,463	2,453	2,443	2,433	2,423	2,413	2,403	2,393	2,383
Ending Bal.	502,640	500,654	498,659	496,654	494,638	492,613	490,578	488,532	486,476	484,410	482,333	480,246	478,149	476,041	473,923
<b>Inventory - Product</b>															
Opening Balance															
purchases															
Inventory - COGS															
Ending balance															
<b>Fixed asset additions</b>															
Ultra sound machine for NMH															
C Arm Machine															
New Fluorcopy suite at Silver															
Additions for new Selkirk pain clinic															
3 pain clinics in BC, At a															
Investment in technology	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292
Misc															
Clinic Set up IOP															
Slower location expansion															
Ending	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292	9,292
<b>New Fluorcopy suite at Silver</b>															
Construction Cost															
Depreciation - Construction Cost	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)	(950)
New Fluorcopy machine	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)	(1,650)
Ending	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)
<b>Internal Development Costs</b>															
E-commerce platform	0	30,000	60,000	90,000	120,000	150,000	180,000	210,000	240,000	270,000	300,000	330,000	360,000	390,000	420,000
Ending	30,000	60,000	90,000	120,000	150,000	180,000	210,000	240,000	270,000	300,000	330,000	360,000	390,000	420,000	450,000
<b>Technology</b>															
my spark (APPI) Beg	41,375	45,875	49,375	52,875	56,375	59,875	63,375	66,875	70,375	73,875	77,375	80,875	84,375	87,875	91,375
my spark (APPI) Spend	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
my spark (backload) - Spend	45,875	48,375	51,875	55,375	58,875	62,375	65,875	69,375	72,875	76,375	79,875	83,375	86,875	90,375	93,875
my spark (APPI) End	(1,274)	(1,344)	(1,413)	(1,483)	(1,552)	(1,621)	(1,691)	(1,760)	(1,830)	(1,899)	(1,969)	(2,038)	(2,108)	(2,177)	(2,247)
Amortization - technology	(2,478)	(2,823)	(3,168)	(3,513)	(3,858)	(4,203)	(4,548)	(4,893)	(5,238)	(5,583)	(5,928)	(6,273)	(6,618)	(6,963)	(7,308)
Accumulated amortization	41,106	44,552	48,000	51,448	54,896	58,344	61,792	65,240	68,688	72,136	75,584	79,032	82,480	85,928	89,376
my Spark - ending balance	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
canRite - Beg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
canRite - Spend	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
canRite - End	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)
Amortization - technology	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)	(2,442)
Accumulated amortization	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
canRite - ending balance	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917	87,917
canTracker - Beg	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
canTracker - Spend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
canTracker - End	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Amortization - technology	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)	(2,781)
Accumulated amortization	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
canTracker - ending balance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
medTracker - Beg	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
medTracker - Spend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
medTracker - End	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Amortization - technology	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)	(5,831)
Accumulated amortization	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
medTracker - ending balance	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
botTracker - Beg	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
botTracker - Spend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
botTracker - End	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Amortization - technology	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
Accumulated amortization	27,000	27,000	27,000	27,00											

Date	Loan Principal			Interest			PIK			Annual fee			Total fees
	Opening	Draw	Ending	Opening	12% Addition	Ending	Opening	2% Addition	Ending	Opening	1% Addition	Ending	
1-Jun-22		100,000	100,000										1,112
30-Jun-22	100,000	100,000	200,000		953	953		159	159				2,370
31-Jul-22	200,000	757,000	957,000	953	2,038	2,992	159	340	499				31,579
31-Aug-22	957,000	530,000	1,487,000	2,992	9,754	12,745	499	1,626	2,124				17,111
30-Sep-22	1,487,000	473,000	1,960,000	12,745	14,666	27,412	2,124	2,444	4,569				23,910
31-Oct-22	1,960,000	441,000	2,401,000	27,412	19,976	47,388	4,569	3,329	7,898				12,625
30-Nov-22	2,401,000	572,000	2,973,000	47,388	23,681	71,069	7,898	3,947	11,845				70,959
31-Dec-22	2,973,000	527,000	3,500,000	71,069	30,300	101,369	11,845	5,050	16,895	35,000			43,616
31-Jan-23	3,500,000	500,000	4,000,000	101,369	35,671	137,040	16,895	5,945	22,840				42,019
28-Feb-23	4,000,000	500,000	4,500,000	137,040	36,822	173,862	22,840	6,137	28,977				33,597
31-Mar-23	4,500,000	500,000	5,000,000	173,862	45,863	219,725	28,977	7,644	36,621				30,534
30-Apr-23	5,000,000		5,000,000	219,725	49,315	269,040	36,621	8,219	44,840				39,452
31-May-23	5,000,000		5,000,000	269,040	50,959	319,999	44,840	8,493	53,333				30,534
30-Jun-23	5,000,000		5,000,000	319,999	49,315	369,314	53,333	8,219	61,552				30,452
31-Jul-23	5,000,000		5,000,000	369,314	50,959	420,273	61,552	8,493	70,045				30,452
31-Aug-23	5,000,000		5,000,000	420,273	50,959	471,232	70,045	8,493	78,539				30,452
30-Sep-23	5,000,000		5,000,000	471,232	49,315	520,547	78,539	8,219	86,758				30,452
31-Oct-23	5,000,000		5,000,000	520,547	50,959	571,506	86,758	8,493	95,251				30,452
30-Nov-23	5,000,000		5,000,000	571,506	49,315	620,821	95,251	8,219	103,470				30,452
31-Dec-23	5,000,000		5,000,000	620,821	50,959	671,780	103,470	8,493	111,963				30,452
31-Jan-24	5,000,000		5,000,000	671,780	50,959	722,739	111,963	8,493	120,456				30,452
29-Feb-24	5,000,000		5,000,000	722,739	47,671	770,410	120,456	7,945	128,402				30,452
31-Mar-24	5,000,000		5,000,000	770,410	50,959	821,369	128,402	8,493	136,895				30,452
30-Apr-24	5,000,000		5,000,000	821,369	49,315	870,684	136,895	8,219	145,114				30,452
31-May-24	5,000,000		5,000,000	870,684	50,959	921,643	145,114	8,493	153,607	50,000			109,452

PKJ

2022													2023		
Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	
Available Facility					3,500,000.00	3,300,000.00	2,546,000.00	2,015,000.00	1,541,000.00	1,098,000.00	521,000.00	0.00			
Commitment Fee					(100,000.00)	(100,000.00)	(754,000.00)	(531,000.00)	(474,000.00)	(443,000.00)	(577,000.00)	(521,000.00)	(500,000.00)	(500,000.00)	(500,000.00)
Loan Draw															
Total Loan Draws					(200,000.00)	(754,000.00)	(531,000.00)	(474,000.00)	(443,000.00)	(577,000.00)	(521,000.00)	(500,000.00)	(500,000.00)	(500,000.00)	(500,000.00)
Cumulative Loan Owing					(200,000.00)	(854,000.00)	(1,485,000.00)	(1,959,000.00)	(2,402,000.00)	(2,979,000.00)	(3,500,000.00)	(4,000,000.00)	(4,500,000.00)	(5,000,000.00)	(5,000,000.00)
Assuming draws are made at the beginning of the month															
Base Lending Rate					13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
PIK Accrual					2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Annual Work Fee					1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Annual Interest Rate					16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Monthly Interest Rate					1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
6510	6510 - Legal Fees														
8206	8206 - Interest Expense (Credit Facility)				2,625.00	12,521.25	19,490.63	25,711.88	31,526.25	38,089.38	45,837.50	52,500.00	59,062.50	65,625.00	

PKJ

VLOOKUP - Data Forecast  
Check -->

European Revenues

Kilograms shipped

4040 - European Cannabis Revenue

Total Revenue

5060 - COGS - European Cannabis Revenue

Total Cost of Sales

Gross Margin

6510 - Legal Fees

Total SG&A

EBITDA

Total Other Expense

Net Income

	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	2022 - Q1	2022 - Q1	2022 - Q1	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q4	2022 - Q4	2022 - Q4	2023 - Q1	2023 - Q1	2023 - Q1
	2022												Forecast	Forecast	Forecast
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
							50	50	50	250	250	310	500	500	500
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PK1

VLOOKUP - Data Forecast  
Check ->

VLOOKUP - Data Forecast		4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Check ->		2022-Q1	2022-Q1	2022-Q1	2022-Q1	2022-Q1	2022-Q2	2022-Q3	2022-Q3	2022-Q3	2022-Q3	2022-Q4	2022-Q4	2022-Q4	2023-Q1	2023-Q1	2023-Q1
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Shared Services		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	
4390	4390 - Revenue - Management Fees	From Main Table	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
	Total Revenue		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
6010	6010 - Wages - Bus. Develop. - Consultant		18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
6105	6105 - Advertising & Marketing		2,000.00	2,000.00	2,000.00	2,500.00	2,000.00	2,000.00	2,500.00	2,000.00	2,500.00	2,000.00	2,500.00	2,000.00	2,000.00	2,000.00	2,000.00
6130	6130 - Website Design																
6135	6135 - Printed Materials		1,300.00	1,300.00	1,300.00	1,300.00	1,600.00	1,300.00	1,300.00	1,600.00	1,300.00	1,300.00	1,600.00	1,300.00	1,300.00	1,300.00	1,300.00
6150	6150 - Bus. Develop. - Meals		150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
6155	6155 - Bus. Develop. - Travel		2,250.00	1,250.00	2,250.00	2,250.00	1,250.00	2,250.00	2,250.00	1,250.00	2,250.00	2,250.00	1,250.00	2,250.00	2,250.00	1,250.00	2,250.00
6205	6205 - Rent		7,479.69	7,479.69	7,479.69	7,479.69	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75	4,885.75
6206	6206 - Rent - IFRS 16 Adj		(3,755.00)	(3,755.00)	(3,755.00)	(3,755.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6220	6220 - Telephone & Internet		1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00
6305	6305 - Wages - Sales		9,810.21	9,810.21	9,810.21	9,810.21	5,476.88	5,476.88	5,476.88	5,476.88	5,476.88	5,476.88	5,476.88	5,476.88	5,586.42	5,586.42	5,586.42
6320	6320 - Wages - Management		0.00	0.00	0.00	0.00	29,583.33	29,583.33	31,166.67	32,750.00	32,750.00	32,750.00	32,750.00	32,750.00	31,790.00	33,405.00	33,405.00
6330	6330 - Wages - Shared Services		64,367.92	64,367.92	64,367.92	49,242.92	49,242.92	49,242.92	49,242.92	49,242.92	49,242.92	49,242.92	49,242.92	49,242.92	50,227.78	50,227.78	50,227.78
6335	6335 - Wages - Shared Services - Mgmt		92,083.33	92,083.33	92,083.33	92,083.33	75,416.66	75,416.66	75,416.66	75,416.66	75,416.66	75,416.66	75,416.66	75,416.66	76,924.99	76,924.99	76,924.99
6350	6350 - CPP		9,061.27	9,061.27	7,799.69	5,639.58	5,035.59	4,082.21	3,724.35	2,846.89	2,068.18	695.40	44.10	9,866.84	9,054.86	9,054.86	9,054.86
6355	6355 - EI		3,677.71	3,677.71	3,214.31	2,434.95	2,092.64	1,705.54	1,565.43	1,247.67	1,013.18	933.46	427.04	67.72	3,636.10	3,671.79	3,671.79
6360	6360 - EHT - Admin	1.95%	3,242.10	3,242.10	3,242.10	3,242.10	3,493.54	3,114.54	3,176.79	3,176.79	3,176.79	3,176.79	3,176.79	3,176.79	3,208.37	3,239.81	3,239.81
6375	6375 - Benefits		7,085.32	7,085.32	7,085.32	7,085.32	6,391.50	6,391.50	18,892.50	13,122.44	13,122.44	10,122.44	10,122.44	8,856.65	8,856.65	8,856.65	8,856.65
6380	6380 - Payroll Expenses		800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
6386	6386 - Severance		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6395	6395 - Bonus		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6399	6399 - Options Expense		40,894.48	39,775.31	40,894.48	31,081.09	31,487.48	26,070.09	24,297.96	24,297.96	24,130.13	24,297.96	24,130.13	24,297.96	23,458.96	22,955.64	23,458.96
6405	6405 - Office Expenses		1,000.00	1,000.00	1,000.00	1,000.00	9,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6410	6410 - Postage & Courier		200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
6415	6415 - Computer Expenses		225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00
6420	6420 - Software Expenses		6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
6435	6435 - Dues & Fees						500.00										
6450	6450 - Meals & Ent - Admin		700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
6455	6455 - Travel - Admin		10,603.33	8,603.33	10,603.33	8,603.33	9,693.33	10,693.33	11,693.33	9,693.33	11,693.33	10,693.33	9,693.33	9,693.33	10,603.33	8,603.33	10,603.33
6495	6495 - Other Expenses					5,000.00	5,000.00	5,000.00									
6505	6505 - Accounting Fees		16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67
6510	6510 - Legal Fees		5,000.00	5,000.00	5,000.00	5,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
6515	6515 - Consultants - Other				16,667.00	24,867.00	16,667.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00			
6705	6705 - Technology Expense																
6805	6805 - Bank Fees & Interest		1,500.00	1,500.00	1,416.67	1,416.67	1,416.67	1,416.67	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
6805	6805 - Bank Fees & Interest		10.00%	14,765.85	14,765.85	14,765.85	14,765.85	14,765.85	16,242.44	16,242.44	16,242.44	16,242.44	16,242.44	16,242.44	16,242.44	16,242.44	16,242.44
6805	6805 - Insurance D&O		1,320.00	1,320.00	1,320.00	1,320.00	1,320.00	1,320.00	3,588.00	3,588.00	3,588.00	3,588.00	3,588.00	3,588.00	3,588.00	3,588.00	3,588.00
6820	6820 - Insurance - Cyber Liability		248.12	248.12	248.13	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12	248.12
6905	6905 - Press Release Costs		1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,091.96	1,113.80	1,113.80	1,113.80
6910	6910 - TSX Filing Fees		1,666.67	1,666.67	1,666.67	1,666.67	32,066.67	16,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,700.00	1,700.00	1,700.00	1,700.00
6915	6915 - Transfer Agent Fees		500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6920	6920 - AGM Costs																
6925	6925 - Board of Director Fees																
6930	6930 - Investor Relations Consulting		72,879.09	53,500.00	25,500.00	25,500.00	35,000.00	85,000.00	15,000.00	15,000.00	40,000.00	40,000.00	40,000.00	15,000.00	10,000.00	10,000.00	10,000.00
6935	6935 - Other Consulting Fees																
	Total SG&A		396,288.71	372,690.45	370,018.22	369,015.45	430,756.73	425,666.37	363,811.81	341,010.56	374,207.69	367,109.64	362,870.67	343,977.82	326,714.16	324,981.04	341,234.36
	EBITDA		(393,288.71)	(369,690.45)	(367,018.22)	(366,015.45)	(427,756.73)	(422,666.37)	(360,811.81)	(338,010.56)	(371,207.69)	(364,109.64)	(359,870.67)	(340,977.82)	(323,714.16)	(321,981.04)	(338,234.36)
8215	8215 - Interest Expense (Lease)		117.42	88.41	59.18	29.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8405	8405 - Depreciation		1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18	1,897.18
8410	8410 - Amortization		11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59	11,375.59
8450	8450																

VLOOKUP - Data Forecast  
Check ->

Virtual

LP Revenue - Growth		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
LP Revenue		203,558.77	207,629.94	211,782.54	216,018.19	220,338.55	224,745.33	229,240.23	233,825.04	238,501.54	243,271.57	248,137.00	253,099.74	230,320.76	230,320.76	230,320.76
Less Manitoba portion		12.50%	(25,444.85)	(25,953.74)	(26,472.81)	(27,002.17)	(27,542.32)	(28,093.17)	(28,655.03)	(29,228.13)	(29,812.69)	(30,408.95)	(31,017.12)	(31,637.47)	(28,790.10)	(28,790.10)
Loss of revenue to products		0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
*LP Revenue (previous business)		178,113.92	181,676.20	185,309.72	189,015.92	192,796.24	196,652.16	200,585.20	204,596.91	208,688.85	212,862.62	217,119.87	221,462.27	201,530.67	201,530.67	201,530.67
OCC Patients		326	326	326	326	326	326	326	326	326	326	326	326	326	326	326
OCC Patient Loss %		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pathway-Provost		20	40	60	80	100	120	140	160	180	200	220	240	260	280	300
Pathway-Provost Patient Loss %		-30.00%	(6)	(12)	(18)	(24)	(30)	(36)	(42)	(48)	(54)	(60)	(66)	(72)	(78)	(84)
Patients		340	354	368	382	396	410	424	438	452	466	480	494	508	522	536
OCC Patients		77.64	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23	25,291.23
Pathway-Provost		41.67	583.33	1,166.67	1,750.00	2,333.33	2,916.67	3,500.00	4,083.33	4,666.67	5,250.00	5,833.33	6,416.67	7,000.00	7,583.33	8,166.67
*LP Revenue (acquisitions/collaborations)		25,874.56	26,457.90	27,041.23	27,624.56	28,207.90	28,791.23	29,374.56	29,957.90	30,541.23	31,124.56	31,707.90	32,291.23	32,874.56	33,457.90	34,041.23
Active Pharmacies							147	60	34		17		98		69	
Sobeys							290		63		143		229		88	
PC								75								
Metro																
Other (Save-On Foods, PharmaSave, etc)																
Onboarded and Active Pharmacies		0	0	0	0	0	437	135	97	0	160	0	327	0	157	0
Cumulative Pharmacies		0	0	0	0	0	437	572	669	669	829	829	1,156	0	157	157
Pharmacy Loss (%)		-30%	-30%	-30%	-30%	-30%	-10%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%
Pharmacy Loss (\$)		0	0	0	0	0	(131)	(172)	(201)	(201)	(249)	(249)	(347)	0	(47)	(47)
Pharmacies Referring Monthly		0	0	0	0	0	306	400	468	468	580	580	809	0	110	110
New patients directed to TCNC/month/pharmacy		1	1	1	1	1	1	1	1	1	1	1	1	0	0	0
Monthly Patient Referrals		0	0	0	0	0	306	400	468	468	580	580	809	0	0	0
Cumulative Patients		0	0	0	0	0	306	706	1,175	1,643	2,223	2,804	3,613	0	0	0
Patient Loss (%)		-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%	-30%
Patient Loss (\$)		0	0	0	0	0	(32)	(212)	(352)	(493)	(667)	(841)	(1,084)	0	0	0
Total Ordering Patients		0	0	0	0	0	214	494	823	1,150	1,556	1,963	2,529			
Total \$ spent per new patients/month		100	0	0	0	0	21,390	49,430	82,260	114,980	155,620	196,250	252,870	155,620	155,620	155,620
Monthly LP Revenue (company portion)		25%	0	0	0	0	5,348	12,358	20,565	28,748	38,905	49,063	63,218	38,905	38,905	38,905
Total LP Revenue		203,988.48	208,134.10	212,350.95	216,649.48	221,004.13	230,790.89	242,317.27	255,119.80	267,977.58	282,892.19	297,890.27	316,971.00	273,310.23	273,893.56	274,476.90
Pharmacy Fees		25	0.00	0.00	0.00	0.00	7,647.50	10,010.00	11,707.50	11,707.50	14,507.50	14,507.50	20,230.00	0.00	0.00	0.00
Dr. Lasner - Patient Appointments		1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Average Billing/Appointment		21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Provincial Billing		29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00	29,400.00
Dr. Wysocki - Patient Appointments		785	785	785	785	785	785	785	785	785	785	785	785	785	785	785
Average Billing/Appointment		33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Provincial Billing		25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00	25,905.00
Dr. Wong - Patient Appointments		630	630	630	630	630	630	630	630	630	630	630	630	630	630	630
Average Billing/Appointment		37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Provincial Billing		23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00	23,310.00
Dr. Mahabir - Patient Appointments		120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
Average Billing/Appointment		32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50
Provincial Billing		3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00
Dr. Lewis - Patient Appointments																
Average Billing/Appointment																
Provincial Billing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dr. Bekasiak - Patient Appointments																
Average Billing/Appointment																
Provincial Billing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dr. Saraf - Patient Appointments																
Average Billing/Appointment																
Provincial Billing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue - Provincial Billing Group		82,515.00	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50
Dr. Lasner		75%	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00	22,050.00
Dr. Wysocki		70%	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50	18,133.50
Dr. Wong		70%	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00	16,317.00
Dr. Mahabir		70%	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00	2,730.00
Dr. Lewis		75%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dr. Bekasiak		77%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dr. Saraf		70%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consultants - MDs		59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50	59,230.50
REVENUE																
4005 - Revenue - LP		203,988.48	208,134.10	212,350.95	216,649.48	221,004.13	230,790.89	242,317.27	255,119.80	267,977.58	282,892.19	297,890.27	316,971.00	245,979.11	232,809.53	219,581.52
4015 - Revenue - General (Other)																
4105 - Provincial Billing - Group		82,515.00	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50	85,573.50
4210 - Non-Provincial Billing		225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00
4230 - Photocopying Files		400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
4035 - Revenue - LP Marketing		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue		287,128.48	294,332.60	298,549.45	302,818.98	307,202.63	316,989.39	297,694.77	310,497.30	323,355.08	338,269.69	353,267.77	372,348.50	301,356.71	288,187.03	274,959.02
5005 - Consultants - MDs		59,230.50	59,230.50	59,230.50	59,230.50	59,2										

6205	6205 - Rent (\$/month/clinic)	2,500	6,200.00	8,700.00	8,700.00	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67	6,116.67
6215	6215 - Utilities	6.50%	408.66	572.59	572.59	402.57	402.57	402.57	402.57	402.57	402.57	402.57	402.57	402.57	402.57	402.57	402.57
6220	6220 - Telephone & Internet		7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00	7,075.00
6305	6305 - Wages - Sales		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6310	6310 - Wages - Educators		24,958.26	24,958.26	24,958.26	24,958.26	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00	25,207.00
6315	6315 - Wages - Nursing		46,201.31	46,201.31	46,201.31	46,201.31	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23	42,002.23
6320	6320 - Wages - Management						10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67	10,166.67
6325	6325 - Wages - Admin		45,173.21	45,173.21	45,173.21	45,173.21	49,993.75	49,204.39	48,415.03	48,415.03	48,415.03	48,415.03	48,415.03	48,415.03	48,415.03	48,415.03	48,415.03
6330	6330 - Wages - Shared Services		10,166.67	10,166.67	10,166.67	10,166.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6350	6350 - CPP		7,631.51	7,858.44	7,858.44	7,858.44	6,947.28	6,325.66	5,687.45	5,687.45	5,687.45	5,687.45	5,687.45	5,687.45	5,687.45	5,687.45	5,687.45
6355	6355 - EI		3,073.17	3,165.60	3,165.60	3,165.60	2,817.72	2,623.28	2,308.69	2,308.69	2,308.69	2,308.69	2,308.69	2,308.69	2,308.69	2,308.69	2,308.69
6360	6360 - EHT	1.85%	2,268.49	2,268.49	2,268.49	2,268.49	2,483.71	2,468.32	2,452.92	2,452.92	2,452.92	2,452.92	2,452.92	2,452.92	2,452.92	2,452.92	2,452.92
6375	6375 - Benefits		11,987.78	11,987.78	11,987.78	11,987.78	9,863.93	9,863.93	10,187.01	10,127.04	10,127.04	10,127.04	10,127.04	9,803.96	9,803.96	14,384.73	14,384.73
6395	6395 - Bonus		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6386	6386 - Severance	1						6,310.00	6,310.00	6,310.00	6,310.00	6,310.00	6,310.00	6,310.00	6,310.00	6,310.00	6,310.00
6405	6405 - Office Expenses		175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00
6410	6410 - Postage & Courier		175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00	175.00
6415	6415 - Computer Expenses																
6420	6420 - Software Expense		7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00	7,250.00
6435	6435 - Dues & Fees																
6450	6450 - Meals & Entertainment - Admin																
6455	6455 - Travel - Admin		3,532.88	3,532.88	3,532.88	3,532.88	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	2,166.67	2,166.67
6480	6480 - Bad Debt Expense																
6495	6495 - Other Expenses		125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
6620	6620 - Insurance - Cyber Liability		124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06
6805	6805 - Bank Fees & Interest		30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Total SG&A			186,555.40	184,539.30	184,539.30	181,785.95	177,495.59	175,774.78	180,650.30	180,590.33	180,590.33	180,577.58	173,653.84	173,610.30	184,261.72	184,261.72	184,261.72
EBITDA			41,342.58	50,562.79	54,779.65	61,822.53	70,476.54	74,336.61	69,853.97	81,018.97	93,876.74	106,004.10	127,925.93	141,327.70	79,914.49	66,744.81	53,516.80
Total Other Expenses			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income			41,342.58	50,562.79	54,779.65	61,822.53	70,476.54	74,336.61	69,853.97	81,018.97	93,876.74	106,004.10	127,925.93	141,327.70	79,914.49	66,744.81	53,516.80
NP Model																	
hours/month			150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Active Patients			1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250
New Patient			0	0	0	0	0	306	400	468	468	468	468	468	580	580	809
Renewal								0	0	0	306	400	468	468	580	580	809
			1250	1250	1250	1250	1250	1556	1650	1718	2024	2231	2199	2528	1830	1830	2059
Nurse Practitioner																	
# of patients/hour			3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
# of patients/month			450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
# of FTEs required			3	3	3	3	3	4	4	4	5	5	6	5	5	5	5
Current FTEs			5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Required FTEs			0	0	0	0	0	0	0	0	0	0	(1)	(1)	0	0	0
		65.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9,750.00)	(9,750.00)	0.00	0.00	0.00
Nurse/Educators (per 1 NP)																	
# of FTEs required			0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Current FTEs			2	2	2	2	2	3	3	3	4	4	5	5	4	4	4
Required FTEs			19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
		30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MOA (per 1 NP)																	
# of FTEs required			0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Current FTEs			2	2	2	2	2	3	3	3	3	3	3	3	3	3	3
Required FTEs			14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
		20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PKJ

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Nature Medic

Based when new # FTE Doctors  
Based as time Patients/Hour  
Hours/Month (7.5 hrs/day x 5 days/week x 4 weeks)  
Pain Patient #s - initial/treatments with doctor  
Pain Patient - Revenue

Based when new # FTE Nurses  
Based as time Patients/Hour  
Hours/Month (7.5 hrs/day x 5 days/week x 4 weeks)  
Pain Patient #s - followups  
Pain Patient - Revenue

Total Private Pay

Consultants - MDs - FTE  
Cost - Consultants - MD (per hour)

4210 4210 - Revenue - Private Pay

Total Revenue

5005 5005 - Consultants - MDs

5305 5305 - Medical Supplies

Total Cost of Sales

Gross Margin

6205 6205 - Rent

6206 6206 - Rent Adj - IFRS 16

6215 6215 - Utilities - COGS

6220 6220 - Telephone & Internet - COGS

6230 6230 - Janitorial Expense - COGS

5520 5520 - Training Fee

6010 6010 - Consultants - Bus. Develop.

6105 6105 - Advertising/Marketing

6130 6130 - Printed Materials

6155 6155 - Bus. Dev. - Travel

6305 6305 - Wages - Call Centre

6310 6310 - Wages - Educators

6315 6315 - Wages - Nursing (QC)

6325 6325 - Wages - Admin (QC)

6370 6370 - QPP

6355 6355 - EI

6360 6360 - EHT

6365 6365 - WSIB

6375 6375 - Benefits

6395 6395 - Bonus

6405 6405 - Office Expenses

6420 6420 - IT/Software

6455 6455 - Travel - Admin

6495 6495 - Other

6615 6615 - Insurance - General Liability

6620 6620 - Insurance - Cyber Liability

6805 6805 - Bank Fees

6810 6810 - Credit Card Fees

Total SG&A

EBITDA

8410 8410 - Amortization

8450 8450 - Depreciation (Lease)

8215 8215 - Interest Expense (Lease)

Total Other Expense

Net Income

	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	2022 - Q1	2022 - Q1	2022 - Q1	2022 - Q2	2022 - Q2	2022 - Q2	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q4	2022 - Q4	2022 - Q4	2023 - Q1	2023 - Q1	2023 - Q1
	2022														
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180
	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00
	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00
	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00	13,500.00
	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00
	13,500.00	13,500.00	13,500.00	13,500.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00	14,750.00
	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
	13,750.00	13,750.00	13,750.00	13,750.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
	19,250.00	19,250.00	(3,750.00)	1,250.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17	4,681.17
	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)	(4,385.07)
	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09	308.09
	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56	366.56
	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47	255.47
	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00
	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,586.67	6,718.40	6,718.40	6,718.40
	4,029.56	4,029.56	4,029.56	4,029.56	1,578.72	4,776.03	3,986.67	3,986.67	3,986.67	3,986.67	3,986.67	3,986.67	4,066.40	4,066.40	4,066.40
	616.80	616.80	616.80	616.80	474.41	860.18	614.32	614.32	545.72	231.63	231.63	231.63	366.15	366.15	366.15
	234.83	234.83	234.83	234.83	180.62	251.35	233.89	233.89	233.89	110.73	88.19	88.19	148.48	148.48	148.48
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	932.03	932.03	932.03	932.03	929.28	929.28	687.59	687.59	687.59	687.59	687.59	687.59	1,165.04	1,165.04	1,165.04
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00
	0.00	1,000.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49	133.49
	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06
	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24	40.24
	603.88	603.88	182.99	274.49	365.99	365.99	365.99	365.99	365.99	365.99	365.99	365.99	365.99	365.99	365.99
	18,227.77	18,227.77	17,806.89	17,898.39	16,339.70	18,793.51	17,699.14	18,699.14	17,630.54	17,193.29	18,170.75	17,170.75	18,054.47	18,054.47	18,054.47
	1,022.23	22.23	(21,556.89)	(16,648.39)	(11,339.70)	(13,793.51)	(12,699.14)	(13,699.14)	(12,630.54)	(12,193.29)	(13,170.75)	(12,170.75)	(13,054.47)	(13,054.47)	(13,054.47)
	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22	370.22
	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88	3,579.88
	1,156.75	1,131.01	1,105.06	1,078.90	1,052.54	1,025.97	999.18	972.16	944.96	917.53	889.88	862.01	833.92	805.59	777.77
	5,106.85	5,081.11	5,055.16	5,029.00	5,002.64	4,976.07	4,949.28	4,922.28	4,895.06	4,867.63	4,839.98	4,812.11	4,784.02	4,755.69	4,727.16
	(4,084.62)	(5,058.38)	(26,512.05)	(21,677.39)	(16,342.34)	(18,769.58)	(17,648.42)	(18,621.42)	(17,525.60)	(17,060.92)	(18,010.72)	(16,982.86)	(17,838.49)	(17,810.17)	(17,781.65)

VLOOKUP - Data Forecast  
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		4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
		2022 - Q1	2022 - Q1	2022 - Q1	2022 - Q2	2022 - Q2	2022 - Q2	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q3	2022 - Q4	2022 - Q4	2022 - Q4	2023 - Q1	2023 - Q1	2023 - Q1
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	
Silver																	
	PROVINCIAL BILLING REVENUE																
	Growth % over PY	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	2%	2%	2%
	Friedlander, M	15	45	60	60	60	60	70	70	70	70	70	70	70	50	70	80
	Average Billing/Appointment	254.00	254.00	254.00	254.00	254.00	254.00	347.00	347.00	347.00	347.00	347.00	347.00	347.00	425.00	425.00	425.00
	Provincial Billing - Group	3,810.00	11,430.00	15,240.00	15,240.00	15,240.00	15,240.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	24,290.00	21,250.00	29,750.00	34,000.00
	35% Consultants - MDs	2,476.50	7,429.50	9,906.00	9,906.00	9,906.00	9,906.00	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	15,788.50	13,812.50	19,337.50	22,100.00
	growth % over	160	185	236	186	134	134	134	134	134	134	134	134	134	130	85	110
	Average Billing/Appointment	200.00	200.00	200.00	200.00	200.00	200.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	125.00	125.00	125.00
	Provincial Billing - Group	32,000.00	37,000.00	47,200.00	37,200.00	26,800.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	19,430.00	16,250.00	10,825.00	13,750.00
	30% Consultants - MDs	22,400.00	25,900.00	33,040.00	26,040.00	18,760.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	13,601.00	11,375.00	7,437.50	9,625.00
	ramped up (re)	130	121	134	121	134	148	60	60	60	60	60	60	60	55	60	60
	Kannumpurath, S	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78	173.78
	Average Billing/Appointment	19,115.80	21,027.38	23,286.52	21,027.38	23,286.52	25,012.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	10,140.00	9,625.00	10,500.00	10,500.00
	Provincial Billing - Group	10,513.69	11,565.06	12,807.59	11,565.06	12,807.59	13,756.60	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,577.00	5,293.75	5,775.00	5,775.00
	45% Consultants - MDs																
	growth % over	48	47	57	35	40	46	49	22	41	24	40	27	40	40	40	40
	Average Billing/Appointment	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00
	Provincial Billing - Group	10,800.00	10,575.00	12,825.00	7,875.00	9,000.00	10,612.66	11,304.79	5,075.62	9,459.11	5,537.04	9,228.40	6,229.17	8,600.00	8,600.00	8,600.00	8,600.00
	30% Consultants - MDs	7,560.00	7,402.50	8,977.50	5,512.50	6,300.00	7,428.86	7,913.35	3,552.93	6,621.38	3,875.93	6,459.88	4,360.42	6,020.00	6,020.00	6,020.00	6,020.00
	growth % over	230	206	224	214	196	223	176	198	201	186	201	201	160	210	250	250
	Average Billing/Appointment	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
	Provincial Billing - Group	57,500.00	51,500.00	56,000.00	53,500.00	49,000.00	52,851.00	41,712.00	46,926.00	47,637.00	44,082.00	47,637.00	47,637.00	38,400.00	50,400.00	60,000.00	60,000.00
	32% Consultants - MDs	39,100.00	35,020.00	38,080.00	36,380.00	33,320.00	35,938.68	28,364.16	31,909.68	32,393.16	29,975.76	32,393.16	32,393.16	26,112.00	34,772.00	40,800.00	40,800.00
	growth % over	147	151	126	146	148	169	120	120	120	120	120	120	110	105	140	140
	Average Billing/Appointment	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
	Provincial Billing - Group	29,400.00	30,200.00	25,200.00	29,200.00	29,600.00	32,110.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	22,800.00	19,800.00	18,900.00	25,200.00	25,200.00
	35% Consultants - MDs	19,110.00	19,630.00	16,380.00	18,980.00	19,240.00	20,871.50	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	14,820.00	12,870.00	12,285.00	16,380.00	16,380.00
	FTE - Q1 2022	40	40	40	40	40	110	120	120	110	110	110	110	110	115	115	115
	Average Billing/Appointment	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00
	Provincial Billing - Group	11,000.00	11,000.00	11,000.00	11,000.00	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00	18,500.00	23,600.00	23,600.00	23,600.00	23,600.00
	35% Consultants - MDs	7,150.00	7,150.00	7,150.00	7,150.00	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	12,083.50	15,340.00	15,340.00	15,340.00	15,340.00
	FTE - Q3 2022																
	Average Billing/Appointment																
	Provincial Billing - Group																
	35% Consultants - MDs																
	Growth % over PY	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	Djoric, V	94	79	105	118	105	124	160	160	160	160	160	160	160	160	130	160
	Average Billing/Appointment	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98	227.98
	Provincial Billing - Non-Group	21,430.12	18,010.42	23,837.90	26,901.64	23,937.90	28,269.52	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80	36,476.80
	33% Consultants - MDs	14,358.18	12,066.98	16,038.39	18,024.10	16,038.39	18,940.58	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46	24,439.46
	growth % over	146	164	182	178	168	201	164	164	164	164	164	164	164	140	160	190
	Average Billing/Appointment	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00	369.00
	Provincial Billing - Non-Group	53,874.00	60,516.00	67,158.00	65,682.00	61,992.00	74,169.00	61,992.00	61,992.00	61,992.00	61,992.00	61,992.00	61,992.00	61,992.00	46,900.00	53,600.00	63,650.00
	33% Consultants - MDs	36,095.58	40,545.72	44,995.86	44,006.94	41,534.64	49,693.23	41,534.64	41,534.64	41,534.64	41,534.64	41,534.64	41,534.64	41,534.64	31,423.00	35,912.00	42,645.50
	growth % over	84	79	102	86	83	95	85	76	88	78	71	78	75	75	75	75
	Average Billing/Appointment	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86	400.86
	Provincial Billing - Non-Group	33,672.24	31,667.94	40,887.72	34,473.96	33,271.38	38,081.70	34,073.10	30,465.36	35,275.68	31,267.08	28,461.06	31,267.08	30,064.50	30,064.50	30,064.50	30,064.50
	36% Consultants - MDs	21,550.23	20,267.48	26,168.14	22,063.33	21,293.68	24,372.29	21,806.78	19,497.83	22,576.44	20,010.93	18,215.08	20,010.93	19,241.28	19,241.28	19,241.28	19,241.28
	Provincial Billing - Group	7,500.00	10,000.00	15,000.00	20,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
	33% Consultants - MDs	5,025.00	6,700.00	10,050.00	13,400.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00	16,750.00
	Provincial Billing - Group	171,125.80	182,732.38	205,751.52	195,042.38	196,516.52	198,845.66	173,266.79	172,251.62	177,346.11	169,869.04	177,115.40	174,116.17	162,525.00	177,375.00	200,650.00	200,650.00
	Provincial Billing - Non-Group	108,976.36	110,194.36	131,983.62	127,057.60	119,201.28	140,520.22	132,541.90	128,934.16	133,744.48	129,735.88	126,929.86	129,735.88	113,764.50	113,564.50	130,514.50	130,514.50
	Consultants - MDs	185,339.18	193,677.24	223,593.48	213,027.93	208,033.80	223,342.24	202,678.39	199,554.54	206,185.07	198,456.72	201,662.21	201,358.61	182,893.53	192,403.28	219,332.78	219,332.78
	NON-CHIP REVENUE																
	Non-CHIP Growth																
	Non-CHIP Revenue	17,500.00	17,500.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	19,250.00	19,250.00	22,000.00
	Non-CHIP - Ketamine (patients)	10	10	15	15	15	15	15	15	15	15	15	15	15	15	15	15
	Non-CHIP Revenue - Ketamine	6,000.00	6,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
	Non-CHIP Revenue	23,500.00	23,500.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	29,000.00	28,250.00	28,250.00	31,000.00
	32% Doctor's % - Non-CHIP patients	12,920.00	12,920.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	15,130.00	14,620.00	14,620.00	16,490.00
	REVENUE																
	4105 - Provincial Billing - Group	171,125.80	182,732.38	205,751.52	195,042.38	196,516.52	198,845.66	173,266.79									

Total COGS		240,267.55	250,203.97	288,600.25	276,086.06	272,321.50	288,552.25	263,706.10	260,006.08	267,871.07	258,711.23	262,470.14	262,142.45	239,638.72	250,974.33	285,129.90
Gross Margin		79,834.61	82,722.77	94,634.89	51,513.92	88,896.30	96,313.63	87,602.59	86,679.70	88,719.52	86,393.69	87,075.12	87,209.60	81,400.78	84,715.17	93,534.60
SG&A																
5115	5115 - Wages - Clinic Management	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50	3,292.50
6205	6205 - Rent - COGS	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	47,634.24	48,428.15	48,428.15	48,428.15
6206	6206 - Rent Adj - IFRS 16	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(31,829.00)	(32,552.00)	(32,552.00)	(32,552.00)
5.71%	6215 - Utilities - COGS	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	2,982.80	3,032.51	3,032.51	3,032.51
2.58%	6220 - Telephone & Internet - COGS	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,349.64	1,372.13	1,372.13	1,372.13
1.45%	6225 - Repairs & Maintenance - COGS	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	757.47	770.10	770.10	770.10
4.92%	6230 - Janitorial Expense - COGS	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,570.72	2,613.56	2,613.56	2,613.56
	6235 - Security & Monitoring - COGS	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75	42.75
6010	6010 - Wages - Business Development - Consultants	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	13,170.00	13,170.00	13,170.00
6105	6105 - Advertising Expense	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
6120	6120 - Finder's/Training Fee	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6315	6315 - Wages - Nursing	40,785.53	40,785.53	40,785.53	40,785.53	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	44,407.14	45,445.98	45,445.98	45,445.98
6320	6320 - Wages - Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,000.00	7,000.00	7,000.00
6325	6325 - Wages - Admin	34,775.72	34,775.72	34,775.72	34,775.72	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	28,845.33	29,422.24	29,422.24	29,422.24
6350	6350 - CPP	4,118.11	4,118.11	4,118.11	4,118.11	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	3,992.25	4,080.32	4,080.32	4,080.32
6355	6355 - EI	1,671.40	1,671.40	1,671.40	1,671.40	1,620.32	1,620.32	1,620.32	1,620.32	1,620.32	1,620.32	1,620.32	1,620.32	1,654.59	1,654.59	1,654.59
1.95%	6360	1,473.44	1,473.44	1,473.44	1,473.44	1,428.42	1,428.42	1,428.42	1,428.42	1,428.42	1,428.42	1,428.42	1,428.42	1,496.43	1,496.43	1,496.43
0.70%	6365	528.93	528.93	528.93	528.93	512.77	512.77	512.77	512.77	512.77	512.77	512.77	512.77	523.08	523.08	523.08
6375	6375 - Benefits	4,860.72	4,860.72	4,860.72	4,860.72	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	3,596.15	4,957.94	4,957.94	4,957.94
6380	6380 - Payroll Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6395	6395 - Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6405	6405 - Office Supplies	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00
6410	6410 - Postage & Courier	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00
6420	6420 - Software Expenses	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,035.50	6,046.21	6,046.21	6,046.21
6450	6450 - Meals & Entertainment	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6455	6455 - Travel - Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6480	6480 - Bad Debt Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6495	6495 - Other Expenses	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
6515	6515 - Consultants - Other	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00	3,512.00
5%	6615	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89	1,334.89
6620	6620 - Insurance - Cyber Liability	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06	124.06
6805	6805 - Bank Fees & Interest	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
0.09%	6810	300.68	312.73	359.99	345.30	339.31	361.52	330.00	325.66	334.96	324.17	328.34	328.16	301.56	315.33	355.69
Total SG&A		144,572.11	144,584.15	144,631.41	144,616.72	140,799.25	148,321.47	155,475.45	155,471.10	155,277.55	146,676.24	145,841.93	144,803.55	152,468.99	152,482.75	152,523.12
EBITDA		(64,737.50)	(61,861.38)	(49,396.52)	(53,102.80)	(51,902.96)	(52,007.84)	(67,872.86)	(68,791.41)	(66,558.03)	(60,282.55)	(56,766.81)	(57,593.95)	(71,068.22)	(67,767.59)	(58,988.52)
8205	8205 - Interest Expense	1,002.74	990.13	977.38	964.52	951.53	938.41	925.16	911.78	898.27	884.62	870.85	856.93	842.87	828.68	814.36
8215	8215 - Interest Expense (Leases)	5,583.79	5,374.51	5,163.56	4,950.92	4,736.60	4,520.56	4,302.80	4,083.30	3,862.05	3,639.04	3,414.25	3,187.66	2,959.27	2,723.30	2,485.44
8325	8325 - Accretion - Finance Fees	487.83	446.98	501.32	492.16	515.67	506.24	530.42	538.08	528.24	553.48	543.36	569.31	0.00	0.00	0.00
8405	8405 - Depreciation	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77	7,949.77
8450	8450 - Depreciation (Leases)	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07	24,536.07
Total Other Expenses		39,560.20	39,297.46	39,128.10	40,543.44	40,339.63	40,101.04	39,894.21	39,669.00	39,424.40	39,212.97	38,964.29	38,749.74	37,937.98	37,687.81	37,435.63
Net Income		89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62	89,124.62

PK

Slawner Ortho

PKJ

8405	8405 - Depreciation	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61	1,503.61
	8450 - Depreciation (Leases)	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58	9,947.58
	8450 - Depreciation (Leases)	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
	8450 - Depreciation (Leases)	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71	1,946.71
	8450 - Depreciation (Leases)	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62	2,614.62
8450	8450 - Depreciation (Leases)	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01	17,139.01
	Total Other Expenses	34,420.97	34,339.12	34,256.62	34,173.46	34,089.64	34,005.15	33,919.99	33,834.14	33,747.61	33,660.40	33,572.48	33,489.87	33,394.55	33,304.51
	NET INCOME	(37,134.31)	(36,498.46)	(32,541.20)	(29,500.79)	(42,961.06)	(34,421.16)	(37,106.57)	(42,198.39)	(33,428.18)	(38,730.65)	(30,561.79)	(41,393.88)	(52,173.52)	(57,782.27)

PK

Total 2022 incremental revenue	126,186
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14.500.000

Monthly Net	R5 Education Grant (List price less disc. & tax)
Up to 50K	33%
Up to 60K	34%
Up to 70K	35%
Up to 80K	36%
Over 80K	39%

Note: 75k at H2 = Current and new patients

\$200k overage

ent its

ent

ls

5-amp	32.910
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**Total Revenue**

Total COGS			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6050	6050 - Manufacturing Scale-Up	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6055	6055 - Process Validation	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6060	6060 - Stability	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6065	6065 - Clinical Trial	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6070	6070 - Third Party Testing	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6075	6075 - Development - Call Center	Product Co						1,000.00	19,750.00	22,750.00	22,750.00	22,750.00	22,750.00	22,750.00	4,000.00	4,000.00
6105	6105 - Advertising		15,000.00			35,750.00	35,809.03	36,309.03	58,312.36	29,703.33	29,703.33	16,370.00	16,370.00	30,416.67	30,416.67	30,416.67
6130	6130 - Printed Materials															
6135	6135 - Website															
6205	6205 - Rent		924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54	924.54
6220	6220 - Telephone & Internet	Sales Ltd Co	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
6305	6305 - Wages - Sales	Sales Ltd Co					0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,500.00	6,500.00	6,500.00
6320	6320 - Wages - Management	Product Co	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	14,025.00	14,025.00	14,025.00
6325	6325 - Wages - Admin	Product Co	3,600.00	8,233.33	8,233.33	8,233.33	0.00	0.00	0.00	0.00	0.00	0.00	8,398.00	8,398.00	8,398.00	8,398.00
6350	6350 - CPP	Product Co	945.58	1,198.10	1,198.10	1,198.10	168.93	448.72	448.72	448.72	448.72	448.72	448.72	1,222.05	1,222.05	1,222.05
6355	6355 - EI	Product Co	383.78	486.27	486.27	486.27	117.24	182.12	182.12	182.12	182.12	182.12	182.12	495.55	495.55	495.55
6375	6375 - Benefits		952.72	952.72	952.72	952.72	952.72	952.72	952.72	1,502.72	2,052.72	2,052.72	2,052.72	2,250.00	2,250.00	2,250.00
6395	6395 - Bonus	Product Co	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6405	6405 - Office Expenses	Sales Ltd Co	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6420	6420 - IT/Software	Sales Ltd Co	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6435	6435 - Licences & Fees	Sales Ltd Co	0.00	0.00	0.00	0.00	0.00	0.00	4,962.00	0.00	0.00	0.00	0.00	3,308.00	0.00	0.00
6455	6455 - Travel - Admin		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6505	6505 - Accounting Fees							250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
6510	6510 - Legal Fees								5,000.00							
6515	6515 - Consultants - Other								5,000.00	10,000.00	10,000.00					
6515	6515 - Consultants - Other		0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	10,000.00	10,000.00	0.00	0.00	0.00	0.00	0.00
Total SG&A			21,656.62	41,644.96	26,644.96	26,644.96	52,763.43	56,167.13	75,667.13	123,632.46	80,611.43	81,161.43	66,226.10	66,226.10	72,930.70	69,622.70
EBITDA			(21,656.62)	(41,644.96)	(26,644.96)	(26,644.96)	(52,763.43)	(56,167.13)	(75,667.13)	(123,632.46)	(80,611.43)	(81,161.43)	(66,226.10)	(66,226.10)	(72,930.70)	(69,622.70)
Calculation																
Annual regulatory fee rate			2.30%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PKJ

		GL#	GL Name	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Sales	New Client Registrations															100	100	100
	Expiring and transfer out (assume all expire @ 6 months)																	
	Renewal	50%																
	Active Registrations																	
	% of patients that order in month RATIO	20%								20%	20%	20%	20%	20%	20%	20%	20%	20%
	Orders per patient per month (COUNT)	1.2								1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	Average order amount	\$ 17.00								\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97
	Sales Estimate									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492	\$ 10,476	\$ 20,952
	% of interactions by phone (count of orders)	50%																
	Registration process minutes per client by phone	10																
Product Costs	Registration process minutes per client electronic	3																
	Renewal process minutes per client by phone	5																
	Renewal process minutes per client electronic	3																
	Order process minutes per phone order	10																
	Order process minutes per online order	2																
	Time required by CSR																	
	CSR FTE based on time available by CSR	8,400								0%	0%	0%	0%	0%	0%	10%	23%	39%
	Net Sales to Patients		4030							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492	\$ 10,476	\$ 20,952
	Shipping Revenue	\$ -								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(Tax collection) * impacts merchant and order fees and variable by Province	17%								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454	\$ 1,362	\$ 2,724
OP Fees	Product R2B Price	50%								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,746	\$ 5,238	\$ 10,476
	37% Fees (Mora for example)									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Storage	\$								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pick and Pack per order	\$ 2.00								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72	\$ 216	\$ 432
	Shipping Cost per order	\$ 12.17								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456	\$ 1,368	\$ 2,737
	Subtotal									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274	\$ 6,822	\$ 13,645
	Balance	50%	4030							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608	\$ 1,827	\$ 3,654
	4030 - Revenue - Cannabis Product Sales									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rent		6305							\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925	\$ 925
	Variable Bank Fees		6805							\$ 4,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Staff	Merchant and Transaction Fees	37%	6810							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Development - Call Centre, E-Commerce * amortize?		6204							\$ 30,000	\$ 30,000	\$ 25,000	\$ 25,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
	Variable Telephone		6220							\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
	Variable Internet and SaaS and computers		6420							\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Variable Office Expenses		6405							\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
	Variable Licensing Fee		6435							\$ 4,307	\$ 4,337							
	Variable Legal		6510							\$ 5,000								
	Variable Finance		6535							\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Variable Accounting		6505							\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	Variable Consultants * amortize?		6935							\$ 20,000	\$ 15,000							
Costs	SP + HOS		6320 + 6325													\$ 10,000	\$ 10,000	\$ 10,000
	ARP + AHOS																	
	CSR count															1.00	1.00	1.00
	CSR \$ (based on estimated time utilization row 22)	\$ 78,000	6305							\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Payroll									\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Subtotal									\$ 25,232	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 5,175	\$ 21,525	\$ 21,525	\$ 22,116
	Balance									\$ 25,232	\$ 64,247	\$ 31,175	\$ 26,175	\$ 26,175	\$ 5,175	\$ 21,525	\$ 21,525	\$ 22,116
										\$ -	\$ -	\$ -	\$ 6,525	\$ 6,525	\$ 6,525	\$ 21,525	\$ 21,525	\$ 21,525
										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capex	Rent																	
	Variable																	
	Payroll																	
	Capex																	

PKJ

Manitoba

2022  
2023 891,485  
2023 902,000

Number of patients driven by a % of regional population

	2022-Q1	2022-Q1	2022-Q1	2022-Q2	2022-Q2	2022-Q2	2022-Q3	2022-Q3	2022-Q3	2022-Q3	2022-Q4	2022-Q4	2022-Q4	2022-Q4	2023-Q1	2023-Q1	2023-Q1
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023		
Cannabis Patients (#)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0020%	0.0033%	0.0033%	0.0065%	0.0065%	0.0065%	0.0090%	0.0090%
Provincial Health Care Patients (#) - Cannabis - Virtual	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Provincial Health Care Patients (#) - Cannabis - In-Person	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Provincial Health Care Patients (#) - Family Practice	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Provincial Health Care Patients (#) - Addiction	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Provincial Health Care Patients (#) - Mental Health	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Provincial Health Care Patients (#) - Specialty (Pain)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Fluoroscopy Patients #																	

Clinic Model

Revenue Calculations

Revenue																	
Cannabis Patients (#) - new patients from Manitoba	6%	0	0	0	0	0	0	0	0	0	0	0	0	0	58	58	60
Monthly Re-Ordering	45%																
Monthly Patient Ordering	85%																
Core Patients		0	0	0	0	0	0	0	0	0	0	0	0	0	3	7	7
Cannabis Patients - LP Ordering (#)		0	0	0	0	0	0	0	0	0	0	0	0	0	49	51	71
Cannabis Patients - LP Revenue	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,477.64	1,524.57	2,139.83	
Cannabis LP Revenue transferred from Pathway Virtual		25,444.85	25,953.74	26,472.82	27,002.27	27,542.32	28,093.17	28,655.03	29,228.13	29,812.69	30,408.95	31,017.12	31,637.47	28,790.10	28,790.10	28,790.10	
Total LP Revenue		25,444.85	25,953.74	26,472.82	27,002.27	27,542.32	28,093.17	28,655.03	29,228.13	29,812.69	30,408.95	31,017.12	31,637.47	30,267.73	30,314.67	30,929.93	
Provincial Health Care Patients (#) - Cannabis - Virtual		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provincial Health Care Patients Revenue (\$37.40)	37.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provincial Health Care Patients (#) - Cannabis - In-Person		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provincial Health Care Patients Revenue (\$87.96/pt)	87.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provincial Health Care Patients (#) - Family Practice		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provincial Health Care Patients Revenue (\$80/pt)	80.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provincial Health Care Patients (#) - Addiction		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provincial Health Care Patients Revenue (\$/pt)	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provincial Health Care Patients (#) - Mental Health		0	0	0	0	0	0	0	0	0	0	0	0	21	25	29	29
Provincial Health Care Patients Revenue (\$/pt)	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,563.02	3,120.20	3,677.38	
Provincial Health Care Patients (#) - Specialty (Pain)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9
Provincial Health Care Patients Revenue (\$125/pt)	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,114.36	
Provincial Health Revenue Consultants MDs	75%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,563.02	3,120.20	4,791.73	
Fluoroscopy % of Specialty (Pain)		0%	30%	80%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Fluoroscopy Patients #	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8
Fluoroscopy Revenue	27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	216.63
X-Ray Facility Fee	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	802.34

Conversion Rate on # of Allied Health Services to Compression

Compression Unit Sales	0	0	0	20	30	40	50	50	50	60	60	60	60	70	70	80	80
Compression Revenue (Average \$130/pair)	130.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compression Costs (Average \$55/pair)	55.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conversion Rate on # of Allied Health Services to Orthotic																	
Orthotic Unit Sales	0	0	0	20	30	40	50	50	50	60	60	60	60	70	70	80	80
Orthotic Revenue (Average \$400/pair)	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orthotic Costs (Average \$100/pair)	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brace Unit Sales	0	0	0	20	30	40	50	50	50	60	60	60	60	70	70	80	80
Brace Revenue (Average \$200/pair)	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brace Costs (Average \$22/pair)	22.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Option 1																	
Allied Health Services - # of Visits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Allied Health Services - Revenue - Average Rate/Visit	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Allied Health Services - Cost - Average Rate/Visit	60%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Option 2																	
Allied Rent (per month)	0																
Allied Rent (per month)	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total Patient #s

MDs FTE requirement (1 FTE = 450 patients)	450	0	0	0	0	0	0	0	0	0	0	0	0	78	83	127	127
Nursing FTE requirement (0.75 FTE per 1 FTE MD)	0.75	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1
Nursing Wages (\$25/hr x 2080 hrs/yr x 1.2 (benefits))	62,400	0	0	0	0	0	0	0	0	0	0	0	0	5,200	5,200	5,200	5,200
Admin FTE requirement (0.20 FTE per 1 FTE MD)	0.20	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1
Admin wages (\$18/hr x 2080 hrs/yr x 1.2 (benefits))	44,928	0	0	0	0	0	0	0	0	0	0	0	0	3,744	3,744	3,744	3,744
Total Cannabis Patient #s		0	0	0	0	0	0	0	0	0	0	0	0	58	58	80	80
Educator FTE requirements (1 FTE = 300 patients)	300	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1
Educator wages (\$25/hr x 2080 hrs/yr x 1.2 (benefits))	62,400	0	0	0	0	0	0	0	0	0	0	0	0	5,200	5,200	5,200	5,200

These are standalone patients based on growth of the Manitoba business, separate from the current LP revenue from Virtual.

4005	4005 - Revenue - LPs	25,444.85	25,953.74	26,472.82	27,002.27	27,542.32	28,093.17	28,655.03	29,228.13	29,812.69	30,408.95	31,017.12	31,637.47	30,267.73	30,314.67	30,929.93	
4105	4105 - Provincial Billing - Group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,563.02	3,120.20	4,791.73	
4115	4115 - Revenue - Fluoroscopy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,018.97	
4305	4305 - Allied Health	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4375	4375 - Revenue - Infusions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4380	4380 - Revenue - Rent	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00	3,838.00
4455	4455 - Compression	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4475	4475 - Orthotic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue		29,282.85	29,791.74	30,310.82	30,840.27	31,380.32	31,931.17	32,493.03	33,066.13	33,650.69	34,246.95	34,855.12	35,475.47	32,830.75	33,434.87	36,740.63	

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5005	5005 - Consultants - MDs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,922.27	2,340.15	3,593.80
5055	5055 - Consultants - Allied Health	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5050	5050 - Consultants - NP																
5305	5305 - Medical Supplies	0.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
5455	5455 - Compression	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5475	5475 - Orthotic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total COGS</b>	0.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	2,222.27	2,640.15	3,893.80
	<b>Gross Margin</b>	29,282.85	29,491.74	30,010.82	30,540.27	31,080.32	31,631.17	32,193.03	32,766.13	33,350.69	33,946.95	34,555.12	35,175.47	36,608.49	30,794.72	32,846.83	
6205	6205 - Rent	13,683.96	13,683.96	13,683.96	13,683.96	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54	15,730.54
6206	6206 - Rent - IFRS 16 Adj	(10,247.73)	(10,247.73)	(10,247.73)	(10,247.73)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)	(10,067.40)
6215	6215 - Utilities																
6220	6220 - Telephone & Internet	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
6230	6230 - Janitorial Expense																
6105	6105 - Advertising	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6130	6130 - Printed Materials	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
6135	6135 - Website																
6310	6310 - Wages - Educators	3,565.47	3,565.47	3,565.47	3,565.47	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	3,601.00	8,873.02	8,873.02	8,873.02
6315	6315 - Wages - Nursing	6,600.19	6,600.19	6,600.19	6,600.19	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	6,000.32	11,320.33	11,320.33	11,320.33
6325	6325 - Wages - Admin	6,453.32	6,453.32	6,453.32	6,453.32	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	6,916.43	10,798.76	10,798.76	10,798.76
6350	6350 - CPP	1,132.66	905.73	905.73	905.73	900.22	900.22	900.22	900.22	900.22	900.22	900.22	900.22	900.22	918.22	918.22	918.22
6355	6355 - EI	459.71	367.28	367.28	367.28	365.04	365.04	365.04	365.04	365.04	365.04	365.04	365.04	365.04	372.34	372.34	372.34
6360	6360 - EHT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365	6365 - WSIB/CCST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6375	6375 - Benefits	885.67	885.67	885.67	885.67	799.08	799.08	799.08	799.08	859.05	859.05	859.05	859.05	859.05	1,107.08	1,107.08	1,107.08
6395	6395 - Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6405	6405 - Office Expenses	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
6410	6410 - Postage/Courier	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
6420	6420 - Software Expenses	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10	169.10
6455	6455 - Travel	1,200.00			1,200.00			1,200.00				1,200.00			1,200.00		
6615	6615 - Insurance - General Insurance	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14	2,875.14
6620	6620 - Insurance - Cyber Liability																
6805	6805 - Bank Fees & Interest	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47	54.47
6525	6525 - Management Fees	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
	<b>Total SG&amp;A</b>	31,481.95	29,962.59	29,962.59	31,162.59	31,993.94	31,993.94	33,193.94	32,053.91	32,053.91	33,253.91	32,053.91	32,053.91	48,001.60	46,801.60	46,801.60	
	<b>EBITDA</b>	(2,199.10)	(470.85)	48.23	(622.31)	(913.62)	(362.77)	(1,000.91)	712.22	1,296.79	693.04	2,501.22	3,121.56	(17,393.12)	(16,006.88)	(13,954.77)	
8205	8205 - Interest Expense	2,532.90	2,523.08	2,513.20	2,503.27	2,493.29	2,483.27	2,473.19	2,463.06	2,452.89	2,442.66	2,432.38	2,422.05	2,411.67	2,401.23	2,390.75	
8215	8215 - Interest Expense (Leases)	7,352.41	7,330.76	7,308.94	7,286.94	7,264.77	7,242.42	7,219.90	7,197.19	7,174.30	7,151.23	7,127.98	7,104.54	7,080.91	7,057.10	7,033.09	
8405	8405 - Depreciation	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79	11,440.79
8410	8410 - Amortization	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20	10,109.20
8450	8450 - Depreciation (Leases)	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02	5,434.02
	<b>Total Other Expenses</b>	36,869.33	36,837.85	36,806.15	36,774.22	36,742.08	36,709.70	36,677.10	36,644.27	36,611.20	36,577.90	36,544.37	36,510.60	36,476.59	36,442.34	36,407.85	
	<b>Net Income</b>	(39,068.43)	(37,308.69)	(36,757.91)	(37,396.54)	(37,655.69)	(37,072.47)	(37,678.01)	(35,932.04)	(35,314.41)	(35,884.86)	(34,043.15)	(33,389.04)	(53,869.70)	(52,449.22)	(50,362.62)	

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**SCHEDULE D**

**FORM OF OFFICER'S CERTIFICATE**

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## OFFICER'S CERTIFICATE

**TO:** Avonlea-Drewry Holdings Inc. (the "**Lender**")

**RE:** Pathway Health Corp. (the "**Borrower**")  
Pathway Health Services Corp. ("**PHSC**")  
Pathway Healthcare Technologies Corp. ("**Pathway Tech**")  
2563367 Ontario Limited ("**256**")  
Slawner Ortho Ltee. ("**Slawner**")  
Pathway Wellness Products Corp. ("**Pathway Wellness**")  
13199223 Canada Ltd. ("**131**")  
10030712 Manitoba Ltd. ("**100**")  
1964433 Alberta Ltd. ("**196**")

PHSC, Pathway Tech, 256 and Slawner are referred to collectively herein as, the "Guarantors". The Borrower, the Guarantors, Pathway Wellness, 131, 100 and 196 are referred to collectively herein as, the "**Borrower Entities**".

**AND RE:** Credit Agreement dated July 29, 2022, among the Lender and the Borrower (the "**Credit Agreement**")

*Capitalized terms used herein not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.*

The undersigned officer of the Borrower hereby certifies, on behalf of the Borrower Entities and without personal liability, that:

1. I have personal knowledge of the matters hereinafter certified.
2. The Borrower has authority to borrow money upon the credit of the Borrower, and the Borrower and each Guarantor, respectively, have the authority to mortgage and grant a security interest in all or any of their respective existing and after-acquired assets, to secure their respective obligations to the Lender.
3. Other than as disclosed to the Lender in writing, no winding-up, liquidation, dissolution, bankruptcy, merger, amalgamation or continuation of the Borrower Entities and no sale of the assets of the Borrower Entities out of the ordinary course of business of the Borrower Entities has been commenced or is being contemplated by the Borrower Entities as of the date hereof and I have no knowledge of any such proceedings having been commenced or being contemplated in respect of the Borrower Entities by any other person.
4. Other than as disclosed to the Lender in writing, the Borrower Entities are up to date, as at the date hereof, in all of their respective corporate filings, including, without limitation, those required under their respective statute of incorporation. The Borrower Entities have not received any notice or other communication from any person or government authority indicating that there exists a situation which, unless remedied, could result in the dissolution of any of the Borrower Entities.
5. Other than as disclosed to the Lender in writing, there is no litigation or proceeding pending or threatened before any court, agency, tribunal, arbitration board or any other body which has or

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could have a material adverse effect on the condition, either financial or otherwise, of any of the Borrower Entities or on the ability of the Borrower or the Guarantors to perform their respective obligations under the Credit Agreement or any of the any of the Credit Documents.

6. Other than as disclosed to the Lender in writing (or below), the Borrower Entities are in compliance with all laws, rules, requirements, orders, directions, ordinances and regulations (collectively, the "**Laws**") of every governmental, municipal, or civil authority or agency in connection with the payment of any monies owing under applicable laws, including but not limited to the payment of all goods and services taxes, harmonized sales taxes and payroll remittances owing to the applicable agency or authority:

Obligation	Amount Payable	Amount Paid	Balance Owning

7. Other than as disclosed to the Lender in writing, the Borrower Entities are not in default under any material agreement, contract, lease or other instrument to which they are a party (including the Credit Documents) and no event has occurred which, with the giving of notice or the passage of time or both, will become an event of default thereunder.

**[Signature page follows]**

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I acknowledge that the Lender is relying on this Certificate in connection with the Credit Agreement and the transactions contemplated thereby.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

---

Ken Yoon  
Chief Executive Officer

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**THIS IS EXHIBIT "E"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



**UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

**WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

### **SECURED PROMISSORY GRID NOTE**

Toronto, Ontario

MAY 27, 2022

1. FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta (the "**Issuer**") promises to pay to the order of **AVONLEA-DREWRY HOLDINGS INC.**, a corporation existing under the laws of the Province of Ontario or its permitted assigns ("**Holder**"), the aggregate principal sum equal to the greater of:
  - a) \$0; and
  - b) the amount of the principal balance from time to time owing by the Issuer to the Holder as recorded by or on behalf of the Holder on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of One Million Canadian Dollars (Cdn.\$1,000,000),together with accrued and unpaid interest thereon, due and payable as set forth below, from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 4 below and subject to terms and conditions as set forth herein.
2. **Repayment.** Payment of interest and principal under this secured promissory grid note (this "**Note**") shall be made on the earlier of: (i) August 31, 2022; and (iii) such earlier date which this Note becomes due and payable in accordance with Sections 9 and 11 of this Note (the "**Maturity Date**"). Payment of principal and interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Holder, by written notice to the Issuer. Interest on this note shall accrue and be paid in accordance with Section 3 of this Note. All payments under this Note shall be made in lawful money of Canada in immediately available funds.
3. **Interest.** The principal amount advanced under this Note from time to time (the "**Principal Amount**"), shall bear interest from the applicable date of advance on the terms and conditions set forth herein. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year, *provided*, however, that if (i) all principal and interest are not repaid by the Maturity Date or (ii) there occurs an Event of Default (as defined herein) under the Note

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Documents (as defined herein), interest will accrue from and after such date on a daily basis at the default rate of 20% per annum (the "**Default Rate**"). The parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law. The Issuer shall pay interest accrued and unpaid (each, an "**Interest Payment**") on the Maturity Date.

4. **Expenses.** The prevailing party in any action arising from this Note shall be entitled to an award of its costs and reasonable and documented attorneys' fees incurred in connection therewith. In addition, Issuer shall pay all reasonable and documented attorneys' fees and court costs incurred by Holder in enforcing and collecting this Note. Issuer shall pay all reasonable and documented attorney and other legal fees incurred to document the Note, any related filings to protect Holder's security interest and any amendments, modifications or supplements to the Note. Amounts due under this provision, together with the principal and interest and amounts due under the Note Documents shall be referred to as the "**Note Obligations**".
5. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty upon no less than three (3) business days' notice to the Holder.
6. **Setoff.** The principal of and interest on this Note shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
7. **Security.** Payment of all amounts owing to Holder under this Note is secured as set forth in that certain general security agreement (the "**GSA**"), by and between the Issuer and Holder and dated as of the date hereof, the secured guarantee of the Issuer's subsidiary, Pathway Health Services Corp., by and between the Holder and Pathway Health Services Corp. and dated as of the date hereof (the "**Guarantee**"), and the Share Pledge Agreement, by and between the Issuer and the Holder and dated as of the date hereof (the "**Share Pledge Agreement**"), and together with this Note, the GSA and the Guarantee, the "**Note Documents**").
8. **Use of Proceeds.** The Issuer issued this Note to Holder for the purpose of obtaining funds to be used for general working capital purposes as set forth in Schedule "C" attached hereto during the period of time from the date hereof until such time as the Issuer and the Holder enter into a credit facility agreement substantially on the terms set forth in the term sheet dated May 20, 2022 (the "**Credit Facility Agreement**"). Until the Maturity Date, the Issuer shall not take any action that is inconsistent with the past practices, its business or the uses set forth in Schedule "C", as the case may be, or that is not taken in the ordinary course of the normal day-to-day operations of its business until such time as the Parties have executed the Credit Facility Agreement, the Note Obligations are repaid in full, or with the written consent of the Holder.
9. **Credit Facility Agreement.** The Issuer and the Holder agree that in the event that the Credit Facility Agreement is executed by the parties hereto prior to the Maturity Date, the Note Obligations will form part of the indebtedness owed to the Holder under the Credit Facility Agreement, which will amend and restate the terms and conditions of this Note, without novation, and this Note will be marked repaid.



10. **Representation and Warranties.** The Issuer represents and warrants to Holder as follows:
- (a) The Issuer is duly organized, validly existing and in good standing in its jurisdiction of formation. The Issuer has all requisite power and authority to execute and deliver this Note, the GSA and the Share Pledge Agreement and to perform the obligations hereunder.
  - (b) The execution, delivery and performance by the Issuer of this Note has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Issuer's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Issuer which could result a material adverse effect of the Issuer.
  - (c) This Note has been duly executed by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
11. **Events of Default.** The occurrence of any one or more of the following shall constitute an "Event of Default":
- (a) Issuer fails to pay timely any of the principal amount due under this Note on the date the same becomes due and payable or any accrued interest or other amounts due under this Note on the date the same becomes due and payable;
  - (b) Issuer breaches any material representation or warranty under, or defaults in its performance of any material covenant under the GSA, the Share Pledge Agreement or this Note;
  - (c) if the pledge granted by the Issuer to the Holder pursuant to the Share Pledge Agreement or the security granted pursuant to the GSA shall cease to be valid and perfected first ranking priority security interest;
  - (d) if a default occurs under the Guarantee or the Guarantee ceases to be in full force and effect;
  - (e) Issuer files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;
  - (f) Issuer defaults in the observance or performance of any material provision relating to indebtedness or liability of the Issuer to any Person, in an aggregate principal amount exceeding \$250,000, subject to any cure or grace period provided for in the documentation providing for such indebtedness or liability; or
  - (g) an involuntary petition is filed against Issuer (unless such petition is dismissed or discharged within 30 days) under any bankruptcy statute now or hereafter in effect, or a

custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Issuer.

12. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Issuer under this Note shall at the Holder's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by the Issuer; and (b) the Holder shall have all rights, powers and remedies available under this Note, or accorded by law, including the right to resort to any or all collateral for any Note Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all applicable law. All rights, powers and remedies of the Holder may be exercised at any time by the Holder and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
13. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Issuer:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Holder:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, Ontario L7C 3L8

Attention: Mr. David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the fifth business day following the date of mailing provided that, in the event of an interruption in postal services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be



deemed to have been validly and effectively given on the business day next following such date of transmission.

14. **Waiver.** Issuer hereby waives demand, notice, presentment, protest and notice of dishonor.
15. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Ontario, as applied to agreements among Ontario residents, made and to be performed entirely within the Province of Ontario, without giving effect to conflicts of laws principles.
16. **Indemnification.** The Issuer shall indemnify the Holder against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Holder may sustain or incur as a consequence of any misrepresentation contained in any writing from the Issuer delivered to the Holder in connection with this Note.
17. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Issuer and Holder. Holder may delay or forego enforcing any of its rights or remedies under this Note without losing them.
18. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may not be transferred or assigned without Issuer's prior written consent; other than to an affiliate of the Holder. Interest and principal shall be paid solely to Holder or such permitted assign. Such payment shall constitute full discharge of Issuer's obligation to pay such interest and principal. Issuer may not at any time assign any of its rights or its obligations under this Note.

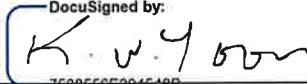
*[Signature Page Follows]*

A handwritten signature in black ink, appearing to be 'PKJ', is located in the bottom right corner of the page.

- 6 -

IN WITNESS WHEREOF, Issuer has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By:  DocuSigned by:  
7588556E294548B...

Name: Ken Yoon

Title: Chief Executive Officer

PKJ

**GRID TO SECURED PROMISSORY GRID NOTE**

AK

**SCHEDULE B**

**PAYMENT INSTRUCTIONS**

Beneficiary Name:

AVONLEA-DREWRY HOLDINGS INC.

Beneficiary Address:

P.O. BOX 8 CALEDON EAST

CALEDON, ON L7C 3L8

CANADA

Bank Name: CIBC

Bank Address:

1 QUEEN ST. EAST

TORONTO, ON M5C 2W5

Account Number: 009020106756212

Swift Code: CIBCCATT

Account Currency: CAD

PKJ

**SCHEDULE C****USE OF PROCEEDS**

<b>Use of proceeds</b>			
Commodity & payroll tax payments			175,000
D&O insurance			180,000
E-commerce, sales license build out			150,000
Marketing initiatives			120,000
Public company costs			180,000
General working capital			195,000
			<u>1,000,000</u>

PKJ

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

**AMENDED AND RESTATED SECURED PROMISSORY GRID NOTE**

Calgary, Alberta

April 21, 2023

FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta ("**Pathway**" or the "**Borrower**") promises to pay to the order of **AVONLEA-DREWRY HOLDINGS CORP.**, a corporation existing under the laws of the Province of Ontario or its permitted assigns (or the "**Lender**"), the aggregate principal sum of all Advances (as defined herein) equal to the greater of:

- a) six hundred thousand Canadian Dollars (Cdn.\$600,000); and
- b) the amount of the principal balance from time to time owing by the Borrower to the Lender as recorded by or on behalf of the Lender on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of One Million Two Hundred Thousand Canadian Dollars (Cdn.\$1,200,000),

(in the case of a) and b), the "**Principal Amount**"), together with accrued and unpaid interest thereon, and other fees and expenses from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 5 below (the Principal Amount, accrued and unpaid interest thereon and any other fees and expenses being collectively referred to herein as the "**Indebtedness**"), subject to the terms and conditions of this Note, as the same may be amended from time to time.

1. **Definitions.** In this Note, including the recitals and the Schedules hereto and in all notices given pursuant to this Note, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as the same may be amended from time to time.

"**Additional Security**" means the security agreements and other documents required to be provided to the Lender pursuant to Section 10, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.

"**ADH Credit Facility**" means the credit agreement entered into among the Borrower, as borrower, certain subsidiaries of the Borrower, as guarantors, and Avonlea-Drewry Holdings Inc., as lender pursuant to which the lender advanced \$3.5 million to the Borrower, on a secured, non-convertible basis.

"**Advance**" means each disbursement made by the Lender to the Borrower under this Note.

"**Affiliate**" means an affiliate as defined in the ABCA.

PKJ

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Arrangement"** the transaction substantially as set forth in the Arrangement Agreement.

**"Arrangement Agreement"** means the arrangement agreement dated March 31, 2023, entered into among Pathway, HEAL Global Holdings Corp. and The Newly Institute Inc. pursuant to which Pathway will acquire all of the issued and outstanding shares of each of HEAL Global Holdings Corp. and The Newly Institute Inc. in exchange for common shares in the capital of Pathway.

**"Borrower"** has the meaning as set out in the preamble.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta.

**"Canadian Dollars", "Cdn.\$" or "\$"** mean lawful money of Canada.

**"Collateral"** means all property, assets and undertaking of the Borrower at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Borrower, or its properties or liabilities; provided however that the Pathway Transaction and any related transactions thereto will not constitute a "Creditor Proceeding" for the purposes of this Note.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Event of Default"** means any of the events or circumstances specified in Section 14.

**"Governmental Authority"** means Canada, any province or territory thereof, as applicable, any municipal or other political subdivision of any such province or territory, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Indebtedness"** has the meaning ascribed thereto on the face page of this Note.

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporate legislation.

**"Lender"** has the meaning as set out in the preamble.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Material Adverse Effect"** means any matter, event or circumstance, other than with respect to the Pathway Transaction or any transactions related thereto, relating to the Borrower which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any Indebtedness under, or perform any other obligations in accordance with, this Note or any of the Security to which it is a party, (iii) the validity or enforceability of this Note or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** has the meaning ascribed thereto in Section 2.

**"Note"** means this amended and restated secured promissory grid note, together with all schedules, appendices and exhibits attached to it.

**"Note Documents"** means this Note and the Security.

**"Obligations"** means, at any time and from time to time, all Indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Note Documents or otherwise payable pursuant to this Note, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Pathway Grid Note"** means the secured convertible promissory grid note dated February 3, 2023 in the principal amount of \$1,250,000 issued by Pathway, as borrower, in favour of HEAL Global Holdings Corp., as lender.

**"Pathway Third-Party Loan"** means the senior secured \$3.5 million line of credit that is expected to be offered to the Borrower by an arms-length third party in connection with the Pathway Transaction and, if offered and entered into, the senior secured \$3.5 million line of credit entered into between the Borrower and such arms-length third party.

**"Pathway Transaction"** means the Arrangement pursuant to the Arrangement Agreement, together with the Private Placement. **"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is or would be classified as a current liability on the Borrower's financial statements;

- (b) all indebtedness of the Borrower to the Lender, or under or secured by any Security;
- (c) capital lease obligations and indebtedness secured by purchase money liens;
- (d) the ADH Credit Facility;
- (e) the Pathway Grid Note;
- (f) the Pathway Third-Party Loan, so long as any security granted by the Borrower to the lender under such Pathway Third-Party Loan is satisfactory to the Lender;
- (g) indebtedness of 10030712 Manitoba Ltd., a 51% owned subsidiary of Pathway, in respect of leasehold improvement loans;
- (h) Canada Emergency Business Account loans of each of 2563367 Ontario Ltd. (dba Silver Medical Group Centre for Pain Care) and 9393 1681 Quebec Inc. (dba Slawner Ortho Lteé), subsidiaries of Pathway;
- (i) all indebtedness secured by Permitted Liens; and
- (j) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then being contested in good faith;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then being contested in good faith;
- (c) liens arising out of judgments, awards or claims filed which are then being contested in good faith;
- (d) security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then being contested in good faith), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;

- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Note;

*provided that* the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Principal Amount"** has the meaning ascribed thereto on the face page of this Note.

**"Private Placement"** means one or more equity, debt or convertible debt financings for aggregate gross proceeds of up to \$10,000,000, including minimum aggregate proceeds of \$500,000 to be subscribed for by management of Pathway and other Pathway associates and related parties, the completion of which is a condition to closing of the Arrangement.

**"Repayment Triggering Event"** means that date on which the Borrower receives the proceeds of the Private Placement.

**"Security"** means the GSA, the guarantees, security agreements and other documents provided to the Lender under the ADH Credit Facility and extended to this Note pursuant to Section 10, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include any Additional Security.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

**"TSXV"** means the TSX Venture Exchange.

2. **Loan.** A loan of up to an aggregate amount of Cdn.\$1,200,000 is being made available to be Borrower by the Lender. The Borrower may, with the prior approval of the Lender (other than when an Event of Default has occurred and is continuing), borrow amounts from the Lender on the terms as set out in this Note according to the following schedule:

- (a) On the date hereof, Cdn.\$600,000; and
- (b) On or after May 15, 2023, Cdn.\$600,000,

which the Lender shall advance to the Borrower in reliance upon the representations and warranties contained herein and subject to the terms and conditions of this Note. Notwithstanding the foregoing,

the Lender may provide Advances hereunder at such times and from time to time, in such amounts as requested by the Borrower.

3. **Advances.** As a condition precedent to the Lender making an Advance to the Borrower:

- (a) Each Note Document, duly executed, shall have been received, each in full force and effect and in form and substance satisfactory to the Lender, acting reasonably
- (b) no Event of Default shall have occurred and be continuing or would arise immediately after giving effect to or as a result of such extension of credit; and
- (c) the representations and warranties of the Borrower in Section 11 shall be true and correct as of the date of such Advance,

and the Lender, in its sole and unfettered discretion, may require evidence of the above by way of affidavit, officer's certification or otherwise prior to making an Advance.

4. **Repayment.** Payment of all Indebtedness owing under this Note shall be made on or before the earlier of: (i) July 21, 2023; and (ii) the date of the Repayment Triggering Event (in either case, the "**Maturity Date**") and (iii) subject to Section 15, upon the occurrence of an Event of Default. In the event that the Maturity Date occurs as a result of the occurrence of the Repayment Triggering Event, the Borrower covenants to pay all Indebtedness owing under this Note in priority to all other indebtedness of any nature and kind whatsoever.

Payment of Principal Amount, any fees and the interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Lender, by written notice to the Borrower. Interest on this Note shall accrue and be paid in accordance with Section 5. All payments under this Note shall be made in lawful money of Canada in immediately available funds.

5. **Interest.** The outstanding Principal Amount shall bear interest on the terms and conditions set forth herein, from the date hereof. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year.

In the event that: (i) all Indebtedness is not repaid on or before the Maturity Date, or (ii) there occurs an Event of Default on, before or in connection with the Maturity Date, interest will be deemed to accrue from the issuance date of the Note at a rate of 24% per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year and added to the Indebtedness.

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Note now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous provincial legislation which may be inconsistent with this Note

Notwithstanding any provision of this Note, the parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at, but not in excess of, the highest rate recoverable under Applicable Law.

6. **Reporting Requirements.** The Borrower covenants to report to the Lender once weekly, no later than 5 pm (EST) on the last Business Day of each week prior to the Maturity Date as to the current status of those events and milestones set forth in Schedule "D".
7. **Expenses.** The Borrower shall pay all reasonable and documented attorneys' fees and court costs incurred by Lender in enforcing and collecting in respect of the Note Documents. Each party shall bear their own costs and expenses incurred to document the Note Documents, while the Borrower shall bear the costs and expenses related to required regulatory or other filings to protect Lender's security interest and any amendments, modifications or supplements to the Note Documents. Amounts due under this provision, together with the principal and interest and amounts due shall form part of the Obligations.
8. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty upon no less than three Business Days' notice to the Lender, prior to the Maturity Date;
9. **Setoff.** The Obligations owing under the Note Documents shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
10. **Security.** Payment of all Indebtedness and Obligations owing to Lender under this Note are secured by the Security granted to the lender under the ADH Credit Facility and any Additional Security. The Borrower expressly acknowledges and agrees that the grant of the Security to the Lender under the ADH Credit Facility shall apply to the Indebtedness as if the Indebtedness were incurred under the ADH Credit Facility *mutatis mutandis* and hereby grants such Security to the Lender.

The Security required to be created hereby shall be effective upon execution and delivery thereof, and the undertakings as to any guarantees and Security herein or in any document hereunder shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such guarantees or other Security, or before or after or upon the date of execution of any amendments to or restatements of this Agreement, and shall not be affected by any Obligations fluctuating from time to time.

The Lender shall have the right to request Additional Security from time-to-time at its sole discretion. The Borrower shall do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's counsel in renewing or refiling

any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.

11. **Representation and Warranties.** In addition to the representations and warranties set forth in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower represents and warrants to the Lender as at the date hereof and as at the date of each Advance, as follows:
- (a) the Borrower is duly organized, validly existing and in good standing in its jurisdiction of formation. The Borrower has all requisite power and authority to execute and deliver the Note Documents and to perform the obligations hereunder;
  - (b) the execution, delivery and performance by the Borrower of the Note Documents has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Borrower's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Borrower which could result a Material Adverse Effect;
  - (c) each this Note and the other Note Documents in existence as at the date hereof has been duly executed by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;
  - (d) the execution, delivery and performance by the Borrower of the Note Documents does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets, subject only to the filing of requisite forms under applicable securities laws and TSXV approval, if required;
  - (e) except as otherwise previously disclosed to the Lender, the Borrower is not in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
  - (f) except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against it at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and it is not in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;
  - (g) all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the results of its operations for the periods covered thereby, have been prepared in accordance with generally accepted

accounting principles and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or its properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;

- (h) other than as disclosed to the Lender in writing, the Borrower has filed all tax returns which were required to be filed, has paid or made provision for payment of all taxes which are due and payable, and has provided adequate reserves for the payment of any taxes the payment of which is being contested in good faith;
- (i) the Borrower has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (j) the Borrower is in material compliance with all Applicable Laws;
- (k) subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;
- (l) except as otherwise disclosed to the Lender, no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (m) to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

12. **General Covenants.** In addition to covenants set forth elsewhere in this Note and in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall:

- (a) *Pay and Perform Obligations:* duly and punctually pay all principal, interest, fees and other amounts payable hereunder on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Note Documents;
- (b) *Use of Proceeds:* use the proceeds advanced by the Lender under the Note solely for those purposes set forth in Schedule "C" attached hereto, except where the Borrower has received the prior written consent of the Lender to deviate from such purposes.
- (c) *Maintain Existence:* maintain and preserve its existence and status in its jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower has received the prior written consent of the Lender to carry out such action;

- (d) *Conduct Business*: conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) *Pay Remittances*: duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (f) *Provide Access*: permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and conditions of confidentiality and during normal business hours;
- (g) *Maintain Security*: ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;
- (h) *Security Registrations*: co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (i) *Give Notice*: promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (iv) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of it in any Collateral which is not a Permitted Lien; and
  - (v) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of it that has or would reasonably be expected to have a Material Adverse Effect,and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (j) *Provide Other Documents*: use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Note and the Security, and any other Note Document.

13. **Negative Covenants.** Without the prior written consent of the Lender or in connection with the Pathway Transaction, the Borrower hereby covenants and agrees that it shall not:
- (a) *Incur Debt:* create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
  - (b) *Financial Assistance:* provide financial assistance, guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;
  - (c) *Negative Pledge:* create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
  - (d) *Material Changes:* liquidate or dissolve, cease to carry on business as now being conducted by it, complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its constituting documents;
  - (e) *Limit Activities:* make any material change in the nature of its business nor take any action that is inconsistent with past practices, or that is not taken in the ordinary course of the normal day-to-day operations of its business, until such time as the Obligations are repaid in full, or with the written consent of the Lender,;
  - (f) *Restrictions on Dispositions:* directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$100,000;
  - (g) *Distributions:* declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
  - (h) *Change of Control:* permit a change of control or ownership.
14. **Events of Default.** In addition to Events of Default set forth in the other Note Documents and which are applicable to the Borrower, which are expressly incorporated by reference into this Note and form an integral part hereof, the occurrence of any one or more of the following events, other than in connection with the Pathway Transaction, after the expiry of any applicable cure period set out below, shall constitute an "**Event of Default**" under this Note:
- (a) if the Borrower or any of its Affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in any Note Document or in any document executed in connection herewith, in any other future loan or credit facility agreement between the Lender and the Borrower, or in any document executed in connection therewith;
  - (b) if the Borrower defaults in payment of any of the Obligations of the Borrower to the Lender when due;

- (c) if the Borrower fails to repay any of the Obligations of the Borrower upon the occurrence of the Repayment Triggering Event;
- (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Borrower, except as expressly permitted by the Note Documents;
- (e) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Borrower of its business shall be withdrawn or cancelled;
- (f) if any representation or warranty in any Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith, made by the Borrower or any of its Affiliates to the Lender shall be false or inaccurate in any material respect;
- (g) if there is a material default or other failure to perform in any material agreement to which the Borrower is a party or by which the Borrower is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$50,000;
- (h) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, or in any other Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith;
- (i) if the Borrower shall:
  - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
  - (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
  - (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
  - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
  - (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (i) or in paragraph (j) below;

- (j) if any petition shall be filed, application be made or other proceeding be instituted by a third party against it:
- (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
  - (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or
  - (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 15 Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against it thereunder in the interim, such grace period shall cease to apply;

- (k) if any of its property having a fair market value in excess of \$100,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$100,000 shall exist or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distrain upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than 15 Business Days;
- (l) if one or more judgments for the payment of money in the aggregate in excess of \$100,000 from time to time, and not substantially covered by insurance, shall become enforceable against it and it shall not have (i) provided for its discharge in accordance with its terms within 15 Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within 15 Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (m) if it denies, to any material extent, its obligations under the Note or claims the Note to be invalid or withdrawn in whole or in part; or any of the Note or any material provision

becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;

(n) if the Security is not enforceable or if it shall dispute or deny any liability or obligation under the Security; and

(o) if a Material Adverse Effect has occurred.

15. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Borrower under this Note shall at the Lender's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by the Borrower; and (b) the Lender shall have all rights, powers and remedies available under the Note Documents, or accorded by Applicable Law, including the right to resort to any or all Collateral for any Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all Applicable Law. All rights, powers and remedies of the Lender may be exercised at any time by the Lender and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
16. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Borrower:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Lender:

P.O. Box 8 Caledon East  
Caledon ON L7C 3L8  
Canada

Attention: Mr. David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the fifth business day following the date of mailing provided that, in the event of an interruption in postal

services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

17. **Waiver.** Borrower hereby waives demand, notice, presentment, protest and notice of dishonor.
18. **Severability.** Any provision of this Note or the Security which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Note fail to provide for any relevant matter, the validity, legality or enforceability of this note shall not hereby be affected
19. **Further Assurances.** The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Note Documents.
20. **Time of the Essence.** Time shall be of the essence in the Note Documents.
21. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Alberta, as applied to agreements among Alberta residents, made and to be performed entirely within the Province of Alberta, without giving effect to conflicts of laws principles.
22. **Indemnification.** The Borrower shall indemnify the Lender against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Lender may sustain or incur as a consequence of any misrepresentation contained in any writing from the Borrower delivered to the Lender in connection with this Note, or from any default in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in the Note Documents.
23. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Borrower and Lender and the prior approval of the TSXV. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them.
24. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may be transferred or assigned by Lender to any person without Borrower's prior written consent provided such person executes and delivers a counterpart to this Note pursuant to which it agrees to be bound by the terms hereof. No such assignment shall relieve the Lender of its obligations hereunder. Interest and principal shall be paid solely to Lender or such permitted assign. Such payment shall constitute full discharge of Borrower's obligation to pay such interest and principal. Borrower may not at any time assign any of its rights or its obligations under this Note.
25. **Amendment and Restatement.** Subject to the terms and conditions of this amended and restated Note, 251, the Borrower and the Lender agree that, effective as of the date of this amended and restated Note, the original Note shall be amended and restated in its entirety on the terms and

- 16 -

conditions of this amended and restated Note, without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of such agreement prior to their amendment and restatement hereunder.

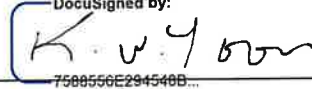
*[Signature Page Follows]*

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- 17 -

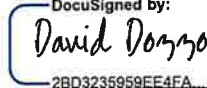
IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By: 7588556E294540B...

Name: Ken Yoon  
Title: Chief Executive Officer

**AVONLEA-DREWRY HOLDINGS INC.**

By: 2BD3235959FE4FA...

Name: David Dozzo  
Title: Director

PKJ

## GRID TO SECURED GRID PROMISSORY NOTE

PKJ

**SCHEDULE "B"**

**PAYMENT INSTRUCTIONS**

Beneficiary: Dentons Canada LLP

Address: 850 2nd Street SW, Calgary AB T2P 0R8

Beneficiary Bank: Bank of Montreal

Bank Address: 595 8th Avenue SW, Calgary AB T2P 1G1

Swift Code: BOFMCAM2

Bank Code: 001

Branch / Transit: 25159-001

Account Number: 1037-813

Memo reference: 577214-000001

PKJ

**SCHEDULE "C"****USE OF PROCEEDS**

Use of Proceeds/2023	April	May	Total
Working capital (including aging payables)	150,000	150,000	300,000
Transaction costs and professional fees	450,000	150,000	600,000
Growth in existing clinics and medical cannabis		100,000	100,000
	600,000	400,000	1,000,000

PKJ

## **SCHEDULE "D"**

### **REPORTING EVENTS**

<b>EVENTS</b>
Engagement Letter with an Investment Bank
Interim Order/Mailing of the Information Circular relating to the Arrangement Agreement
Sign-off on Financing Materials and beginning of Marketing Phase
Receipt of TSXV Conditional Approval for Arrangement
Closing of Financing in Escrow
Final Order/Holding of Shareholder Meetings and approval of resolution by shareholders
Closing of transaction and release of offering proceeds

PKJ

**THIS IS EXHIBIT "F"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9th of August, 2023**



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**A COMMISSIONER FOR OATHS IN AND**  
**FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**

## **GUARANTEE**

THIS GUARANTEE is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") has issued a secured interest bearing demand promissory grid note to the Secured Party (the "**Note**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

PKJ

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

## **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations

even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

### 3.2 Liability Absolute

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Note Document or any agreement or instrument relating to any Note Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Note Document or any amendment or waiver thereof, or any consent to departure from any Note Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Note Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Note Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Note Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;
- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;

- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Note Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;
- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;

- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Note Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Note Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;
- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;

- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

### **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy

hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

### 5.3 Additional Security

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

### 5.4 Successors and Assigns; Assignment

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

### 5.5 Communication

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

Pathway Health Services Corp.  
16 Four Seasons Place, Suite 203A  
Etobicoke, ON M9B 6H7

Attention: Aura Balboa, Chief Financial Officer  
E-mail: [aura.balboa@theclinicnetwork.ca](mailto:aura.balboa@theclinicnetwork.ca)

### 5.6 Taxes

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such

circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (a) the retention by it of that credit will not be prejudiced thereby; and
- (b) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## 5.7 General

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Note Documents, constitutes the entire agreement between the parties pertaining to the subject matter of this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Note Documents.
- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable

- 9 -

therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.


- (e) Copy Received. The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) Time of Essence. Time shall be of the essence.

*[Signature Page Follows]*

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IN WITNESS WHEREOF Pathway Health Services Corp. has executed this Guarantee effective as of the day and year first above written.

**PATHWAY HEALTH SERVICES CORP.**

Per:   
Name: Aura Balboa  
Title: Chief Financial Officer

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## **SCHEDULE "A" TO GUARANTEE**

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Note"** means the secured interest bearing demand promissory grid note dated as of May 27, 2022, issued to the Secured Party, as lender, the Borrower, as borrower, and pursuant to which the Secured Party may advance up to Cdn.\$1.0 million to the Borrower, as such promissory note may be supplemented, amended, replaced or restated from time to time.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Note and the other Note Documents to which the Borrower is a Party.

**"Note Documents"** has the meaning ascribed thereto in the Note.



**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

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**THIS IS EXHIBIT "G"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

## **ARTICLE 1 GUARANTEE**

### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim

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that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### ARTICLE 3 PROTECTION OF THE SECURED PARTY

#### 3.1 Defects in Creation of Guaranteed Obligations

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### 3.2 Liability Absolute

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;



- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured



Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

Pathway Healthcare Technologies Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5

Attention: Michael Steele  
E-mail: [steeleconsult@aol.com](mailto:steeleconsult@aol.com)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

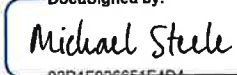
this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) Governing Law, Attornment. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) Copy Received. The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) Time of Essence. Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF Pathway Healthcare Technologies Corp. has executed this Guarantee effective as of the day and year first above written.

**PATHWAY HEALTHCARE TECHNOLOGIES  
CORP.**

DocuSigned by:  
  
Per: 92B1F92C651E4B4  
Name: Michael Steele  
Title: President and CEO

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## SCHEDULE "A" TO GUARANTEE

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Credit Agreement"** has the meaning ascribed thereto in Recital A to this Guarantee.

**"Credit Documents"** has the meaning ascribed thereto in the Credit Agreement.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

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**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.



## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**2563367 ONTARIO LIMITED**, (together with its successors and assigns,  
the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and  
assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

### **ARTICLE 1 GUARANTEE**

#### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

#### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim



that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### ARTICLE 3 PROTECTION OF THE SECURED PARTY

#### 3.1 Defects in Creation of Guaranteed Obligations

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### 3.2 Liability Absolute

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;

- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) Authorization and Enforceability. The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) No Conflict. Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) Governmental Consent. No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) Litigation. Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) No Default or Amendment. Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured

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Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

- (b) If to the Guarantor, to:

2563367 Ontario Limited  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5



Attention: Kim Wei, President and Chief Executive Officer  
E-mail: [kim.wei@pathwayhealth.ca](mailto:kim.wei@pathwayhealth.ca)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

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this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) **Copy Received.** The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) **Time of Essence.** Time shall be of the essence.

*[Signature Page Follows]*

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IN WITNESS WHEREOF 2563367 Ontario Limited has executed this Guarantee effective as of the day and year first above written.

**2563367 ONTARIO LIMITED**

Per:  40FAE7701CB2451...  
Name: Kim Wei  
Title: President and Chief Executive Officer

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## SCHEDULE "A" TO GUARANTEE

**"Applicable Laws"** means, in relation to any Person, transaction or event:

- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**"Credit Agreement"** has the meaning ascribed thereto in Recital A to this Guarantee.

**"Credit Documents"** has the meaning ascribed thereto in the Credit Agreement.

**"Governmental Authority"** means

- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.

## **GUARANTEE**

THIS GUARANTEE is made as of the 29<sup>th</sup> day of July, 2022

BY:

**SLAWNER ORTHO LTEE.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **RECITALS**

- A. Pathway Health Corp., as borrower (together with its successors and assigns, the "**Borrower**") is party to a credit agreement dated as of the date hereof among, *inter alios*, the Borrower, as borrower, the Guarantor, as a guarantor and the Secured Party, as lender (as amended, supplemented, restated or replaced from time to time the "**Credit Agreement**").
- B. The Guarantor has agreed to guarantee the payment by the Borrower of the Guaranteed Obligations.
- C. In this Guarantee, in addition to the definitions set out in the recitals hereto or any Section hereof, certain capitalized terms used herein shall have the meanings ascribed to them in Schedule "A" hereto.

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Secured Party to the Guarantor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor agrees with the Secured Party as follows:

### **ARTICLE 1 GUARANTEE**

#### **1.1 Guarantee**

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Secured Party the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment, and not of collection, is in no way conditioned or contingent upon any attempt to collect from or enforce payment by the Borrower or upon any other event, contingency or circumstance whatsoever. If, for any reason whatsoever, the Borrower shall fail or be unable to duly, punctually and fully pay any Guaranteed Obligations as and when the same shall become due and payable, the Guarantor shall forthwith pay, or cause to be paid, such Guaranteed Obligations to the Secured Party.

#### **1.2 No Set off by Guarantor; Reinstatement**

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever except pursuant to any Requirement of Law. The Guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party as a result of any Proceedings of or affecting the Borrower or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Secured Party may concede or compromise any claim

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that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## **ARTICLE 2 ENFORCEMENT**

### **2.1 Demand**

Upon default in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Secured Party, forthwith pay to the Secured Party all Guaranteed Obligations for which such demand was made. Any statement in writing of the Secured Party as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error.

### **2.2 Right to Immediate Payment or Performance; Principal Debtor**

The Secured Party shall not be bound to make any demand on or to seek or exhaust its recourse against the Borrower or any other Person or any Security held by it before being entitled to demand payment from or performance by the Guarantor and enforce its rights under this Guarantee, and the Guarantor hereby renounces all benefits of discussion and division. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Secured Party by the Guarantor after demand therefor.

### **2.3 Subordination**

All liabilities and indebtedness, present and future, absolute or contingent, joint or several, of the Borrower to the Guarantor are hereby postponed and subordinated to the payment and performance in full of the Guaranteed Obligations and all other amounts payable hereunder and unless otherwise agreed by the Secured Party, all monies received by the Guarantor in respect thereof shall be received in trust for the Secured Party and forthwith upon receipt shall be paid over to the Secured Party, the whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee. The Guarantor shall not:

- (a) claim, rank, prove or vote as a creditor in any Proceedings of or affecting the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations;
- (b) assert any right (including without limitation any right of set-off, right of indemnity or reimbursement or right of contribution, and any right whether or not the right arises under any Security) against the Borrower or any other guarantor or Person liable directly or as surety for all or any part of the Guaranteed Obligations; or
- (c) have any right of subrogation to the Secured Party or be otherwise entitled to claim the benefit of any Security now or hereafter held by the Secured Party in respect of the Guaranteed Obligations;

until the Secured Party has received full and final payment of all Guaranteed Obligations and all other amounts payable hereunder.

### **ARTICLE 3 PROTECTION OF THE SECURED PARTY**

#### **3.1 Defects in Creation of Guaranteed Obligations**

The Secured Party shall not be concerned to see or enquire into the capacity and powers of the Borrower or the Guarantors, or their directors, officers, employees or agents acting or purporting to act on their behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Borrower and the Guarantors in favour of the Secured Party shall be deemed to form part of the Guaranteed Obligations even though the Borrower and any of the Guarantors may not be a legal entity or the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Borrower or the Guarantors, or their directors, officers, employees or agents.

#### **3.2 Liability Absolute**

This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation or reorganization of the Borrower or the Guarantors or any continuation of the Borrower or the Guarantors from the statute under which it now or hereafter exists to another statute whether under the laws of the same jurisdiction or another jurisdiction;
- (b) any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Borrower or the Guarantors, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Borrower or the Guarantors becomes the property of any other Person;
- (c) any lack of validity, enforceability or value of any Credit Document or any agreement or instrument relating to any Credit Document or to any Security therefor;
- (d) any change in the time, manner or place of payment of, or in any other term of any Credit Document or any amendment or waiver thereof, or any consent to departure from any Credit Document;
- (e) any taking, exchange, release or non-perfection of any Security, or any release or amendment or waiver of or consent to departure from any credit support or other guarantee for any Credit Document;
- (f) subject to any Requirement of Law, any manner of application of any Security or proceeds of realization thereof, or any manner of sale or other disposition of any collateral or any other assets of the Borrower or the Guarantors;
- (g) any amendment or modification of or supplement to or other change in any Credit Document or any other agreement or instrument;
- (h) any failure, omission or delay on the part of any Person to conform or comply with any term of any Credit Document or any other agreement or instrument;
- (i) to the extent as may be waived under Applicable Laws, the benefit of all principles or provisions of law, statutory or otherwise, which may be in conflict with the terms hereof;

- (j) any Proceedings of or affecting the Borrower, the Guarantors or any other Person and any court orders made or action taken by the Borrower, the Guarantors or any other Person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Secured Party;
- (k) any defence, counterclaim or right of set-off available to the Borrower with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3;
- (l) the fact that the Borrower ceases to be liable for any reason whatsoever to the Secured Party in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or the fact that a court determines that the liability of the Borrower to the Secured Party in respect of all or any part of the Guaranteed Obligations has been satisfied or is deemed to have been satisfied (otherwise than pursuant to the express terms of any Credit Document or the actual payment of those Guaranteed Obligations);
- (m) any termination by or release of any Guarantor or Persons, other than the Guarantor, in whole or in part of any of the Guaranteed Obligations; or
- (n) any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Guaranteed Obligations or the liability of the Guarantor other than the actual payment or performance thereof.

Without limiting the generality of the foregoing, the Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Borrower or the Guarantors shall default under or fail to comply with the terms of any Loan Document and that notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply by the Borrower or the Guarantors under any Loan Document, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default. If (i) an event permitting the exercise of remedies under any Loan Document shall at any time have occurred and be continuing beyond any applicable cure period and (ii) such exercise, or any consequences thereof provided in such Loan Document shall at any time be prevented by reason of the pendency against the Borrower or the Guarantors of a Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Loan Document shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay and perform the Guaranteed Obligations.

### **3.3 Dealings by the Secured Party**

The Secured Party may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Loan Document or any other agreement relating to any of the foregoing or demand payment of all or any Guaranteed Obligations;
- (b) enforce or take action under or abstain from enforcing or taking action under any Loan Document or any other guarantee of the Guaranteed Obligations;

- (c) receive, give up, subordinate, release or discharge any Security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any Security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any Security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any Security; or allow or abstain from allowing the Borrower or other Persons to deal with all or any part of such undertaking, property and assets;
- (d) renew all or any part of the Guaranteed Obligations or grant extensions of time or any other indulgences to the Borrower or to any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (e) accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Borrower or any other guarantor or other Person liable directly or indirectly or as surety for all or any part of the Guaranteed Obligations;
- (f) in whole or in part prove or abstain from proving a claim of the Secured Party in any Proceedings of or affecting the Borrower or any other Person; and
- (g) agree with the Borrower, any other guarantor or any other Person to do anything described in Subsections (a) to (f) above;

whether or not any of the matters described in Subsections (a) to (g) above occur alone or in connection with one or more other such matters. No loss of or in respect of any Security for the Guaranteed Obligations or any part thereof, whether occasioned through the fault of the Secured Party or otherwise, shall discharge, diminish or in any way affect the liability of the Guarantor hereunder.

### **3.4 Waiver of Notice**

To the extent permitted by Applicable Laws, the Guarantor expressly waives any right to receive notice of the existence or creation of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events or circumstances described in Sections 3.1, 3.2 or 3.3 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Credit Documents and of all the provisions therein contained and consents to and approves the same.

### **3.5 Acknowledgment**

The Guarantor acknowledges that it has received and will receive substantial direct and indirect benefits from the entering into of the Credit Documents by the Borrower and the arrangements contemplated therein and this Guarantee is made knowingly in contemplation of such benefits.

## **ARTICLE 4 AGREEMENTS, REPRESENTATIONS AND WARRANTIES OF GUARANTOR**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Secured Party as follows:

- (a) **Organization and Qualification.** The Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with full right, power and authority under its corporate charter and, if applicable, by-laws and

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under the laws of the jurisdiction of its incorporation to enter into this Guarantee and to perform its obligations hereunder;

- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary corporate action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any Requirement of Law applicable to the Guarantor or any of its respective properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the corporate charter or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any Contractual Obligation of the Guarantor or (iii) results in the creation or imposition of any mortgage, charge, assignment, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Governmental Consent.** No Governmental Consent is required to authorize, or is required in connection with the execution, delivery and performance of this Guarantee or the taking of any action by the Guarantor hereby contemplated, except any that have been obtained;
- (e) **Litigation.** Other than as disclosed in writing to the Secured Party, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority now pending or, to the best of the Guarantor's knowledge, threatened against or affecting the Guarantor or any of its properties or rights which would reasonably be expected to have a material adverse effect on the right or ability of the Guarantor to fulfill its obligations hereunder, or which questions the validity, binding effect or enforceability of this Guarantee or any action taken or to be taken by the Guarantor pursuant hereto or in connection with the transactions contemplated hereby; and
- (f) **No Default or Amendment.** Neither the Guarantor nor, to the best knowledge of the Guarantor, the Borrower or any Guarantor is in default of their respective obligations under this Guarantee or any Loan Document, respectively, and, to the best knowledge of the Guarantor, no event or condition has occurred or exists which with the lapse of time or the giving of notice would constitute a default of any of the Guarantor's obligations under this Guarantee or of the Borrower's or Guarantor's obligations under any Loan Document.

## **ARTICLE 5 MISCELLANEOUS**

### **5.1 Expenses; Indemnity**

The Guarantor shall pay on demand all reasonable out of pocket costs and expenses of the Secured Party (including, without limitation, the reasonable fees and expenses of counsel for the Secured Party) reasonably incurred in connection with the preparation and any enforcement of this Guarantee. The Guarantor shall indemnify and save the Secured Party harmless from and against any and all other losses, costs and expenses (which shall not include loss of profit or consequential damages, other than interest and fees on the amounts of credit advanced by the Secured Party to the Borrower, at the rate or rates applicable thereto in the Credit Facility Agreement) which may arise by virtue of any of the Guaranteed Obligations not being paid or performed in a punctual manner or any Loan Document or any other agreement relating to any of the foregoing being or becoming for any reason whatsoever in whole or in part void, voidable, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable by the Secured

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Party in accordance with its terms, or released, compromised or discharged by operation of any Requirement of Law or otherwise.

## **5.2 Amendment; Waiver**

No amendment of this Guarantee shall be binding unless executed in writing by the Secured Party and the Guarantor. No waiver of any provision of this Guarantee shall be effective unless given in writing by the Secured Party and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Secured Party in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Secured Party of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. No action of the Secured Party permitted hereunder shall in any way impair or affect its rights, powers or remedies under this Guarantee.

## **5.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice (i) any other Security now or hereafter held by the Secured Party, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Secured Party under this Guarantee shall not be merged in any such other Security or endorsement or any judgment obtained by the Secured Party on the Guaranteed Obligations or the Security.

## **5.4 Successors and Assigns; Assignment**

This Guarantee shall be binding upon the Guarantor and its successors and permitted assigns, and enure to the benefit of the Secured Party and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Secured Party which consent may be unreasonably withheld.

## **5.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or e-mail and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable e-mail address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

(a) If to the Secured Party, to:

Avonlea-Drewry Holdings Inc.  
P.O. Box 8 Caledon East  
Caledon, ON L7C 3L8

Attention: David Dozzo, Director  
E-mail: [ddozzo@capforminc.com](mailto:ddozzo@capforminc.com)

(b) If to the Guarantor, to:

Slawner Ortho Ltee.  
16 Four Seasons Place, Suite 203A  
Toronto, Ontario M9B 6E5

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Attention: Aura Balboa  
E-mail: [aura.balboa@pathwayhealth.ca](mailto:aura.balboa@pathwayhealth.ca)

If any payment made by the Guarantor to the Secured Party becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Secured Party such additional amount as may be necessary to ensure that the Secured Party receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Secured Party had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Secured Party the relevant official receipts or other evidence satisfactory to the Secured Party, acting reasonably, evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Secured Party. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Secured Party is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Secured Party shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund, provided the Secured Party, in its sole judgement, is satisfied that:

- (c) the retention by it of that credit will not be prejudiced thereby; and
- (d) the net financial result to the Secured Party of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Secured Party than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Secured Party, the Secured Party shall deliver to the Guarantor a certificate prepared by it in good faith and signed by one of its officers setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be prima facie evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties but excludes income taxes.

The Secured Party shall, at the Guarantor's request and cost, file such documentation and do such commercially reasonable things as is necessary to obtain such credit or refund, but the Secured Party shall not be obligated to disclose any information to the Guarantor or any other Person concerning its income or taxes that is not otherwise publicly available.

## **5.6 General**

- (a) **References.** As used herein, "hereto", "herein", "hereof", "hereby", "hereunder" and any similar expressions refer to this Guarantee, and not to any particular Article, Section or other portion hereof. Whenever in this Guarantee a particular Article, Section or other portion thereof is referred to, such reference pertains to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof.
- (b) **Invalidity of Provisions.** Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
- (c) **Entire Agreement.** This Guarantee, together with the other Credit Documents, constitutes the entire agreement between the parties pertaining to the subject matter of

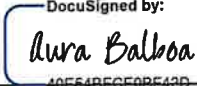
this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee and the other Credit Documents.

- (d) **Governing Law, Attornment.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Ontario.
- (e) **Copy Received.** The Guarantor acknowledges receipt of a copy of this Guarantee.
- (f) **Time of Essence.** Time shall be of the essence.

*[Signature Page Follows]*

IN WITNESS WHEREOF Slawner Ortho Ltee. has executed this Guarantee effective as of the day and year first above written.

**SLAWNER ORTHO LTEE.**

Per:    
Name: Aura Balboa   
Title: President

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## **SCHEDULE "A" TO GUARANTEE**

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- i. all applicable common law and the laws of equity, and all applicable provisions of laws, statutes, rules, guidelines, policies and regulations of any Governmental Authority in effect from time to time; and
- ii. all judgments, orders, awards, decrees, official directives, writs and injunctions from time to time of any Governmental Authority in an action, proceeding or matter in which the Person is a party or by which it or its property is bound or having application to the transaction or event.

**"Business Day"** means a day of the year, other than a Saturday or Sunday, on which banking institutions located in Toronto, Ontario are open for business.

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- (a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,
- (b) any Person acting within and under the authority of any of the foregoing or under a statute, rule or regulation thereof, and
- (c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Governmental Consents"** means all authorizations, registrations, consents, approvals, licences, exemptions, publications, filings, notices to and declarations of or with any Governmental Authority including, without limitation, related to any environmental law or environmental matter, that are required for the execution, delivery or performance of this Guarantee or the taking of any action by the Guarantor contemplated under this Guarantee.

**"Guarantee"** means this guarantee, as amended, supplemented or restated from time to time.

**"Guaranteed Obligations"** means all of the obligations, liabilities and indebtedness of the Borrower and the Guarantor to the Secured Party, whether present or future, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency, including without limitation all present and future indebtedness, liabilities and obligations of the Borrower and the Guarantor to the Secured Party owing under, out of, in connection with or in respect of the Credit Agreement and the other Credit Documents to which the Borrower is a Party.

**"Person"** means any individual, sole proprietorship, corporation, company, partnership, unincorporated association, association, institution, entity, party, trust, joint venture, estate or other judicial entity or any governmental body.

**"Proceedings"** means any voluntary or involuntary receivership, insolvency, proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature.

**"Requirement of Law"** means, as to any Person, any law, treaty, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its property is subject.

**"Security"** means any mortgage, charge, assignment, lien, pledge, security interest or other encumbrance, any guarantee, and any other arrangement designed to secure the payment or performance of any obligation, liability or indebtedness held by or in favour of the Secured Party, whether obtained from the Borrower or the Guarantor and whether obtained before, at the time of or after the execution and delivery of this Guarantee.



**THIS IS EXHIBIT "H"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



## **GENERAL SECURITY AGREEMENT**

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH CORP.**, (together with its successors and assigns, the "**Debtor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Debtor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Debtor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a secured interest bearing demand promissory grid note issued on the date hereof to the Secured Party by the Debtor, as may be amended from time to time (the "**Promissory Note**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (the "**Act**").

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Debtor hereby:

- (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
- (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;

- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, integrated circuit topographies, trade secrets and other confidential information and all know-how obtained, developed or used by the Debtor or contemplated at any time for use by the Debtor;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Debtor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

### C. LOCATION OF COLLATERAL

3. The Debtor hereby represents and warrants to the Secured Party that all Collateral material to the Debtor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Province of Ontario is on the date hereof primarily situate or located at the location set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Debtor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Debtor.
5. Debtor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:



- (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Debtor; and the execution, delivery and performance of this Security Agreement by the Debtor are within its corporate powers and have been duly authorized by all necessary corporate action of the Debtor; and
  - (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Debtor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Debtor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Debtor is party or by which it is bound.
6. Debtor further represents and warrants to the Secured Party that on the date hereof:
- (a) it has rights in the Collateral and other than permitted encumbrances, the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Debtor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
  - (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
  - (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

**D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

**E. AGREEMENTS OF THE DEBTOR**

8. The Debtor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Debtor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Debtor has rights in such Collateral.
9. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
- (a) it will not, without the prior written consent of the Secured Party:
    - (i) create, issue, transfer, or assign any new securities of the Debtor, whether debt or equity, but notwithstanding the foregoing, the Debtor may issue new securities, whether debt or equity, without consent of the Secured Party, provided that the

- proceeds are used, at least in part, to satisfy and fully pay the Obligations outstanding;
- (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary course of the Debtor's business and as would not have a material adverse effect on Debtor, its ability to pay the Obligations or the interests of the Secured Party hereunder;
  - (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or without prior written notice to the Secured Party; or
  - (v) change its name without receiving written consent of the Secured Party.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, it will:
- (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Debtor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Debtor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Debtor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Debtor relating to the Collateral or any policy issued to the Debtor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever it deems necessary, either in person or by agent, enter upon the Debtor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;
  - (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party at any time upon request by the Secured Party all such information concerning the Debtor's affairs and business as the Secured Party may reasonably require;

- (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;
- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Debtor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Debtor, including without limitation any change in the Debtor's registered office address, the Debtor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Debtor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Debtor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Debtor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;

- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same may become due and payable;
  - (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
  - (xv) carry on and conduct the business of the Debtor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Debtors' business as well as accurate and complete records concerning the Collateral;
  - (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
    - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
    - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
    - C. all financial statements prepared by or for Debtor regarding Debtor's business,
    - D. all policies and certificates of insurance relating to the Collateral, and
    - E. such information concerning Collateral, Debtor and Debtor's business and affairs as the Secured Party may reasonably request;
  - (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
  - (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
  - (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Debtor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.
10. The Debtor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.
11. Subject to compliance with the Debtor's covenants contained herein, the Debtor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess,

operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor.

## F. DEFAULT

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable in each and every of the events following (each, an "**Event of Default**"):

- (a) if the Debtor or any of its affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Debtor to the Secured Party in the Promissory Note, this Security Agreement, in any document executed in connection herewith, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith, other than as contemplated in Section 12(b) below;
- (b) if the Debtor defaults in payment of any of the Obligations of the Debtor to the Secured Party when due;
- (c) if the Debtor ceases or threatens to cease to carry on business or if the Debtor commits or threatens to commit any act of bankruptcy or if the Debtor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Debtor;
- (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Debtor, except as expressly permitted by this Security Agreement;
- (e) if the Debtor shall seek relief or consents to the filing of a petition against it under any law which involves any compromise of any secured creditor's rights against the Debtor;
- (f) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the property of the Debtor or any part thereof, provided such execution, court process, distress or analogous process is in response to an award or award(s) against the Debtor which in the aggregate exceed CDN\$250,000;
- (g) if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral with equal priority to or senior to the charge created by this Security Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
- (h) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled;
- (i) if any representation or warranty in the Promissory Note, in this Security Agreement, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith, made by the Debtor or any of its

affiliates or officers to the Secured Party shall be false or inaccurate in any material respect;

- (j) if the Debtor is dissolved or the Debtor's existence is otherwise terminated or any action is taken by the Debtor to effect such termination or dissolution;
- (k) if any material portion of the Debtor's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity or if the Debtor is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of the Debtor's assets by any government agency;
- (l) if there is a material default or other failure to perform in any material agreement to which the Debtor is a party or by which the Debtor is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$250,000; or
- (m) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, in the Promissory Note, in this Security Agreement, in any other future loan or credit facility agreement between the Debtor and the Secured Party, or in any document executed in connection therewith.

provided, that, notwithstanding the foregoing, the Obligations shall not become payable and the security granted pursuant to this Security Agreement shall not become enforceable by reason only of the occurrence of an Event of Default (if such Event of Default is an Event of Default other than as a result of: (i) a failure to pay any Obligation of the Debtor to the Secured Party when due, as contemplated by paragraph (b) above, or (ii) if the Debtor ceases to carry on business or if the Debtor commits any act of bankruptcy or if the Debtor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Debtor as contemplated by paragraph (c) above), and such Event of Default is remedied within thirty (30) business days from the date the Debtor became aware of such Event of Default or should reasonably have become aware of such Event of Default, or does not otherwise continue for at least thirty (30) business days from such date. Any event set forth above which pursuant to this section, the Debtor may remedy within the permitted thirty (30) business day period, shall not be considered to be an "Event of Default" unless such event goes unremedied for a period of twenty (20) consecutive business day, however, the Debtor hereby covenants to advise the Secured Party in writing immediately upon the occurrence of an event, set forth above regardless of any permitted remedy period.

13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Debtor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:
  - (a) entry;
  - (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party

may remove any receiver or receivers so appointed and appoint another or others in his or their stead);

- (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
- (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
- (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or
- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Debtor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Debtor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Debtor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and

without any other formality (except as required by law), all of which are hereby waived by the Debtor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Debtor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the reasonable and documented fees and expenses of any receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments or other proceeds of the Collateral received by the Debtor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Debtor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Debtor receives any such money or proceeds without any request by it, the Debtor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Debtor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Debtor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance,

it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.

19. The Debtor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other persons and securities as the Secured Party may see fit.
21. Nothing herein shall obligate the Secured Party to extend any credit to the Debtor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

#### **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Debtor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Debtor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor, the Secured Party shall, upon request in writing by the Debtor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Ontario. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Debtor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.

28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and, subject to the final sentence of Section 22, shall be binding on the Debtor, its successors and permitted assigns.
31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Promissory Note. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Debtor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Debtor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.
33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.

**K. INDEMNIFICATION**

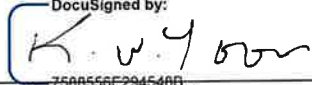
34. The Debtor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Debtor, or to enforce any provisions of any accounts, the Debtor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documented expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Debtor.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor and the Secured Party as of the date first written above.

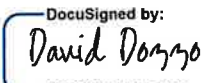
**DEBTOR:**

**PATHWAY HEALTH CORP.**

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: David Dozzo  
Title: Director

PKJ

## SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH CORP.**, (together with its successors and assigns,  
the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and  
assigns, the "**Secured Party**")

### 1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### 2. SECURITY INTEREST AND CHARGE

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:
  - (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of Pathway Health Services Corp., Pathway Wellness Corp., Pathway Healthcare Technologies Corp. and 1319923 Canada Ltd., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
  - (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
  - (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
  - (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
  - (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;

- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and
- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "**Default**") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## 6. REMEDIES

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
- (f) any Receiver will be deemed to be the agent of the Pledgor, and the Pledgor will be solely responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver.

## 7. POWER OF ATTORNEY

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

transfer the Pledged Shares or any part thereof into its own name or that of its nominee(s) in the event of Default so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

**8. ACCELERATION**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

**9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the Promissory Note.

**10. COSTS AND EXPENSES**

The Pledgor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable and documented legal fees as between a solicitor and his own client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Pledged Shares and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Pledged Shares and shall be secured hereby.

**11. MISCELLANEOUS**

- (a) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Pledgor, sureties and others and with the Pledged Shares and other security as the Secured Party may see fit without prejudice to the Secured Party's right to hold and realize the Security Interest.
- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.
- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any



monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

**12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

**13. DELIVERY**

This Agreement may be delivered in PDF or other electronic form which Agreement when so delivered shall be valid and binding as if delivered in original form. The Pledgor shall forthwith deliver an original of the signed copy of this Agreement which was so delivered.

**14. GOVERNING LAW**

This Agreement shall be governed by the laws of the Province of Ontario.

**15. COPY OF AGREEMENT**

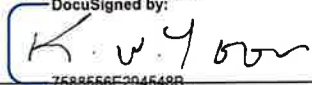
The Pledgor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

**PLEDGOR:**

**PATHWAY HEALTH CORP.**

DocuSigned by:  
By:   
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

DocuSigned by:  
By:   
Name: David Dozzo  
Title: Director

PKJ

SCHEDULE A  
PLEDGED SECURITIES

Issuer	Holder	Number and Class of Shares	Share Certificate No.
Pathway Health Services Corp.	Pathway Health Corp.		
Pathway Wellness Products Corp.	Pathway Health Corp.	100 Common	C-2
Pathway Healthcare Technologies Corp.	Pathway Health Corp.	100 Common	C-2
13199223 Canada Ltd.	Pathway Health Corp.	50,000 Common	C-1

**THIS IS EXHIBIT "I"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



## **GENERAL SECURITY AGREEMENT**

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 27<sup>th</sup> day of May, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Guarantor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Guarantor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Guarantor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Guarantor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a guarantee executed on the date hereof in favor of the Secured Party by the Guarantor, as may be amended from time to time (the "**Guarantee**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (the "**Act**").

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Guarantor hereby:

- (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
- (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;
- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual

property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, integrated circuit topographies, trade secrets and other confidential information and all know-how obtained, developed or used by the Guarantor or contemplated at any time for use by the Guarantor;

- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Guarantor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

### C. LOCATION OF COLLATERAL

3. The Guarantor hereby represents and warrants to the Secured Party that all Collateral material to the Guarantor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A  
Toronto, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Province of Ontario is on the date hereof primarily situate or located at the location set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Guarantor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Guarantor.
5. Guarantor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:
  - (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and

to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Guarantor; and the execution, delivery and performance of this Security Agreement by the Guarantor are within its corporate powers and have been duly authorized by all necessary corporate action of the Guarantor; and

- (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Guarantor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Guarantor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Guarantor is party or by which it is bound.

6. Guarantor further represents and warrants to the Secured Party that on the date hereof:

- (a) it has rights in the Collateral and other than permitted encumbrances, the Collateral is genuine and owned by the Guarantor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Guarantor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
- (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
- (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

#### **D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

- 7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Guarantor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Guarantor shall stand possessed of the reversion of one day remaining in the Guarantor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

#### **E. AGREEMENTS OF THE GUARANTOR**

- 8. The Guarantor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Guarantor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Guarantor has rights in such Collateral.
- 9. The Guarantor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
  - (a) it will not, without the prior written consent of the Secured Party:
    - (i) create, issue, transfer, or assign any new securities of the Guarantor, whether debt or equity;
    - (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary

course of the Guarantor's business and as would not have a material adverse effect on Guarantor, its ability to pay the Obligations or the interests of the Secured Party hereunder;

- (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or without prior written notice to the Secured Party; or
  - (v) change its name without receiving written consent of the Secured Party.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, it will:
  - (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Guarantor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Guarantor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Guarantor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Guarantor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Guarantor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Guarantor relating to the Collateral or any policy issued to the Guarantor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever it deems necessary, either in person or by agent, enter upon the Guarantor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;
  - (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party at any time upon request by the Secured Party all such information concerning the Guarantor's affairs and business as the Secured Party may reasonably require;
  - (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;

- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Guarantor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Guarantor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Guarantor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Guarantor, including without limitation any change in the Guarantor's registered office address, the Guarantor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Guarantor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Guarantor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Guarantor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;
- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Guarantor or the Collateral as and when the same may become due and payable;

- (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
  - (xv) carry on and conduct the business of the Guarantor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Guarantors' business as well as accurate and complete records concerning the Collateral;
  - (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
    - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
    - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
    - C. all financial statements prepared by or for Guarantor regarding Guarantor's business,
    - D. all policies and certificates of insurance relating to the Collateral, and
    - E. such information concerning Collateral, Guarantor and Guarantor's business and affairs as the Secured Party may reasonably request;
  - (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
  - (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
  - (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Guarantor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.
10. The Guarantor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.
11. Subject to compliance with the Guarantor's covenants contained herein, the Guarantor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Guarantor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the

Guarantor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Guarantor.

## F. DEFAULT

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable in each and every of the events following (each, an "**Event of Default**"):
- (a) if the Guarantor defaults in the observance or performance of any material agreement or undertaking given by the Guarantor to the Secured Party in the Guarantee, this Security Agreement, or in any document executed in connection herewith, other than as contemplated in Section 12(b) below;
  - (b) if the Guarantor defaults in payment of any of the Obligations of the Guarantor to the Secured Party when due;
  - (c) if the Guarantor ceases or threatens to cease to carry on business or if the Guarantor commits or threatens to commit any act of bankruptcy or if the Guarantor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Guarantor;
  - (d) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Guarantor, except as expressly permitted by this Security Agreement;
  - (e) if the Guarantor shall seek relief or consents to the filing of a petition against it under any law which involves any compromise of any secured creditor's rights against the Guarantor;
  - (f) if an execution or any other process of any court becomes enforceable against the Guarantor or if a distress or analogous process is levied upon the property of the Guarantor or any part thereof, provided such execution, court process, distress or analogous process is in response to an award or award(s) against the Guarantor which in the aggregate exceed CDN\$250,000;
  - (g) if the Guarantor shall permit any sum which has been admitted as due by the Guarantor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral with equal priority to or senior to the charge created by this Security Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
  - (h) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Guarantor of its business shall be withdrawn or cancelled;
  - (i) if any representation or warranty in the Guarantee, in this Security Agreement or in any document executed in connection therewith, made by the Guarantor or any of its affiliates or officers to the Secured Party shall be false or inaccurate in any material respect;
  - (j) if the Guarantor is dissolved or the Guarantor's existence is otherwise terminated or any action is taken by the Guarantor to effect such termination or dissolution;
  - (k) if any material portion of the Guarantor's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity or if the Guarantor is enjoined, restrained, or in any way

prevented by court order from continuing to conduct all or any material part of its affairs, or if a judgment or other claim becomes a lien or encumbrance upon any material portion of the Guarantor's assets by any government agency;

- (l) if there is a material default or other failure to perform in any material agreement to which the Guarantor is a party or by which the Guarantor is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$250,000; or
- (m) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, in the Guarantee, in this Security Agreement or in any document executed in connection therewith,

provided, that, notwithstanding the foregoing, the Obligations shall not become payable and the security granted pursuant to this Security Agreement shall not become enforceable by reason only of the occurrence of an Event of Default (if such Event of Default is an Event of Default other than as a result of: (i) a failure to pay any Obligation of the Guarantor to the Secured Party when due, as contemplated by paragraph (b) above, or (ii) if the Guarantor ceases to carry on business or if the Guarantor commits any act of bankruptcy or if the Guarantor becomes insolvent or makes an assignment or proposal in bankruptcy or makes a bulk sale of its assets or if a bankruptcy petition is filed or presented against the Guarantor as contemplated by paragraph (c) above), and such Event of Default is remedied within thirty (30) business days from the date the Guarantor became aware of such Event of Default or should reasonably have become aware of such Event of Default, or does not otherwise continue for at least thirty (30) business days from such date. Any event set forth above which pursuant to this section, the Guarantor may remedy within the permitted thirty (30) business day period, shall not be considered to be an "Event of Default" unless such event goes unremedied for a period of twenty (20) consecutive business days, however, the Guarantor hereby covenants to advise the Secured Party in writing immediately upon the occurrence of an event, set forth above regardless of any permitted remedy period.

- 13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Guarantor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

- 14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:

- (a) entry;
- (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party may remove any receiver or receivers so appointed and appoint another or others in his or their stead);
- (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
- (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
- (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms

as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Guarantor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;

- (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or
- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Guarantor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Guarantor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Guarantor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Guarantor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Guarantor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Guarantor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Guarantor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the fees and

expenses of any reasonable and documented receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "**receiver**" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Guarantor acknowledges that any payments or other proceeds of the Collateral received by the Guarantor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Guarantor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Guarantor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Guarantor receives any such money or proceeds without any request by it, the Guarantor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Guarantor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Guarantor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
19. The Guarantor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Guarantor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from

perfecting securities of, may accept compositions from, and may otherwise deal with the Guarantor and all other persons and securities as the Secured Party may see fit.

21. Nothing herein shall obligate the Secured Party to extend any credit to the Guarantor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Guarantor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Guarantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

#### **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Guarantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Guarantor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Guarantor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Guarantor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Guarantor, the Secured Party shall, upon request in writing by the Guarantor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Ontario. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Guarantor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.
28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and, subject to the final sentence of Section 22, shall be binding on the Guarantor, its successors and permitted assigns.

31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Guarantee. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Guarantor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Guarantor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Guarantor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Guarantor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Guarantor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Guarantor, including, without limiting the generality of the foregoing, the death of any or all of the partners.
33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.

**K. INDEMNIFICATION**

34. The Guarantor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Guarantor, or to enforce any provisions of any accounts, the Guarantor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documents expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account Guarantor or obligor thereunder, arising out of a breach by the Guarantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account Guarantor or obligor or its successors from the Guarantor.

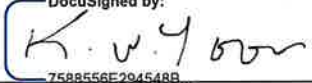
*[Signature Page Follows]*



IN WITNESS WHEREOF this Security Agreement has been executed by the Guarantor and the Secured Party as of the date first written above.

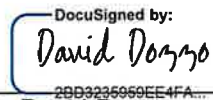
**GUARANTOR:**

**PATHWAY HEALTH SERVICES CORP.**

By:   
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By:   
Name: David Dozzo  
Title: Director



## SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTH SERVICES CORP.**, (together with its successors and assigns, the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### 1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### 2. SECURITY INTEREST AND CHARGE

- (a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:
  - (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of 10030712 Manitoba Ltd., 2563367 Ontario Limited and Slawner Ortho Ltee., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
  - (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
  - (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
  - (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
  - (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

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(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;

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- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and
- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "Default") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

PKS

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## 6. REMEDIES

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
- (f) any Receiver will be deemed to be the agent of the Pledgor, and the Pledgor will be solely responsible for his acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver.

## 7. POWER OF ATTORNEY

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

transfer the Pledged Shares or any part thereof into its own name or that of its nominee(s) in the event of Default so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

#### **8. ACCELERATION**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

#### **9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the credit agreement among, *inter alios*, Pathway Health Corp., as borrower, the Pledgor, as a guarantor and the Secured Party, as lender, as amended, supplemented, restated or replaced from time to time.

#### **10. COSTS AND EXPENSES**

The Pledgor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable and documented legal fees as between a solicitor and his own client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of Pledged Shares and in enforcing or collecting the Indebtedness and all such costs, disposition and charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Pledged Shares and shall be secured hereby.

#### **11. MISCELLANEOUS**

- (a) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Pledgor, sureties and others and with the Pledged Shares and other security as the Secured Party may see fit without prejudice to the Secured Party's right to hold and realize the Security Interest.
- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.

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- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

## **12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

## **13. DELIVERY**

This Agreement may be delivered in PDF or other electronic form which Agreement when so delivered shall be valid and binding as if delivered in original form. The Pledgor shall forthwith deliver an original of the signed copy of this Agreement which was so delivered.

## **14. GOVERNING LAW**

This Agreement shall be governed by the laws of the Province of Ontario.

## **15. COPY OF AGREEMENT**

The Pledgor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

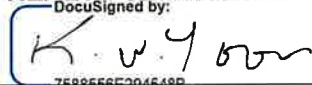
*[Signature Page Follows]*

*PKJ*

IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

**PLEDGOR:**

**PATHWAY HEALTH SERVICES CORP.**

By:  DocuSigned by:  
7588556E204548B...  
Name: Ken Yoon  
Title: Chief Executive Officer

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By:  DocuSigned by:  
2BD3235959EE4FA...  
Name: David Dozzo  
Title: Director

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SCHEDULE A  
PLEDGED SECURITIES

Issuer	Holder	Number and Class of Shares	Share Certificate No.
10030712 Manitoba Ltd.	Pathway Health Services Corp.	51 Common	C4
2563367 Ontario Limited	Pathway Health Services Corp.	50 Common	C4
Slawner Ortho Ltee.	Pathway Health Services Corp.	100 Class A Shares	A-003

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**THIS IS EXHIBIT "J"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



## SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made as of the 29<sup>th</sup> day of July, 2022

BY:

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**, (together with its successors and assigns, the "**Pledgor**")

IN FAVOUR OF:

**AVONLEA-DREWRY HOLDINGS INC.** (together with its successors and assigns, the "**Secured Party**")

### 1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Ontario), as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein defined as the "PPSA".

### 2. SECURITY INTEREST AND CHARGE

(a) As continuing security for the payment and performance of all debts, liabilities and obligations of Pledgor to the Secured Party (present and future, direct and indirect) (the "**Indebtedness**"), the Pledgor hereby grants a mortgage, pledge, charge and security interest to and in favour of the Secured Party in:

- (i) the shares described in Schedule A hereto represented by the share certificates described in Schedule A hereto, all after acquired shares held by the Pledgor in the capital of 1964433 Alberta Ltd., together with any renewals thereof, substitutions therefor and additions thereto and all certificates and instruments evidencing or representing such securities;
- (ii) any and all dividends, whether in cash, kind or stock, received or receivable upon or in respect of any Pledged Shares and all interest payments, money or other property payable or paid on account of any return or repayment of capital in respect of any Pledged Shares or otherwise distributed in respect thereof except as outlined in Section 2(d) and Section 2(e) below;
- (iii) any and all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, or in substitution for, or in addition to, or in exchange for, any of the foregoing;
- (iv) any and all cash, securities and other proceeds of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including, without limitation, all money received from time to time by the Pledgor in connection with the sale of any of the Pledged Shares; and
- (v) any and all property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of the Pledged Shares;

(collectively, the collateral described under subparagraphs 2(a)(i) to 2(a)(v) inclusive shall

be hereinafter known as the "**Pledged Shares**")

- (b) The mortgages, pledges, charges and security interests granted hereunder are hereinafter collectively called the "**Security Interests**". The Pledgor warrants and acknowledges to and in favour of the Secured Party that:
  - (i) the parties intend the Security Interests hereby constituted in the Pledged Shares attaches upon execution and delivery hereof;
  - (ii) the parties intend the Security Interests created in any of the Pledgor's after-acquired Pledged Shares to attach at the same time as it acquires rights in the after-acquired property; and
  - (iii) value has been given.
- (c) Until Default (as defined herein), the Pledgor shall be entitled in good faith to exercise all voting power from time to time exercisable in respect of the Pledged Shares and give consents, waivers and ratifications in respect thereof. Immediately upon the occurrence and during the continuance of Default, all such right of the Pledgor to vote and give consents, waivers and ratifications shall cease and the Secured Party or its nominee shall be entitled to exercise all such voting rights and to give all consents, waivers and ratifications.
- (d) The Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Secured Party's solicitors all certificates (duly endorsed in blank or accompanied by an executed stock transfer power of attorney) representing any of the Pledged Shares that the Pledgor may from time to time hereafter acquire or become entitled to or any share certificates which are issued as a result of re-classification, conversion or otherwise. The Pledgor hereby irrevocably authorizes and directs its solicitors to deliver to the Secured Party any such share certificates representing Pledged Shares.

### 3. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR

The Pledgor hereby represents and warrants to the Secured Party that:

- (a) the Pledged Shares are owned by the Pledgor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "**Encumbrances**"), save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor and those shown on Schedule A, attached;
- (b) the Pledgor has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- (c) this Agreement when duly executed and delivered by the Pledgor will constitute a legal, valid and binding obligation of the Pledgor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;
- (d) there is no provision in any agreement to which the Pledgor is a party, nor to the knowledge of the Pledgor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Pledgor which would be contravened by the execution and delivery of this Agreement;
- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Pledgor

threatened, against or affecting the Pledgor or the Pledged Shares, the adverse determination of which might impair the Pledgor's ability to perform its obligations hereunder; and

- (f) the Pledged Shares are or shall be located at the offices of the Secured Party and held pursuant to the terms of this Agreement.

#### 4. COVENANTS OF THE PLEDGOR

The Pledgor hereby covenants with the Secured Party that:

- (a) the Pledgor owns and will maintain the Pledged Shares free of Encumbrances (save for those Encumbrances agreed to in writing between the Secured Party and the Pledgor) and will defend title to the Pledged Shares for the benefit of the Secured Party against the claims and demands of all persons;
- (b) the Pledgor will immediately give notice to the Secured Party of:
  - (i) the details of any claims or litigation materially affecting the Pledgor or Pledged Shares; and
  - (ii) any change of its name, or the location of its chief executive office;
- (c) the Pledgor will observe the requirements of any regulatory or governmental authority with respect to the Pledged Shares; and
- (d) the Secured Party may pay or satisfy any Encumbrance created in respect of the Pledged Shares, or any sum necessary to be paid to clear title to such Pledged Shares, and the Pledgor agrees to repay the same on demand, plus interest thereon at a rate equal to the highest rate of interest payable by the Pledgor on any portion of the Indebtedness.

#### 5. DEFAULT

The happening of any of the following shall constitute default (a "**Default**") under this Agreement:

- (a) the Pledgor fails to pay the Indebtedness when due;
- (b) if the Pledgor defaults in the observance or performance of any material agreement or undertaking given by the Pledgor to the Secured Party in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith;
- (c) any representation or warranty made in this Agreement, in any document executed in connection herewith, in any future loan or credit facility agreement between the Pledgor and the Secured Party, or in any document executed in connection therewith, proves to have been or to have become false or materially misleading;
- (d) the Pledgor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Pledgor, or a Receiver of the Pledgor or any part of its property is appointed, or the Pledgor commits or demonstrates an intention to commit any act of bankruptcy, or the Pledgor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation for the benefit of its creditors; and

- (e) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Pledgor, or a secured party takes possession of any of the Pledgor's property.

## 6. REMEDIES

On Default:

- (a) the Secured Party may sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including costs as between a solicitor and its own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Pledged Shares by any method permitted by law, including a private sale, disposal by lease or deferred payment;
- (c) the Secured Party may appoint, but shall not be obligated to appoint, any person or persons to be a Receiver of any Pledged Shares, and may remove any person so appointed and appoint another in his stead. The term "**Receiver**" as used in this Agreement includes a Receiver-Manager;
- (d) the Secured Party or the Receiver, if appointed, will have the power:
  - (i) to take possession of any Pledged Shares and for that purpose to take any proceedings, in the name of the Pledgor or otherwise;
  - (ii) to sell or lease the Pledged Shares by public auction, tender or private sale on such terms and conditions as the Receiver shall determine and to deliver to the Purchaser thereof sufficient title documents, transfers and deeds for the same;
  - (iii) to make any arrangement or compromise which it may think expedient in the interest of the Secured Party;
  - (iv) to hold as additional security any increase or profits resulting from the Pledged Shares; and
  - (v) to exercise all rights that the Secured Party has under this Agreement or otherwise at law.
- (e) the Pledgor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect the sale or lease or other disposition of the Pledged Shares and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Pledgor; and
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## 7. POWER OF ATTORNEY

The Pledgor irrevocably authorizes and appoints the Secured Party as its attorney and agent to

*PKJ*

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In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

#### **9. NOTICE**

Any notice or demand required or permitted to be made or given by the Secured Party to the Pledgor shall be subject to the notice provisions of the credit agreement among, *inter alios*, Pathway Health Corp., as borrower, the Pledgor, as a guarantor and the Secured Party, as lender, as amended, supplemented, restated or replaced from time to time.

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- (b) All rights, remedies and powers of the Secured Party hereunder and under any other securities or agreements now or hereafter delivered to the Secured Party by the Pledgor are cumulative and in addition to any other rights or remedies. The enforcement of any one or more remedies by the Secured Party shall not be deemed to be an election of remedies. No judgment recovered by the Secured Party against the Pledgor or any other persons shall merge or in any manner affect the securities or agreements now or hereafter delivered to the Secured Party or the Secured Party right to interest as provided herein.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties, their respective successors and assigns.
- (d) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party.
- (e) The Pledgor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Secured Party, acting reasonably or as may be required by the Secured Party from time to time.

- (f) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Pledgor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

## **12. INTERPRETATION**

- (a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- (b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate. If more than one person executes this Agreement, their obligations under this Agreement are joint and several.
- (c) This Agreement will be interpreted in accordance with the laws of the Province of Ontario. The Pledgor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Ontario or in any court of competent jurisdiction, as the Secured Party may elect. The Pledgor hereby attorns to the same.

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## **14. GOVERNING LAW**

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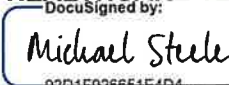
*[Signature Page Follows]*



IN WITNESS WHEREOF this Agreement has been executed by the Pledgor and the Secured Party as of the date first written above.

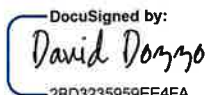
**PLEDGOR:**

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

By:    
 DocuSigned by:   
 92B1F926651E4D4...   
 Name: Michael Steele   
 Title: President and CEO

**SECURED PARTY**

**AVONLEA-DREWRY HOLDINGS INC.**

By:    
 DocuSigned by:   
 2BD3235959EE4FA...   
 Name: David Dozzo   
 Title: Director

*PKJ*

SCHEDULE A  
PLEDGED SECURITIES

Issuer	Holder	Number and Class of Shares	Share Certificate No.
1964433 Alberta Ltd.	Pathway Healthcare Technologies Corp.	1,515,126 Class A Voting	A-31

**THIS IS EXHIBIT "K"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**

**Search ID #:** Z16437714

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

**Search ID #:** Z16437714

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:19:54

**Business Debtor Search For:**

PATHWAY HEALTH CORP

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



PKJ

**Search ID #: Z16437714**

**Business Debtor Search For:**

PATHWAY HEALTH CORP

**Search ID #: Z16437714**

**Date of Search: 2023-Aug-09**

**Time of Search: 08:19:54**

Registration Number: 23020717584

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-07

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

Exact Match on:

Debtor

No: 1

**Debtor(s)**

**Block**

**Status**

Current

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

**Collateral: General**

**Block**

**Description**

**Status**

Current

1      All present and after-acquired personal property of the debtor.

PKJ

**Search ID #:** Z16437714

**Business Debtor Search For:**

PATHWAY HEALTH CORP

**Search ID #:** Z16437714

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:19:54

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Registration Number: 23020717625

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-07

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

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**Debtor(s)**

**Block**

**Status**

Current

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

---

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete

PKJ

**Search ID #: Z16437719**

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

**Search ID #: Z16437719**

**Date of Search: 2023-Aug-09**

**Time of Search: 08:20:15**

**Business Debtor Search For:**

PATHWAY HEALTH SERVICES CORP

**Inexact Result(s) Only Found**

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



PKJ

**Search ID #:** Z16437719

**Business Debtor Search For:**

PATHWAY HEALTH SERVICES CORP

**Search ID #:** Z16437719

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:20:15

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Registration Number: 23020717584

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-07

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

---

Inexact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

**Collateral: General**

**Block**

**Description**

**Status**

Current

1      All present and after-acquired personal property of the debtor.

PKJ

Search ID #: Z16437719

**Business Debtor Search For:**

PATHWAY HEALTH SERVICES CORP

Search ID #: Z16437719

Date of Search: 2023-Aug-09

Time of Search: 08:20:15

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Registration Number: 23020717625

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-07

Registration Status: Current

Registration Term: Infinity

---

Inexact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete

PKJ

**Search ID #:** Z16437724

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

**Party Code:** 50073881

**Phone #:** 780 429 5969

**Reference #:**

**Search ID #:** Z16437724

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:20:39

**Business Debtor Search For:**

PATHWAY HEALTHCARE TECHNOLOGIES CORP

Inexact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



*PKS*

**Search ID #:** Z16437724

**Business Debtor Search For:**

PATHWAY HEALTHCARE TECHNOLOGIES CORP

**Search ID #:** Z16437724

**Date of Search:** 2023-Aug-09

**Time of Search:** 08:20:39

---

Registration Number: 23020717584

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-07

Registration Status: Current

Expiry Date: 2028-Feb-07 23:59:59

---

Inexact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1      PATHWAY HEALTH CORP.  
16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

Current

**Secured Party / Parties**

**Block**

**Status**

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1      All present and after-acquired personal property of the debtor.

Current

PKS

**Search ID #:** Z16437724

**Business Debtor Search For:**

PATHWAY HEALTHCARE TECHNOLOGIES CORP

**Search ID #:** Z16437724

**Date of Search:** 2023-Aug-09

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Registration Number: 23020717625

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Registration Date: 2023-Feb-07

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Registration Term: Infinity

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Inexact Match on:

Debtor

No: 1

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**Debtor(s)**

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16 FOUR SEASONS PLACE, SUITE 203A  
ETOBICOKE, ON M9B 6E5

**Secured Party / Parties**

**Block**

**Status**

Current

1      HEAL GLOBAL HOLDINGS CORP.  
12TH FLOOR, 850 - 2 STREET SW  
CALGARY, AB T2P 0R8  
Email: steeleconsult@aol.com

Result Complete

PKJ

**THIS IS EXHIBIT "L"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



**UNLESS PERMITTED UNDER SECURITIES LEGISLATION IN CANADA, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF THE ISSUANCE OF THIS SECURITY.**

**SECURED CONVERTIBLE PROMISSORY GRID NOTE**

Calgary, Alberta

February 3, 2023

FOR VALUE RECEIVED, **PATHWAY HEALTH CORP.**, a corporation existing under the laws of the Province of Alberta ("**Pathway**" or the "**Borrower**") promises to pay to the order of **HEAL GLOBAL HOLDINGS CORP.**, a corporation existing under the laws of the Province of Alberta or its permitted assigns ("**HEAL**" or the "**Lender**"), the aggregate principal sum of all Advances (as defined herein) equal to the greater of:

- a) five hundred thousand Canadian Dollars (Cdn.\$500,000); and
- b) the amount of the principal balance from time to time owing by the Borrower to the Lender as recorded by or on behalf of the Lender on the grid attached hereto as Schedule "A" and any further grids attached hereto, all of which grids form part of this Note up to a maximum of Cdn.\$1,250,000,

(in the case of a) and b), the "**Principal Amount**"), together with accrued and unpaid interest thereon, and other fees and expenses from the applicable date of advance through and including the date on which such interest and all fees and expenses are paid in full, at the rate provided in Section 5 below (the Principal Amount, accrued and unpaid interest thereon and any other fees and expenses being collectively referred to herein as the "**Indebtedness**"), subject to the terms and conditions of this Note, as the same may be amended from time to time.

1. **Definitions.** In this Note, including the recitals and the Schedules hereto and in all notices given pursuant to this Note, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as the same may be amended from time to time.

"**Accounts Payable**" means all accounts payable, notes payable, trade payables, bonus payable and other amounts, due, owing or accruing by the Borrower.

"**Accounts Receivable**" means all accounts receivable, notes receivable, trade receivables, rights to receive payment, book debts and other amounts, due, owing or accruing due to the Borrower.

"**Additional Security**" means the security agreements and other documents required to be provided to the Lender pursuant to Section 11, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing.



**"ADH Credit Facility"** means the credit agreement entered into among the Borrower, as borrower, certain subsidiaries of the Borrower, as guarantors, and Avonlea-Drewry Holdings Inc., as lender pursuant to which the lender advanced \$3.5 million to the Borrower, on a secured, non-convertible basis.

**"Advance"** means each disbursement made by the Lender to the Borrower under this Note.

**"Affiliate"** means an affiliate as defined in the ABCA.

**"Amount Due and Payable"** has the meaning ascribed thereto in Section 6.

**"Applicable Law"** means, in relation to any person, transaction or event:

- (a) all applicable provisions of the common law and all statutes, rules and regulations of any Governmental Authority in effect from time to time having force of law; and
- (b) all judgments, orders, awards, decrees, official directives, writs and injunctions all having force of law from time to time in effect of any Governmental Authority in an action, proceeding or matter in which the person is a party or by which it or its property is bound or having application to the transaction or event.

**"Borrower"** means Pathway Health Corp., a corporation incorporated under the laws of the Province of Alberta.

**"Business Day"** means a day of the year, other than a Saturday, Sunday or statutory holiday, on which banking institutions are open for business in Calgary, Alberta.

**"Canadian Dollars", "Cdn.\$" or "\$"** mean lawful money of Canada.

**"Collateral"** means all property, assets and undertaking of the Borrower at any time in which a security interest is granted to the Lender, together with all proceeds of the foregoing.

**"Common Shares"** means the common shares in the capital of the Borrower.

**"Conversion Price"** means in respect of the Principal Amount \$0.05 per Common Share and in respect of any accrued but unpaid interest, the Market Price at the time of such conversion in accordance with the rules and policies of the TSXV.

**"Conversion Shares"** has the meaning ascribed thereto in Section 6.

**"Creditor Proceedings"** means any dissolution, winding up, total or partial liquidation, plan of arrangement, receivership, insolvency, proposal, bankruptcy or compromise under Insolvency Legislation, or the arrangement provisions of any applicable corporate law, or a general assignment for the benefit of creditors or similar proceedings offered with respect to the Borrower, or its properties or liabilities; provided however that the Pathway Transaction and any related transactions thereto will not constitute a Creditor Proceeding for the purposes of this Note.

**"Default Rate"** has the meaning ascribed there in Section 5.

**"Distribution"** means any amount paid to or on behalf of the shareholders, directors, officers or employees of the Borrower or any Affiliate of the Borrower, and whether any of the foregoing is made, paid or satisfied in or for cash, property or both; provided that salaries and commissions paid to employees of the Borrower in the ordinary course of business shall not be considered to be Distributions.

**"Effective Time"** shall have the meaning set forth in the Pathway Definitive Agreement.

**"Event of Default"** means any of the events or circumstances specified in Section 16.

**"Extended Maturity Date Period"** has the meaning ascribed thereto in Section 6.

**"GSA"** means the general security agreement entered into between the Borrower and the Lender concurrently with the issuance of this Note and which secures the Obligations.

**"Governmental Authority"** means Canada, any province or territory thereof, as applicable, any municipal or other political subdivision of any such province or territory, and any agency, department, commission, board, bureau or instrumentality of any of them and judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

**"Indebtedness"** has the meaning ascribed thereto on the face page of this Note.

**"Insolvency Legislation"** means legislation in any applicable jurisdiction relating to Creditor Proceedings, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable corporate legislation.

**"Lender"** means HEAL Global Holdings Corp. and its successors and assigns, as lender under this Note.

**"Lien"** means any mortgage, charge, security agreement, security interest, assignment, pledge, lien, builders' lien or other encumbrance of whatsoever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

**"Market Price"** has the meaning ascribed thereto in the TSXV Corporate Finance Manual, policy 1.1.

**"Material Adverse Effect"** means any matter, event or circumstance, other than with respect to the Pathway Transaction or any transactions related thereto, relating to the Borrower which could in the reasonable opinion of the Lender, if not remedied, have a material adverse effect on: (i) its business, financial condition, operations, property, assets or undertaking, (ii) its ability to repay any Indebtedness under, or perform any other obligations in accordance with, this Note or any of the Security to which it is a party, (iii) the validity or enforceability of this Note or the Security to which it is a party, (iv) the rights and remedies of the Lender, or (v) the priority ranking of any Liens granted to the Lender pursuant to the Security.

**"Maturity Date"** has the meaning ascribed thereto in Section 2.

**"Note"** means this secured convertible promissory grid note, together with all schedules, appendices and exhibits attached to it.

**"Note Documents"** means this Note, the Security and the certificate evidencing the issuance of the Warrants, substantially in the form attached hereto as Schedule "D".

**"Obligations"** means, at any time and from time to time, all Indebtedness, liabilities and obligations, whether direct or indirect, absolute or contingent, matured or unmatured, owing to the Lender in respect of the Note Documents or otherwise payable pursuant to this Note, including without limitation, all principal, interest, fees, indemnities, costs and expenses relating to any of the foregoing.

**"Outside Date"** has means June 30, 2023.

**"Pathway LOI"** means the letter of intent entered into between the Borrower, the Lender and The Newly Institute Inc. dated December 16, 2022, as amended from time-to-time.

**"Pathway Transaction"** means the transaction substantially as set forth in the Pathway LOI.

**"Pathway Definitive Agreement"** means the definitive agreement in relation to the Pathway Transaction that is to be entered into among Pathway, HEAL and The Newly Institute Inc., and, if entered into, the definitive agreement in relation to the Pathway Transaction entered into among Pathway, HEAL and The Newly Institute Inc.

**"Pathway Third-Party Loan"** means the senior secured \$3.5 million line of credit that is expected to be offered to the Borrower by an arms-length third party in connection with the Pathway Transaction and, if offered and entered into, the senior secured \$3.5 million line of credit entered into between the Borrower and such arms-length third party.

**"Permitted Indebtedness"** means, without duplication:

- (a) trade payables of the Borrower (other than indebtedness for borrowed money) incurred in the ordinary course of business, provided that such indebtedness is or would be classified as a current liability on the Borrower's financial statements;
- (b) all Indebtedness of the Borrower to the Lender under this Note or under or secured by any Security;
- (c) capital lease obligations and indebtedness secured by purchase money liens;
- (d) the ADH Credit Facility;
- (e) the Pathway Third-Party Loan, so long as any security granted by the Borrower to the lender under such Pathway Third-Party Loan is satisfactory to the Lender;
- (f) indebtedness of 10030712 Manitoba Ltd., a 51% owned subsidiary of Pathway, in respect of leasehold improvement loans;

- (g) Canada Emergency Business Account loans of each of 2563367 Ontario Ltd. (dba Silver Medical Group Centre for Pain Care) and 9393 1681 Quebec Inc. (dba Slawner Ortho Lteé), subsidiaries of Pathway;
- (h) all indebtedness secured by Permitted Liens; and
- (i) such other indebtedness of the Borrower which the Lender has consented to in writing.

**"Permitted Liens"** means, as at any particular time, any of the following encumbrances on the Collateral:

- (a) Statutory Liens in respect of any amount which is not at the time overdue, or which may be overdue but the validity of which are then being contested in good faith;
- (b) undetermined or inchoate Liens incidental to operations arising in the ordinary course of business which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same, or (ii) are then being contested in good faith;
- (c) liens arising out of judgments, awards or claims filed which are then being contested in good faith;
- (d) security given to a public utility or any Governmental Authority to secure obligations incurred in the ordinary course of business and not at the time overdue;
- (e) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which either alone or in the aggregate do not materially detract from the value of land or materially impair its use;
- (f) Liens arising in connection with the construction or improvement of land or arising out of the furnishing of materials or supplies therefor, provided that any such Lien secures moneys not at the time overdue (or if overdue, are then being contested in good faith), notice of such Lien has not been given to the Lender, and such Lien has not been registered against title to such land;
- (g) Liens securing Permitted Indebtedness; and
- (h) all such other claims and encumbrances as are specifically disclosed by notice in writing to the Lender to the extent that the Lender, by specific notice in writing to the Borrower, advises the Borrower that the Lender agrees to accept such claims and encumbrances as Permitted Liens for the purposes of this Note;

*provided that* the use of the term "Permitted Liens" to describe such Liens means that they are permitted to exist and shall not be interpreted as meaning that such Liens are entitled to priority over the Security.

**"person"** means any individual, corporation, company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body.

**"Principal Amount"** has the meaning ascribed thereto on the face page of this Note.

**"Security"** means the GSA, the guarantees, security agreements and other documents required to be provided to the Lender pursuant to Section 11, any amendments or supplements from time to time thereto, any other documents, instruments or agreements held from time to time by the Lender securing or intended to secure payment and performance of the Obligations, and the Liens constituted by any of the foregoing and, for certainty shall include any Additional Security.

**"Statutory Lien"** means a Lien in respect of any property or assets of any person created by or arising pursuant to any applicable legislation in favour of any person (such as but not limited to a Governmental Authority), including in respect of obligations to deduct and remit taxes, duties, assessments, employee source deductions and goods and services taxes pursuant to Applicable Law.

**"TSXV"** means the TSX Venture Exchange.

**"Warrants"** means Common Share purchase warrants issued to the Lender in connection with this Note which are exercisable for Common Shares at a price of \$0.05 per share for a period of 12-months from the date of issuance.

2. **Loan.** A loan of up to an aggregate amount of Cdn.\$1,250,000 is being made available to be Borrower by the Lender. The Borrower may, with the prior approval of the Lender (other than when an Event of Default has occurred and is continuing), borrow amounts from the Lender on the terms as set out in this Note according to the following schedule:

- (a) On the date hereof, Cdn.\$500,000;
- (b) On or after February 15, 2023, Cdn.\$500,000; and
- (c) On or after March 15, 2023, Cdn.\$250,000,

which the Lender shall advance to the Borrower in reliance upon the representations and warranties contained herein and subject to the terms and conditions of this Note.

Notwithstanding the foregoing, the Lender may provide Advances hereunder at such times and from time to time, in such amounts as determined by the Lender, or may refuse to make any Advance for any reason whatsoever, in its sole and unfettered discretion.

3. **Advances.** As a condition precedent to the Lender making an Advance to the Borrower:
  - (a) no Event of Default shall have occurred and be continuing or would arise immediately after giving effect to or as a result of such extension of credit; and
  - (b) the representations and warranties of the Borrower in Section 12 shall be true and correct as of the date of such Advance,

and the Lender, in its sole and unfettered discretion, may require evidence of the above by way of affidavit, officer's certification or otherwise prior to making an Advance.

4. **Repayment.** Payment of all Indebtedness owing under this Note shall be made on or before the earlier of: (i) the Outside Date; (ii) that date on which the Pathway LOI is terminated (other than

by reason of the entering into of the Pathway Definitive Agreement) or expires in accordance with its terms; and (iii) that date on which the Pathway Definitive Agreement is terminated in accordance with its terms (in each case, the "**Maturity Date**"). Payment of Principal Amount, any fees and the interest due on this Note shall be payable at the instructions set forth on Schedule "B", or at such other place as may be designated by Lender, by written notice to the Borrower. Interest on this Note shall accrue and be paid in accordance with Section 5. All payments under this Note shall be made in lawful money of Canada in immediately available funds.

Subject to Section 5, in the event that the Maturity Date occurs due to, or in connection with, the occurrence of an Event of Default, the Lender shall have the option (but not the obligation), at its sole discretion, to:

- (a) avail itself of the remedies as provided for in Section 17 and in the Note Documents; or
- (b) subject to the prior approval of the TSXV, extend the Maturity Date of the Note to the last day of the Extended Maturity Date Period, during which time the Note will accrue interest at the Default Rate.

5. **Interest.** The Principal Amount shall bear interest on the terms and conditions set forth herein, from the date hereof. While outstanding, the Principal Amount shall bear interest at the rate of fifteen percent (15%) per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year.

In the event that: (i) all Indebtedness is not repaid on or before the Maturity Date, or (ii) there occurs an Event of Default on, before or in connection with the Maturity Date, interest will be deemed to accrue from the issuance date of the Note at a rate of 24% per annum, calculated monthly and compounded annually, on the basis of the actual number of days elapsed in a three hundred and sixty-five (365) day year (the "**Default Rate**") and added to the Indebtedness.

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Note now or hereafter granted to or taken by the Lender and all interest and fees payable by the Borrower to the Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation.

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including specifically the *Interest Act* (Canada) and any analogous provincial legislation which may be inconsistent with this Note

Notwithstanding any provision of this Note, the parties intend that the interest rate and fees on this Note will never exceed the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at, but not in excess of, the highest rate recoverable under Applicable Law.

6. **Conversion.** All or any portion of the outstanding Indebtedness owing to the Lender under this Note, is convertible into Common Shares at any time and from time-to-time on or before the Maturity Date at the Conversion Price, subject only to the rules and policies of the TSXV regarding the conversion price applicable to accrued but unpaid interest. In addition, in the event

that this Note is not fully repaid on the Maturity Date and the Note has not otherwise been converted, the Lender shall, subject to the prior approval of the TSXV, have the option to extend the Maturity Date for a period of up to 24 months (the "**Extended Maturity Date Period**"), during which time the Note shall accrue interest at the Default Rate. For greater certainty, no conversion of the Note shall occur following the Effective Time.

The conversion of all or any portion of the Indebtedness (the aggregate amount of such Indebtedness so converted hereinafter referred to as the "**Amount Due and Payable**") into Common Shares (the "**Conversion Shares**") at the Conversion Price shall be subject to the following.

- (a) The Lender shall effect the conversion of the Note by delivering to the Borrower a written notice of its intention to convert all or a portion of the Amount Due and Payable pursuant to Section 18 (each, a "**Notice of Conversion**"), specifying therein (i) the Amount Due and Payable of this Note to be converted and the date on which such conversion shall be effected (such date, the "**Conversion Date**"); and (ii) the name and delivery instructions for each person to whom the Conversion Shares are to be issued upon conversion, it being agreed that no Conversion Shares shall be issued in the name of HEAL unless HEAL has satisfied Pathway of compliance with Applicable Laws (including in regard to restrictions in the ABCA relating to a subsidiary corporation holding shares of its parent corporation). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered pursuant to 18;
- (b) If the Borrower at any time subdivides or consolidates the Common Shares issuable upon conversion, the Lender shall thereafter be entitled on conversion to receive the shares to which it was before such subdivision or consolidation entitled, as subdivided or consolidated, and the conversion rate of the Indebtedness shall be adjusted accordingly. Any such adjustment shall become effective on the date and at the time that such subdivision or consolidation becomes effective. The provisions of this Section shall similarly apply to successive subdivisions and consolidations;
- (c) In case of:
  - (i) any reclassification or change of the type or class of shares issuable upon conversion;
  - (ii) any consolidation, merger or amalgamation of the Borrower with or into another corporation or corporations;
  - (iii) the sale of the properties and assets of the Borrower substantially as an entirety to any other corporation or corporations followed by a winding-up of the Borrower or a distribution of its assets to the shareholders; or
  - (iv) the sale of the properties and assets of the Borrower substantially as an entirety to another person or persons in exchange for securities in or of such other person or persons or any affiliate thereof;

the Lender shall have the right thereafter to convert this Note (or any portion thereof) into the kind and amount of shares or other securities and property (or the applicable portion thereof) receivable on such reclassification, change, consolidation, merger, amalgamation or sale that the Lender would have been entitled to receive thereupon had the Lender been the registered holder of the number of shares into which this Note might have been converted immediately prior thereto. The provisions of this Section shall similarly apply to successive reclassifications and changes of shares and to successive consolidations, mergers, amalgamations and sales.

- (d) Upon issuance of the Conversion Shares, the Lender shall surrender this Note to the Borrower marked "paid in full" and upon such surrender the Borrower shall forthwith issue and deliver to the Lender, certificate(s) evidencing the Conversion Shares, and, if only a portion of this Note was converted, the Borrower shall, in addition, forthwith issue and deliver to the Lender a new Note evidencing the remaining Amount Due and Payable.
- (e) Upon the conversion or payment of all of the Amount Due and Payable under this Note through the issuance of Conversion Shares in respect of any conversion (or successive conversions) or otherwise, this Note shall terminate and the Borrower shall be released and discharged by the Lender from all of the Borrower's obligations and agreements under the Note Documents; provided that the Borrower shall not be released and discharged if any other Note has been issued to which the Security applies. Further, the Lender shall execute and deliver all such documents as the Borrower may reasonably request to effect such release, discharge and reconveyance of the Security.
- (f) In the event that a final order of the Court is issued pursuant to subsection 193(4) of the ABCA, in form and substance satisfactory to each Party, acting reasonably, approving the Pathway Transaction, as such order may be amended by the Court (with the consent of each of the Parties, acting reasonably), the Lender agrees to convert the entire Amount Due and Payable into Conversion Shares at the Conversion Price immediately prior to the Effective Time failing which the entire Amount Due and Payable shall automatically convert into Conversion Shares at the Conversion Price without any further action of the Lender or the Borrower.

7. **Reporting Requirements.** The Borrower shall cause to be prepared and delivered to the Lender, in form and substance satisfactory to the Lender, the following:

- (a) no later than three (3) Business Days after the end of each calendar week, a report describing all Accounts Payable and the Accounts Receivable, and the aging thereof; and
- (b) no later than the 25<sup>th</sup> day after the end of each calendar month, internally prepared monthly financial statements on a consolidated basis.

8. **Expenses.** The Borrower shall pay all reasonable and documented attorneys' fees and court costs incurred by Lender in enforcing and collecting this Note. Each party shall bear their own costs and expenses incurred to document the Note, while the Borrower shall bear the costs and expenses related to required regulatory or other filings to protect Lender's security interest and any amendments, modifications or supplements to the Note. Amounts due under this provision, together with the principal and interest and amounts due shall form part of the Obligations.

9. **Prepayment.** This Note may be prepaid, in whole or in part, without penalty:
- (a) upon no less than three Business Days' notice to the Lender prior to the Maturity Date; and
  - (b) upon no less than 10 Business days' notice during the Extended Maturity Date Period.
10. **Setoff.** The Obligations owing under this Note shall be paid without setoff or counterclaim, except as expressly set forth herein, and free and clear of and exempt from, and without deduction for or on account of, any present or future taxes, levies, imposts, duties, deductions, withholdings or other charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or any political subdivision or taxing authority thereof.
11. **Security.** Payment of all Indebtedness and Obligations owing to Lender under this Note are secured by the Security and any Additional Security. The Lender shall have the right to request Additional Security from time-to-time at its sole discretion. The Borrower shall do, at the Borrower's sole cost and expense, all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Lender may reasonably request to ensure that the priority of the Liens created by all of the Security executed and delivered to the Lender as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of material advantage to the protection or perfection thereof; and to cooperate with the Lender and Lender's counsel in renewing or refiling any registration, filing or recordation required hereby from time to time in order to preserve, protect and maintain the priority of such Liens.
12. **Warrants.** In connection with the transaction contemplated herein, the Borrower agrees to issue to the Lender 25,000,000 Warrants in the form attached hereto as Schedule "D", such Warrants which shall be "Detachable Warrants" as such term is defined in the policy 4.1 of the TSXV Corporate Finance Manual, and such Warrants shall be issued to the Lender at the time of each Advance, in proportion to the amount of the Advance as compared to the aggregate Principal Amount available to the Borrower hereunder.
13. **Representation and Warranties.** In addition to the representations and warranties set forth in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower represents and warrants to the Lender as follows:
- (a) the Borrower is duly organized, validly existing and in good standing in its jurisdiction of formation. The Borrower has all requisite power and authority to execute and deliver the Note Documents and to perform the obligations hereunder;
  - (b) the execution, delivery and performance by the Borrower of the Note Documents has been duly authorized by all necessary organizational action and will not (a) contravene the terms of the Borrower's organizational documents, (b) violate any applicable and material law or (c) any other agreements of the Borrower which could result a Material Adverse Effect;
  - (c) this Note has been duly executed by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms,

except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;

- (d) the execution, delivery and performance by the Borrower of the Note Documents does not require any governmental action, license, consent or approval of or notice to or filing with any Governmental Authority which has not been obtained and do not and will not contravene any provision of Applicable Law or any governmental action applicable to it or any of its assets, subject only to the filing of requisite forms under applicable securities laws and TSXV approval;
- (e) except as otherwise previously disclosed to the Lender, the Borrower is not in material breach or material default of, nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a breach or default under any material agreement or instrument by which it or any of its properties, assets or undertakings are bound, except to the extent any failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (f) except as otherwise previously disclosed to the Lender, there are no material actions, suits or proceedings pending or threatened against it at law or in equity by or before any Governmental Authority, domestic or foreign, or before any arbitrator of any kind, and it is not in default with respect to any judgment, order, writ, injunction, decree, award, rule or regulation of any Governmental Authority, domestic or foreign, or any arbitrator of any kind, except in each case to the extent it would not reasonably be expected to have a Material Adverse Effect;
- (g) all financial information submitted to the Lender fairly reflect, as of the dates thereof, the consolidated financial condition of the Borrower and the results of its operations for the periods covered thereby, have been prepared in accordance with generally accepted accounting principles and, from the date of the latest such financial information submitted to the Lender, there has been no material adverse change in the consolidated financial condition of the Borrower or its properties, assets, condition or undertaking which has not been disclosed in writing to the Lender;
- (h) other than as disclosed to the Lender in writing, the Borrower has filed all tax returns which were required to be filed, has paid or made provision for payment of all taxes which are due and payable, and has provided adequate reserves for the payment of any taxes the payment of which is being contested in good faith;
- (i) the Borrower has in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its properties and operations, including business interruption insurance and replacement cost insurance, and providing such coverage as would be maintained by a prudent operator engaged in the same or similar business where its properties and operations are located;
- (j) the Borrower is in material compliance with all Applicable Laws;
- (k) subject to the assumptions and qualifications made by the Borrower and provided to the Lender in writing, the projections and other related data provided to the Lender by the

Borrower, to the best of the knowledge of the Borrower, fairly and properly reflect the interests and projections of the Borrower therein and thereto as of the date thereof;

- (l) except as otherwise disclosed to the Lender, no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time or both would constitute, an Event of Default; and
- (m) to the knowledge of the Borrower, there is no fact that the Borrower has not disclosed to the Lender in writing, or of which the Lender is not otherwise aware, that could reasonably be expected to have a Material Adverse Effect.

14. **General Covenants.** In addition to covenants set forth elsewhere in this Note and in the other Note Documents, which are expressly incorporated by reference into this Note and form an integral part hereof, the Borrower covenants and agrees with the Lender that, so long as any Obligations remain outstanding and unpaid, the Borrower shall:

- (a) *Pay and Perform Obligations:* duly and punctually pay all principal, interest, fees and other amounts payable hereunder on the dates, times and places, and in the manner specified herein or therein, and observe and comply with all other terms and conditions of the Note Documents;
- (b) *Use of Proceeds:* use the proceeds advanced by the Lender under the Note solely for those purposes set forth in Schedule "C" attached hereto, except where the Borrower has received the prior written consent of the Lender to deviate from such purposes.
- (c) *Maintain Existence:* maintain and preserve its existence and status in its jurisdiction of organization and make all filings and registrations in each other jurisdiction necessary or advisable in connection therewith, except to the extent failure to make such filings would not have a Material Adverse Effect, or where the Borrower has received the prior written consent of the Lender to carry out such action;
- (d) *Conduct Business:* conduct its business in a proper and efficient manner, and maintain its property and assets in good repair and condition, subject to ordinary wear and tear;
- (e) *Pathway Transaction:* use commercially reasonable efforts to effect the Pathway Transaction in accordance with the Pathway Definitive Agreement prior to the Outside Date;
- (f) *Pay Remittances:* duly remit as and when due all employee pension contributions and/or other benefits (including workers' compensation premiums, employer health tax premiums, Canada Pension Plan contributions, Employment Insurance Commission premiums), and statutory remittances (including income tax, goods and services tax, or where applicable, provincial sales tax or harmonized sales tax);
- (g) *Provide Access:* permit any representatives of the Lender to enter upon and inspect its assets, books and records, and discuss with its senior management its business, financial condition and operations, from time to time upon reasonable notice and conditions of confidentiality and during normal business hours;

- (h) *Maintain Security*: ensure that the Security granted to the Lender remains legal, valid, binding and enforceable in accordance with the terms thereof, subject to general principles of equity and laws affecting creditors' rights generally;
- (i) *Security Registrations*: co-operate with the Lender so as to permit the Lender to forthwith register, file and record the Security (or notices, financing statements or other registrations, including amending registrations) in all proper offices where such registration, filing or recording may be necessary or of material advantage to perfect or protect the Liens constituted thereby, and ensure that such Security ranks in priority to any other Liens granted by it other than Permitted Liens;
- (j) *Give Notice*: promptly give written notice to the Lender of:
  - (i) any Event of Default of which it becomes aware, using reasonable diligence,
  - (ii) any damage to or destruction of any assets which might give rise to a claim for insurance monies in excess of \$100,000,
  - (iii) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which would reasonably be expected to have a Material Adverse Effect,
  - (iv) any Lien of which it becomes aware that has been registered, filed or recorded against the interests of it in any Collateral which is not a Permitted Lien; and
  - (v) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of it that has or would reasonably be expected to have a Material Adverse Effect,

and from time to time provide the Lender with all information requested by the Lender concerning the status of any of the foregoing; and
- (k) *Provide Other Documents*: use reasonable efforts to provide the Lender from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Lender and are necessary to implement this Note and the Security, and any other Note Document.

15. **Negative Covenants.** Without the prior written consent of the Lender or in connection with the Pathway Transaction, the Borrower hereby covenants and agrees that it shall not:

- (a) *Incur Debt*: create, incur, assume or permit to exist any debt, other than Permitted Indebtedness;
- (b) *Financial Assistance*: provide financial assistance, guarantees, investments, additional management remuneration (in excess of salary and bonuses paid to employees in the ordinary course of business), dividends or any other employee loans to any persons including Affiliates except for (i) those approved by the Lender, (ii) those provided to Affiliates in respect of acquisitions and projects in the ordinary course of business;

- (c) *Negative Pledge*: create, incur, permit or suffer to exist any Liens upon or with respect to any Collateral, other than Permitted Liens;
- (d) *Material Changes*: liquidate or dissolve, cease to carry on business as now being conducted by it, complete any transaction whereby all or substantially all of its property and assets would become the property of any other person, whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise, or amend in any material respect its Constatting Documents;
- (e) *Limit Activities*: make any material change in the nature of its business nor take any action that is inconsistent with past practices, or that is not taken in the ordinary course of the normal day-to-day operations of its business, until such time as the Obligations are repaid in full, or with the written consent of the Lender, including any change which would effect the ability of the Lender to convert the Obligations into Conversion Shares;
- (f) *Restrictions on Dispositions*: directly or indirectly sell, lease, assign, transfer, convey or otherwise dispose of any of its assets greater than \$100,000;
- (g) *Distributions*: declare, pay or make any Distributions or payments on subordinated debt when an Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of making such Distribution; and
- (h) *Change of Control*: permit a change of control or ownership.

16. **Events of Default.** In addition to Events of Default set forth in the other Note Documents and which are applicable to the Borrower, which are expressly incorporated by reference into this Note and form an integral part hereof, the occurrence of any one or more of the following events, other than in connection with the Pathway Transaction, after the expiry of any applicable cure period set out below, shall constitute an "**Event of Default**" under this Note:

- (a) if the Borrower or any of its Affiliates defaults in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in any Note Document or in any document executed in connection herewith, in any other future loan or credit facility agreement between the Lender and the Borrower, or in any document executed in connection therewith;
- (b) if the Borrower defaults in payment of any of the Obligations of the Borrower to the Lender when due;
- (c) the transfer or disposition of any of the Collateral, other than in the regular course of business, by the Borrower, except as expressly permitted by the Note Documents;
- (d) if any material licences, permits or approvals required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Borrower of its business shall be withdrawn or cancelled;
- (e) if any representation or warranty in any Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith, made by the Borrower or any of its Affiliates to the Lender shall be false or inaccurate in any material respect;

- (f) if there is a material default or other failure to perform in any material agreement to which the Borrower is a party or by which the Borrower is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount exceeding \$50,000;
- (g) if any material misrepresentation, misstatement or omission existed at the time made in any warranty or representation set forth herein, or in any other Note Document, in any other future loan or credit facility agreement between the Borrower and the Lender, or in any document executed in connection therewith
- (h) if the Borrower shall:
  - (i) become insolvent, or generally not pay its debts or meet its liabilities as the same become due, or suspend or threaten to suspend the conduct of its business, or admit in writing its inability to pay its debts generally, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors,
  - (ii) make an assignment of its property for the general benefit of its creditors, whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so), whether or not under such Act,
  - (iii) institute any Creditor Proceedings seeking to adjudicate it an insolvent, or seeking compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation,
  - (iv) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property, or
  - (v) take any overt action to approve, consent to or authorize any of the actions described in this paragraph (h) or in paragraph (i) below;
- (i) if any petition shall be filed, application be made or other proceeding be instituted by a third party against it:
  - (i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred,
  - (ii) seeking a receiving order against it, including under the *Bankruptcy and Insolvency Act* (Canada),
  - (iii) seeking liquidation, dissolution, winding-up, reorganization, administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any Insolvency Legislation, or

- (iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 15 Business Days after the institution thereof, provided that if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against it thereunder in the interim, such grace period shall cease to apply;

- (j) if any of its property having a fair market value in excess of \$100,000 shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any receivership, or any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$100,000 shall exist or such property, or any receiver, sheriff, civil enforcement agent or other person shall become lawfully entitled to seize or distraint upon any such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Law whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, receivership, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than 15 Business Days;
- (k) if one or more judgments for the payment of money in the aggregate in excess of \$100,000 from time to time, and not substantially covered by insurance, shall become enforceable against it and it shall not have (i) provided for its discharge in accordance with its terms within 15 Business Days from the date of entry thereof, or (ii) procured a stay of execution thereof within 15 Business Days from the date of entry thereof and within such period, or such longer period during which execution of such judgment shall have been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal;
- (l) if it denies, to any material extent, its obligations under the Note or claims the Note to be invalid or withdrawn in whole or in part; or any of the Note or any material provision becomes unlawful or is changed by virtue of legislation or by a court, statutory board or commission;
- (m) if the Security is not enforceable or if it shall dispute or deny any liability or obligation under the Security;
- (n) if the Pathway LOI is terminated (other than by reason of entering into the Pathway Definitive Agreement) or expires, if the Pathway Definitive Agreement is terminated, or if the Pathway Transaction does not close on or before the Outside Date; or
- (o) if a Material Adverse Effect has occurred.

17. **Remedies.** Upon the occurrence of any Event of Default: (a) all indebtedness, liabilities and obligations of the Borrower under this Note shall at the Lender's option and without notice become immediately due and payable without presentment, demand, protest or notice of

dishonor, all of which are hereby expressly waived by the Borrower; and (b) the Lender shall have all rights, powers and remedies available under the Note Documents, or accorded by Applicable Law, including the right to resort to any or all Collateral for any Obligations subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all Applicable Law. All rights, powers and remedies of the Lender may be exercised at any time by the Lender and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

18. **Notices.** Any demand, notice or other communication in connection with this Note shall be in writing and shall be personally delivered, mailed by registered mail or sent by email, to the address or email address of the addressee set out below or to such other coordinates as the relevant party may from time to time designate to the other party in such manner.

In the case of the Borrower:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

In the case of the Lender:

HEAL Global Holdings Corp.  
12<sup>th</sup> Floor Banker's Court  
850, 2 Street SW  
Calgary, AB T2P 0R8

Attention: Mr. Michael Steele, Chief Executive Officer  
E-mail: [steeleconsult@aol.com](mailto:steeleconsult@aol.com)

With a copy to (which shall not constitute legal notice):

Dentons Canada LLP  
12<sup>th</sup> Floor Banker's Court  
850, 2 Street SW  
Calgary, AB T2P 0R8

Attention: James O'Sullivan  
E-mail : [james.osullivan@dentons.com](mailto:james.osullivan@dentons.com)

Any communication which is personally delivered shall be deemed to have been validly and effectively given on the date of such delivery if such date is a business day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. Any communication which is mailed shall be deemed to have been validly and effectively given on the

fifth business day following the date of mailing provided that, in the event of an interruption in postal services before such fifth business day, such communication shall be given by one of the other means. Any communication which is transmitted by email shall be deemed to have been validly and effectively given on the date of transmission if such date is a business day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of transmission.

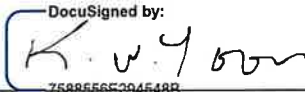
19. **Waiver.** Borrower hereby waives demand, notice, presentment, protest and notice of dishonor.
20. **Severability.** Any provision of this Note or the Security which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Note fail to provide for any relevant matter, the validity, legality or enforceability of this note shall not hereby be affected
21. **Further Assurances.** The Borrower shall, at the request of the Lender do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Lender, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Note Documents.
22. **Time of the Essence.** Time shall be of the essence in the Note Documents.
23. **Governing Law.** This Note shall be governed by and construed under the laws of the Province of Alberta, as applied to agreements among Alberta residents, made and to be performed entirely within the Province of Alberta, without giving effect to conflicts of laws principles.
24. **Indemnification.** The Borrower shall indemnify the Lender against all suits, actions, proceedings, claims, losses, expenses (including reasonable fees, charges and disbursements of counsel), damages and liabilities that the Lender may sustain or incur as a consequence of any misrepresentation contained in any writing from the Borrower delivered to the Lender in connection with this Note, or from any default in the observance or performance of any material agreement, covenant or undertaking given by the Borrower to the Lender in the Note Documents.
25. **Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of Borrower and Lender and the prior approval of the TSXV. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them.
26. **Assignment.** So long as no Event of Default has occurred and is continuing, this Note may not be transferred or assigned by Lender to any person other than ADH without Borrower's prior written consent provided ADH executes and delivers a counterpart to this Note pursuant to which it agrees to be bound by the terms hereof. No such assignment shall relieve the Lender of its obligations hereunder. Interest and principal shall be paid solely to Lender or such permitted assign. Such payment shall constitute full discharge of Borrower's obligation to pay such interest and principal. Borrower may not at any time assign any of its rights or its obligations under this Note.

*[Signature Page Follows]*

- 19 -

IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first set forth above.

**PATHWAY HEALTH CORP.**

By:  75885565294548B...

Name: Ken Yoon  
Title: Chief Executive Officer

**HEAL GLOBAL HOLDINGS CORP.**

By:  92D1F926651E4D4...

Name: Michael Steele  
Title: Chief Executive Officer

PKD

## GRID TO SECURED CONVERTIBLE GRID PROMISSORY NOTE

[illegible]

PKS

**SCHEDULE "B"**

**PAYMENT INSTRUCTIONS**

Beneficiary: Dentons Canada LLP

Address: 850 2nd Street SW, Calgary AB T2P 0R8

Beneficiary Bank: Bank of Montreal

Bank Address: 595 8th Avenue SW, Calgary AB T2P 1G1

Swift Code: BOFMCAM2

Bank Code: 001

Branch / Transit: 25159-001

Account Number: 1037-813

Memo reference: 592347-000001



**SCHEDULE "C"****USE OF PROCEEDS**

<b>DOF / 2023</b>	<b>Initial date</b>	<b>February</b>	<b>March</b>	<b>Total</b>
Working capital (including aging payables)	277,000	173,000	50,000	500,000
Transaction costs and professional fees (audit, legal, other professional fees)	148,000	125,000	85,000	358,000
Growth/ Expansion/ Integration Projects				
- IRP Clinics (BC)		30,000		30,000
- Growth in existing clinics		117,000	50,000	167,000
- Medical cannabis /ecommerce project	75,000	55,000	65,000	195,000
				0
<b>TOTAL</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 250,000</b>	<b>\$1,250,000</b>

PKJ

**SCHEDULE "D"**

**FORM OF WARRANT**

PKJ

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE [●], 2023.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED BY 5:00 P.M. (CALGARY TIME), ON FEBRUARY [●], 2024 OR SUCH EARLIER DATE AS PROVIDED HEREIN, AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE NULL AND VOID AND OF NO FURTHER FORCE AND EFFECT.

Number of Warrants: 25,000,000

Issue Date: February [●], 2023

Certificate No: W-1

Expiry Date: February [●], 2024

### WARRANT CERTIFICATE

#### PATHWAY HEALTH CORP.

For value received pursuant to the Pathway Note and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HEAL Global Holdings Corp. ("HEAL"), 12th Floor Banker's Court, 850, 2 Street SW Calgary, AB T2P 0R8 (HEAL, and any transferee from time to time pursuant to a transfer made in accordance with the terms hereof, the "Holder") is the registered holder of that number of warrants (the "Warrants") of Pathway Health Corp. ("Pathway" or the "Corporation") as set forth above.

1. **Glossary.** Unless otherwise defined herein, the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

- (a) "1933 Act" has the meaning ascribed thereto in Section 14;
- (b) "Affiliate" means an affiliate as defined in the *Business Corporations Act* (Alberta);
- (c) "Business Day" means any day other than a Saturday or Sunday or a day that is a statutory or civic holiday or day on which banking institutions are closed in the City of Calgary, Alberta;
- (d) "Capital Reorganization" has the meaning ascribed thereto in Section 10(d);
- (e) "Corporation" has the meaning ascribed thereto on the face page of this Warrant certificate;
- (f) "Current Market Price" means, at any date, the weighted average sale price per Share (or any other security in respect of which a determination of Current Market Price is being made) on the principal stock exchange or over-the-counter market on which the Shares (or any other security in respect of which a determination of Current Market Price is being made) are listed or posted for trading, or such other stock exchange on which the Shares (or any other security in respect of which a determination of Current Market Price is being made) may then be listed, during the 20

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consecutive Trading Days prior to the date on which the Current Market Price must be determined; provided that the weighted average sale price will be determined by dividing the aggregate sale price of all Shares (or any other security in respect of which a determination of Current Market Price is being made) sold on such exchange or market, as the case may be, during such 20 consecutive Trading Days by the total number of Shares (or any other security in respect of which a determination of Current Market Price is being made) so sold; and provided further that if the Shares (or any other security in respect of which a determination of Current Market Price is being made) are not then listed on any stock exchange or over-the-counter market, then the Current Market Price will be determined by an independent third party valuator selected by the directors of the Corporation, acting reasonably and in good faith, such valuator to be a nationally recognized investment banking firm having appropriate valuation experience and who is independent of both parties and their respective Affiliates, which determination shall be conclusive (absent manifest error); and provided further that if the Shares (or any other security in respect of which a determination of Current Market Price is being made) are listed on more than one stock exchange or quotation system, the Current Market Price shall be calculated based on the stock exchange or quotation system on which the volume of transactions for the Shares (or any other security in respect of which a determination of Current Market Price is being made) was the highest during such 20 consecutive Trading Days;

- (g) **"Equity Shares"** means the Shares and shares of any other class or series of the Corporation which may from time to time be authorized for issue if by their terms such shares confer on the holders hereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation beyond a fixed sum or a fixed sum plus accrued dividends;
- (h) **"Exemption"** has the meaning ascribed thereto in Section 14;
- (i) **"Exercise Price"** means CAD \$0.05 per Share as may be adjusted pursuant to Section 10, Section 11 and (or) Section 12;
- (j) **"Expiry Date"** means February [●], 2024;
- (k) **"Expiry Time"** means 5:00 pm (Calgary time) on the Expiry Date;
- (l) **"Holder"** has the meaning ascribed thereto on the face page of this Warrant certificate;
- (m) **"Issue Date"** means February [●], 2023;
- (n) **"Pathway Note"** means the Secured Convertible Promissory Grid Note dated February 3, 2023 issued by Pathway as borrower to HEAL as lender thereunder;
- (o) **"Register"** has the meaning ascribed thereto in Section 5;
- (p) **"Reporting Jurisdictions"** has the meaning ascribed thereto in Section 17(c);
- (q) **"Rights Offering"** has the meaning ascribed thereto in Section 10(b);
- (r) **"Rights Period"** has the meaning ascribed thereto in Section 10(b);
- (s) **"Share"** has the meaning ascribed thereto in Section 2;
- (t) **"Share Reorganization"** has the meaning ascribed thereto in Section 10(a);
- (u) **"Special Distribution"** has the meaning ascribed thereto in Section 10(c);

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- (v) "successor corporation" has the meaning ascribed thereto in Section 12(a);
- (w) "Trading Day" means a day on which the TSXV is open for trading;
- (x) "TSXV" means the TSX Venture Exchange; and
- (y) "Warrants" has the meaning ascribed thereto on the face page of this Warrant certificate.

2. **Warrants.** Each Warrant shall entitle the Holder to purchase one common share in the capital of the Corporation as constituted on the Issue Date (each, a "Share") at the Exercise Price at any time prior to the Expiry Time.

3. **Transferable.** All or any portion of the Warrants represented by this Warrant certificate may be transferred upon written notice by the Holder to the Corporation in the form attached as Schedule "C" hereto duly completed and executed. Transfer of the Warrants shall be subject to the receipt of such documentation from the Holder and the transferee(s) as may be required by applicable laws, including securities laws and stock exchange rules.

4. **Warrants Exercise Procedure.** The Warrants represented by this Warrant certificate may be exercised by the Holder in whole or in part at any time prior to the Expiry Time by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 20(g) hereof together with a subscription form in the form attached as Schedule "A" hereto duly completed and executed, such additional documents as may be contemplated thereby, and a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation or by wire transfer as directed by the Corporation, subject to the cashless exercise provisions of this Warrant certificate.

5. **Register of Warrantholders.** The Corporation shall cause a register (the "Register") to be kept in which shall be entered the name and address of the Holder of the Warrants and the number of Warrants held. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

6. **Partial Exercise.** The Holder may subscribe for and purchase less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant certificate prior to the Expiry Time, the Corporation shall issue a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.

7. **Cashless Exercise.** The Holder may, in lieu of delivering cash to exercise such Warrants, elect to receive such number of Shares as is equal to quotient obtained by the following formula:

$$X = \frac{Y (A-B)}{A}$$

where

X = the number of Shares to be issued to the Holder upon exercise of Warrants pursuant to this Section 7;

Y = the number of Warrants being exercised;

A = the Current Market Price; and

B = the Exercise Price (as adjusted to the date of such calculation).

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8. **Delivery of Shares.** Within three Business Days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment noted in, Section 4, the Corporation will deliver a certificate(s) representing the Shares subscribed for and purchased by the Holder hereunder, and a replacement Warrant certificate, if any.

9. **No Rights of Shareholders.** Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.

10. **Adjustment to Exercise Price.** The Exercise Price in effect at any time the Warrants remain outstanding is subject to adjustment from time to time in the events and in the manner provided as follows:

(a) **Share Reorganizations**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation:

- (i) fixes a record date for the issue of, or issues, Shares or securities exchangeable or exercisable for or convertible into Shares to all or substantially all the holders of all or substantially all of the outstanding Shares as a stock dividend, or
- (ii) fixes a record date for the distribution to, or makes a distribution to, the holders of all or substantially all of the outstanding Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares, or
- (iii) subdivides, re-divides or changes its outstanding Shares into a greater number of Shares, or reduces, combines or consolidates its outstanding Shares into a smaller number of Shares,

(each such event a “**Share Reorganization**”), then, in each such event, the Exercise Price will be adjusted effective immediately on the earlier of the effective date or record date for the happening of a Share Reorganization, as the case may be, by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which is the number of Shares outstanding on such effective date or record date, as the case may be, before giving effect to such Share Reorganization and the denominator of which is the number of Shares outstanding immediately after giving effect to such Share Reorganization (including, in the case where securities exchangeable or exercisable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had all such securities been exchanged, exercised or converted into Shares on such effective date or record date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 10(a)(i) or Section 10(a)(ii) as a result of the fixing by the Corporation of a record date in respect of a stock dividend or distribution specified in such sections, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry. To the extent the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of a subdivision or consolidation or reduction, combination or consolidation, as the case may be, then upon the exercise of such right thereafter, the Holder shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Section 10(a), the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) **Rights Offerings**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation fixes a record date for the issue or distribution of rights, options or warrants to the

holders of all or substantially all of its outstanding Shares under which such holders are entitled to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares, where:

- (i) the right to subscribe for or purchase Shares, or the right to exchange securities for or convert securities into Shares, expires not more than 90 days after the record date of such issuance (the period from the record date to such date of expiry, the “**Rights Period**”), and
- (ii) the subscription or purchase price per Share during the Rights Period (or, in the case of securities exchangeable or exercisable for or convertible into Shares, the exchange, exercise or conversion price per Share) is less than 95% percent of the Current Market Price of the Shares on the record date,

(each such event a “**Rights Offering**”), then the Exercise Price will be adjusted effective immediately after the record date for such Rights Offering to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which is the aggregate of:
  - (A) the number of Shares outstanding as of the record date for the Rights Offering; and
  - (B) a number determined by dividing either:
    - (1) where the event giving rise to the application of this Section 10(b) was the issue or distribution of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase additional Shares, the product of the maximum number of Shares so offered and the subscription or purchase price per Share at which such Shares are offered, or
    - (2) where the event giving rise to the application of this Section 10(b) was the issue or distribution of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase securities exchangeable or exercisable for or convertible into Shares, the product of the exchange, exercise or conversion price per security of the securities so offered and the maximum number of Shares for or into which the securities so offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be,

by the Current Market Price of the Shares as of the record date for the Rights Offering; and

- (ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and including the number of Shares offered pursuant to the Rights Offering (including, in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares for or into which such securities may be exchanged, exercised or converted).

Any Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation will be deemed not to be outstanding for the purpose of any such computation.

If by the terms of the rights, options or warrants referred to in this Section 10, there is more than one subscription, purchase, conversion, exercise or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion, exercise or exchange price of the convertible securities exchangeable so offered, will be calculated for purposes of the adjustment on the basis of (a) the lowest subscription, purchase, conversion, exercise or exchange price per Share, as the case may be, if such price is applicable to all Shares which are subject to the rights, options or warrants, and (b) the average subscription, purchase, conversion, exercise or exchange price per Share, as the case may be, if the applicable price is determined by reference to the number of Shares acquired.

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 10 as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in this Section 10, the Exercise Price will be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right. To the extent that such Rights Offering is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(c) **Special Distributions**—If and whenever at any time after the date hereof and prior to the Expiry Date, the Corporation fixes a record date for the issue or the distribution to the holders of all or substantially all its Shares of:

- (i) shares of the Corporation of any class other than Shares;
- (ii) rights, options or warrants to acquire shares of any class of the Corporation or securities exchangeable for or convertible into shares of any class of the Corporation or property or other assets of the Corporation;
- (iii) evidence of indebtedness of the Corporation; or
- (iv) any property or other assets of the Corporation,

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such event, other than a Share Reorganization or a Rights Offering, a “**Special Distribution**”), the Exercise Price will be adjusted effective immediately after such record date to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which is:
  - (A) the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date; less
  - (B) the aggregate fair market value (as determined by action of the directors of the Corporation, and subject to the approval of any stock exchange on which the Shares may then be listed, where required) to the holders of the Shares of such securities, indebtedness or property or other assets so issued or distributed in the Special Distribution; and
- (ii) the denominator of which is the number of Shares outstanding on such record date multiplied by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation will be deemed not to be outstanding for the purpose of any such computation. To the

extent that such Special Distribution is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) ***Adjustment to Exercisable Securities based on Capital Reorganizations***—If and whenever at any time after the date hereof and prior to the Expiry Date there is:

- (i) a reclassification or redesignation of the Shares outstanding at any time or change of the Shares into other shares or other securities or that results in the Shares ceasing to exist or any other capital reorganization, including an arrangement;
- (ii) a consolidation, amalgamation or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding Shares or a change of the Shares into other shares); or
- (iii) a transfer of the undertaking, property, or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity;

(each such event, a “**Capital Reorganization**”), the Warrants shall remain outstanding and the Holder, upon exercising any of the Warrants after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Shares to which such Holder was theretofore entitled upon such exercise, the aggregate number of shares or other securities or other property (including cash) which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which such Holder was theretofore entitled upon exercise of such Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments will be made in the application of the provisions set forth in this Section 10 with respect to the rights and interests thereafter of the Holder such that the provisions set forth in this Section 10 will thereafter be applicable in a like manner to any shares, other securities or other property thereafter deliverable upon the exercise hereof.

(e) ***Adjustment to Exercisable Shares on Certain Events***—If at any time after the date hereof and prior to the Expiry Date any adjustment in the Exercise Price shall occur as a result of:

- (i) an event referred to in Section 10(a);
- (ii) the fixing by the Corporation of a record date for a Rights Offering referred to in Section 10(b); or
- (iii) the fixing by the Corporation of a record date for a Special Distribution referred to in Section 10(c) if such event constitutes the issue or distribution of Equity Shares, or securities exchangeable for or convertible into Equity Shares at an exchange or conversion price per Equity Share less than the Current Market Price on such record date or rights, options or warrants to acquire Equity Shares at an exercise, exchange or conversion price per Equity Share less than the Current Market Price on such record date,

then, the number of Shares issuable upon the subsequent exercise of any of the Warrants shall be simultaneously adjusted by multiplying the number of Shares issuable upon the exercise of a Warrant immediately prior to such adjustment by a fraction which shall be the reciprocal of the applicable fraction employed in the adjustment of the Exercise Price pursuant to Section 10(a), Section 10(b) or Section 10(c), as applicable. To the extent any adjustment in subscription rights occurs pursuant to this Section 10(e) as a result of a distribution of exchangeable, exercisable or convertible securities referred to in Section 10(a) or as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in Section 10(b), the

number of Shares issuable upon exercise of a Warrant shall be readjusted immediately after the expiration of any relevant exchange, exercise or conversion right to the number of Shares which would be issuable based upon the number of Shares actually issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right. To the extent that any adjustment in subscription rights occurs pursuant to this Section 10(e) as a result of the fixing by the Corporation of a record date for the distribution of exchangeable, exercisable or convertible securities or rights, options or warrants referred to in Section 10(c), the number of Shares issuable upon exercise of a Warrant shall be readjusted immediately after the expiration of any relevant exchange, exercise or conversion right to the number which would be issuable pursuant to this Section 10(e) if the fair market value of such securities or such rights, options or warrants had been determined for purposes of the adjustment pursuant to this Section 10(e) on the basis of the number of Shares issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right.

11. **Rules Regarding Calculation of Adjustment of Exercise Price.** The following rules shall apply to the calculation of adjustment of the Exercise Price:

- (a) If more than one subsection of Section 10 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of Section 10 so as to result in duplication.
- (b) The adjustments provided for in Section 10 are cumulative and will apply to successive subdivisions, consolidations, dividends, distributions and other events resulting in any adjustment under the provisions of such section and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 11.
- (c) If at any time a dispute arises with respect to adjustments provided for in Section 10, such dispute will be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other independent firm of chartered accountants as may be selected by action of the directors of the Corporation and any such determination, where required, will be binding upon the Corporation, the Holder and shareholders of the Corporation, absent manifest error. The Corporation will provide such auditors or accountants with access to all necessary records of the Corporation.
- (d) In case the Corporation after the date hereof takes any action affecting the Shares, other than action described in Section 10, which would reasonably be expected to materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Corporation, acting reasonably, but subject in all cases to the approval of any stock exchange on which the Shares may then be listed, where required, and any necessary regulatory approval.
- (e) If the Corporation sets a record date to determine the holders of the Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.
- (f) In the absence of a resolution of the directors of the Corporation fixing a record date for a Special Distribution or Rights Offering, the Corporation will, for the purposes of this Warrant certificate, be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

- (g) As a condition precedent to the taking of any action which would require any adjustment to this Warrant certificate, including the Exercise Price, the Corporation shall take such corporate action as may be necessary in order that the Corporation will have unissued and reserved in its authorized capital, and may validly and legally issue as fully paid and non-assessable, such shares or other securities which the Holder is then entitled to receive on the full exercise thereof in accordance with the provisions hereof.
- (h) The Corporation will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 10, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.
- (i) The Corporation covenants to and in favour of the Holder that, so long as this Warrant certificate remains outstanding, it will give notice to the Holder of its intention to fix a record date for any event referred to in Section 10 and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation is only required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 21 days (or such fewer number of days as the Holder may accept) prior to each such applicable record date or effective date.

12. **Consolidation and Amalgamation.**

- (a) In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation, and forthwith following the occurrence of such event the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation) shall expressly assume, by supplemental certificate satisfactory in form to the Holder, acting reasonably, and executed and delivered to the Holder, the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and the securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate.
- (b) Whenever the conditions of Section 12(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the directors or officers of the successor corporation.

13. **Warrants for Fractions of Shares.** To the extent that the Holder is entitled to receive on the exercise or partial exercise hereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate entitle the Holder to receive a whole number of Shares.

14. **Legending of Shares.** The Warrants have been, and Shares issued upon exercise of the Warrants will be, issued pursuant to an exemption from the prospectus requirements of applicable securities law set forth in National Instrument 45-106 *Prospectus Exemptions* (an "**Exemption**"). The Shares issued upon exercise of the Warrants may, to the extent required pursuant to the applicable Exemption, be subject to restrictions on resale and transferability contained in applicable securities laws and the certificate or certificates representing such Shares shall, to the extent required, be impressed with a legend in the following form:

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UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE \_\_\_\_, 2023.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS AND A DAY AFTER JUNE \_\_\_\_, 2023.

The Warrants and the Shares issuable upon exercise hereof have not been registered under the United States *Securities Act of 1933*, as amended (the "1933 Act"), or the securities laws of any state of the United States. Accordingly, the Warrants and the Shares issuable upon exercise hereof may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the applicable securities laws of all applicable states or available exemption therefrom. The Warrants may not be exercised by or on behalf of a U.S. person or person in the United States unless the Warrants and the Shares issuable upon exercise of the Warrants have been registered under the 1933 Act and the applicable securities legislation of any such state or an exemption from such registration requirements is available. "United States" and "U.S. person" are as defined by Regulation S under the 1933 Act.

The Holder hereby agrees and consents by acceptance hereof that all certificates representing Shares acquired upon exercise of the Warrants by, or for the account or benefit of, U.S. persons or persons in the United States shall have the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON EXCHANGES IN CANADA.

provided that, if the Shares are being sold under clause (B) above, the legend set forth above may be removed by providing a declaration to the Corporation and its registrar and transfer agent in the form attached hereto as Schedule "B" or such other evidence of exemption as the Corporation or its registrar and transfer agent may from time to time prescribe (which may include an opinion satisfactory to the Corporation and its registrar and transfer agent), to the effect that the sale of the Shares is being made in compliance with Rule 904 of Regulation S under the 1933 Act; provided further that, if any of the Shares are being sold pursuant to Rule 144 of the 1933 Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws.

15. **Change; Waiver.** Subject to the receipt of any necessary approval of the TSXV, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

16. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to exercise Warrants or the Corporation to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

17. **Covenants.**

- (a) The Corporation covenants that (i) so long as any Shares evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares available for purchase and issuance under outstanding Warrants, and (ii) all Shares issued upon the due exercise of the Holder's right to purchase pursuant to the provisions hereof, shall be issued as fully paid and non-assessable common shares in the capital of the Corporation and, in respect of the Corporation, free of all liens, charges and encumbrances.
- (b) The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.
- (c) The Corporation shall use commercially reasonable efforts to maintain the listing of its Shares on the TSXV or such other recognized stock exchange and its status as a reporting issuer not in default or the equivalent under the securities legislation of each of the jurisdictions in which it is a reporting issuer or the equivalent as of the date hereof (the "**Reporting Jurisdictions**") up to and including the Expiry Date, provided the foregoing shall not, in any manner, preclude the Corporation from pursuing or completing a transaction that would result in the delisting of the Shares from the TSXV or ceasing to be a reporting issuer or the equivalent in each of the Reporting Jurisdictions where the board of directors of the Corporation, acting in good faith and in accordance with applicable laws, determines that such a transaction is in the best interests of the Corporation.
- (d) If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Shares which the Holder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.

18. **Representations and Warranties.**

The Corporation hereby represents and warrants to the Holder as follows:

- (a) the Corporation is duly authorized and has the corporate power and authority to create and issue this Warrant certificate and the Shares issuable upon the exercise hereof and perform its obligations hereunder, and this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles;
- (b) the Corporation has applied to the TSXV to list the Shares issuable upon the exercise of the Warrants, subject to TSXV approval in respect thereof.

19. **Lost Certificate.** If this Warrant certificate is stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

20. **General.**

- (a) The headings in this Warrant certificate are for reference only and do not constitute terms of the Warrant certificate.
- (b) Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.
- (c) This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (d) Time shall be of the essence of this Warrant certificate.
- (e) This Warrant shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta, with respect to any dispute related to or arising from this Warrant certificate.
- (f) All references herein to monetary amounts are references to lawful money of Canada.
- (g) All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or electronic mail; and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic mail, on the date of transmission if sent before 5:00 p.m. (Calgary time) on a Business Day or, if such day is not a Business Day, on the first Business Day following the date of transmission.

Notices to the Holder shall be addressed to the address of the Holder set out in this Warrant certificate.

Notices to the Corporation shall be addressed to:

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

***[REMAINDER OF PAGE INTENTIONALLY BLANK – EXECUTION PAGE FOLLOWS]***

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer effective as of the Issue Date.

**PATHWAY HEALTH CORP.**

By: \_\_\_\_\_  
Authorized Signatory

PKJ

**SCHEDULE "A"**

**WARRANT CERTIFICATE SUBSCRIPTION FORM**

Pathway Health Corp.  
16 Four Seasons Place, Suite 203A,  
Etobicoke, ON M9B 6E5

Attn: Chief Executive Officer

Dear Sirs/Mesdames:

The undersigned hereby subscribes for \_\_\_\_\_ common shares (the "**Shares**") of Pathway Health Corp. (the "**Corporation**") upon the exercise of the corresponding number of Warrants referred to in the Warrant certificate attached hereto according to the terms and conditions thereof as follows (please check **ONE** applicable box):

This Subscription Form is accompanied by a certified cheque or bank draft payable to or to the order of the Corporation or by wire transfer as directed by the Corporation for the whole amount of the exercise price of the Shares.	<input type="checkbox"/>
The Warrants are being exercised pursuant to the cashless exercise provisions set forth in Section 7 of the Warrant certificate.	<input type="checkbox"/>

In connection with the exercise of the Warrants as set forth herein, the undersigned represents as follows (please check the **ONE** box applicable):

- ☐ 1. The undersigned (i) at the time of exercise is not a U.S. person, (ii) at the time of exercise is not within the United States, (iii) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States, and (iv) did not execute or deliver this Subscription Form in the United States.
- ☐ 2. The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"1933 Act" means the United States *Securities Act of 1933*, as amended. "U.S. person" and "United States" are as defined by Regulation S under the 1933 Act.

Certificates representing Shares issued upon exercise of the Warrants hereto will not be registered or delivered to an address in the United States unless Box 2 is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares issued upon exercise of Warrants hereto pursuant to Box 2 above will bear a U.S. restrictive legend.

If any Warrants represented by this Warrant certificate are not being exercised, a new Warrant certificate evidencing the Warrants that remain outstanding will be issued and delivered with the Share certificate(s).

PKJ

Please issue and deliver a certificate for the Shares being purchased as follows:

NAME: \_\_\_\_\_  
(please print)

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DELIVERY \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**INSTRUCTIONS:**

1. The registered holder of a Warrant may exercise its right to acquire Shares by completing and surrendering to the Corporation this Subscription Form and the ORIGINAL Warrant certificate representing the Warrants being exercised, subject to Section 7 of the Warrant certificate, together with the aggregate amount of the exercise price for the Shares as provided for in the Warrant certificate. Certificates representing the Shares acquired on exercise of such Warrants will be sent by prepaid first class mail to the address(es) above within three business days after the receipt of all required documentation, subject to the terms of the Warrant certificate.
2. If this Subscription Form indicates that the Shares are to be issued to a person or persons other than the registered holder of the Warrants exercised: (i) the signature of the registered holder on this Subscription Form must be medallion guaranteed by an authorized officer of a chartered bank, trust Corporation or an investment dealer who is a member of a recognized stock exchange, and (ii) the registered holder must pay to the Corporation all applicable taxes and other duties.
3. If this Subscription Form is signed by a trustee, executor, administrator, custodian, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, this Subscription Form must be accompanied by evidence of authority to sign satisfactory to the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

_____	)	_____
Signature of Witness	)	(Signature)
[Please Note Instruction 2]	)	_____
_____	)	Signature of registered holder or Signatory thereof
Print name of Witness	)	_____
_____	)	If applicable, print Name and Office of Signatory
_____	)	_____
_____	)	Print Name of registered holder as on certificate
_____	)	_____
_____	)	Street Address
_____	)	_____
_____	)	City, Province/State and Postal/ZIP Code
_____	)	_____

**SCHEDULE "B"**

**FORM OF DECLARATION FOR REMOVAL OF U.S. LEGEND**

To: The Registrar and Transfer Agent for the Common Shares of Pathway Health Corp. (the "**Corporation**").

And To: The Corporation

The undersigned (a) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States *Securities Act of 1933*, as amended (the "**1933 Act**") and (b) certifies that (1) the undersigned is not an "affiliate" of the Corporation (as that term is defined in Rule 405 under the 1933 Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the TSXV and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities of the Corporation and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

\_\_\_\_\_  
Date

X \_\_\_\_\_

Signature of individual (if Holder is an individual)

\_\_\_\_\_  
Name of Holder (please print)

X \_\_\_\_\_

Authorized signatory (if Holder is not an individual)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory (please print)

PKJ

**SCHEDULE "C"**  
**WARRANT TRANSFER FORM**

FOR VALUE RECEIVED, the undersigned registered owner of the Warrants evidenced by Warrant Certificate No. W-1 (the "**Warrant Certificate**") of Pathway Health Corp. (the "**Corporation**") hereby sells, assigns and transfers unto the transferee (the "**Transferee**") named below all of the right, title and interest of the undersigned to the Warrants set forth in the Warrant Certificate (and otherwise) including, without limitation, all rights to exercise the Warrants to purchase the number of Shares (as defined in the Warrant Certificate) set forth below:

Name of Transferee	Address	No. of Shares

and does hereby irrevocably constitute and appoint \_\_\_\_\_ to make such transfer on the books of the Corporation maintained for the purpose, with full power of substitution in the premises.

The Transferee is not a "U.S. person" as defined in Regulation S under the Securities Act of 1933, as amended (the "**1933 Act**") or purchasing to or for the account or benefit of a U.S. person.

The undersigned, by execution of this transfer form, represents and warrants, and the Transferee, by receipt of a Warrant certificate evidencing the Warrants transferred to the Transferee, shall be deemed to have represented and warranted, that the Transferee acknowledges and agrees that (i) the Warrants and the Shares to be issued upon exercise of the Warrants are being acquired for investment only; (ii) the Transferee will not offer, sell, transfer or otherwise dispose of any such Warrants and/or Shares issued upon exercise of the Warrants except under circumstances that will not result in a violation of the 1933 Act, or any state securities laws; and (iii) upon exercise of the Warrants, the Transferee shall, if requested by the Corporation, confirm in writing, in a form satisfactory to the Corporation, that the Shares so purchased upon such exercise are being acquired for investment only and not with a view to distribution or resale.

\_\_\_\_\_  
Date

**X** \_\_\_\_\_

Signature of individual (if Holder is an individual)

\_\_\_\_\_  
Name of Holder (please print)

**X** \_\_\_\_\_  
Authorized signatory (if Holder is not an individual)

\_\_\_\_\_  
Name of authorized signatory (please print)

\_\_\_\_\_  
Official capacity of authorized signatory  
(please print)

The signatures on this transfer form must correspond with the name as written upon the face of the Warrant Certificate, in every particular, without alteration or enlargement, or any change whatsoever, and must be guaranteed by a Canadian chartered bank or eligible guarantor institution with membership in an approved signature medallion program.

**THIS IS EXHIBIT "M"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



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**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



## GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (the "**Security Agreement**") is made as of the 3rd day of February, 2023

BY:

**PATHWAY HEALTH CORP.** (together with its successors and assigns, the "**Debtor**")

IN FAVOUR OF:

**HEAL GLOBAL HOLDINGS CORP.** (together with its successors and assigns, the "**Secured Party**")

### **A. OBLIGATIONS SECURED**

1. The undersigned Debtor hereby enters into this Security Agreement with the Secured Party for valuable consideration and as security for the payment of all present and future indebtedness of the Debtor to the Secured Party and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Secured Party whether as principal or surety, including, without limiting the generality of the foregoing, pursuant to a secured convertible promissory grid note issued on the date hereof to the Secured Party by the Debtor, as may be amended from time to time (the "**Promissory Note**") (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "**Obligations**"). Insofar as it affects personal property located in Alberta, this Security Agreement is governed by the *Personal Property Security Act* (Alberta) and insofar as it affects personal property located in Ontario, this Security Agreement is governed by the *Personal Property Security Act* (Ontario) (in each case the "**Act**", as the case may be). Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed thereto in the Promissory Note or the Joint Facility Agreement, as the case may be.

### **B. GRANT OF MORTGAGES, CHARGES AND SECURITY INTERESTS**

2. The Debtor hereby:
  - (a) mortgages and charges to and in favour of the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and future equipment, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, devices, vehicles, tools and furniture now or hereafter owned or acquired;
  - (b) mortgages and charges to the Secured Party and grants to the Secured Party a security interest in all its present and future inventory, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
  - (c) assigns, transfers and sets over to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future accounts and intangibles, including, without limiting the generality of the foregoing, all its present and future book debts, accounts and other amounts receivable, contract rights and choses in action of every kind or nature including insurance rights arising from or out of the assets

referred to in Sections 2(a) and 2(b) hereof, goodwill, chattel paper, instruments of title, investments, money and securities;

- (d) assigns, transfers and conveys to the Secured Party by way of collateral security, and grants to the Secured Party a security interest in, all its present and future intellectual property (hereinafter referred to as the "**Intellectual Property Collateral**") (whether registered or unregistered) comprising without limitation all formulations, computer programs, application software, hardware/software maintenance support agreements and all documentation related thereto, licenses of software, copyrights, patents and inventions, trade-marks, trade names, business names, trade styles and other business identifiers, industrial designs, clinical and treatment protocols, trade secrets and other confidential information and all know-how obtained, developed or used by the Debtor or contemplated at any time for use by the Debtor;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by Sections 2(a), 2(b), 2(c) and 2(d) hereof and the exceptions hereinafter contained);
- (f) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in the proceeds arising from any of the assets referred to in this Section 2; and
- (g) assigns, mortgages and charges in favour of the Secured Party and grants to the Secured Party a security interest in all additions to and replacements of the assets referred to in this Section 2.

For the purposes of this Security Agreement, the equipment, inventory, intangibles, Intellectual Property Collateral, undertaking, proceeds and all other property and assets of the Debtor referred to in this Section 2 are hereinafter collectively called the "**Collateral**".

### C. LOCATION OF COLLATERAL

3. The Debtor hereby represents and warrants to the Secured Party that all Collateral material to the Debtor (including, without limitation, all of the Intellectual Property Collateral whatsoever) is presently at the following locations:

16 Four Seasons Place, Suite 203A, Etobicoke, ON M9B 6E5

Attention: Ken Yoon, Chief Executive Officer  
E-mail: [ken.yoon@pathwayhealth.ca](mailto:ken.yoon@pathwayhealth.ca)

4. The Collateral now situate in the Provinces of Ontario is on the date hereof primarily situate or located at the locations set out in Section 3 hereof but may, with prior written notice to the Secured Party, from time to time be located at other premises of the Debtor or (in the case of the Collateral described in Section 2(b) above) any third party manufacturing, clinic or inventory storage facility in the Province of Ontario. Such Collateral may also be located at other places in Ontario or in Canada while in transit to and from such locations and premises and such Collateral may from time to time be situate or located at any other places in Ontario and Canada when on lease or consignment to any lessee or consignee from the Debtor.

5. Debtor further represents and warrants to the Secured Party, and so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant to the Secured Party that:
- (a) it is a corporation incorporated and organized and validly existing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Debtor; and the execution, delivery and performance of this Security Agreement by the Debtor are within its corporate powers and have been duly authorized by all necessary corporate action of the Debtor; and
  - (b) the execution, delivery and performance of the Obligations and the creation of the security interest or assignment hereunder of the Debtor's rights in the Collateral to the Secured Party will not conflict with or constitute a breach of the Debtor's Articles of Incorporation, as amended to date, or by-laws, nor will they result in a breach of or an event of default under any agreement to which the Debtor is party or by which it is bound.
6. Debtor further represents and warrants to the Secured Party that on the date hereof:
- (a) it has rights in the Collateral and other than Permitted Encumbrances the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements of which the Debtor is aware, encumbrances or other adverse claims or interests, and subject to the fact that certain of the licenses and leases included in the Collateral may not be assignable or transferable, or may require consent to assignment or transfer, or may contain other restrictions on assignability or transferability;
  - (b) it has not granted any licenses in or of its Intellectual Property Collateral, other than in the ordinary course of its business; and
  - (c) each of the licenses granted in or of its Intellectual Property Collateral is non-exclusive.

**D. LIMITED EXCEPTIONS TO GRANT OF CHARGE**

7. The last day of any term reserved by any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the mortgages, charges and security interests hereby or by any other instrument created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

**E. AGREEMENTS OF THE DEBTOR**

8. The Debtor and the Secured Party agree that they have not agreed to postpone the time for attachment of the security interests granted hereby with respect to the Debtor's presently existing Collateral and that such security interests shall attach to the Collateral acquired after the date hereof as soon as the Debtor has rights in such Collateral.
9. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied or paid in full:
- (a) it will not, without the prior written consent of the Secured Party:

- (i) create, issue, transfer, or assign any new debt securities of the Debtor but, notwithstanding the foregoing, the Debtor may issue new debt securities without consent of the Secured Party, provided that the proceeds are used, at least in part, to satisfy and fully pay the Obligations outstanding;
  - (ii) sell, transfer, assign, lease, license or otherwise dispose of the Collateral, or any interest therein, or attempt, offer or contract to do so, other than in the ordinary course of the Debtor's business and as would not have a material adverse effect on Debtor, its ability to pay the Obligations or the interests of the Secured Party hereunder;
  - (iii) release, surrender or abandon possession of any material part of the Collateral;
  - (iv) move or transfer any material part of the Collateral from the Province of Ontario or Canada without prior written notice to the Secured Party; or
  - (v) change its name without notifying the Secured Party in writing.
- (b) unless otherwise agreed by, or stipulated pursuant to, the prior written consent or direction, as applicable, of the Secured Party, or as contemplated by the Pathway Definitive Agreement or the Pathway LOI (until such time as it is superseded by the Pathway Definitive Agreement), it will:
- (i) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the security interests granted in this Security Agreement become enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
  - (ii) insure and keep insured all of the Collateral against loss or damage by fire and other insurable hazards for which such Collateral is commonly insured against in the Province of Ontario to the full insurable value thereof; the Debtor shall pay when due all premiums and other amounts payable for maintaining such insurance; the Debtor shall cause the insurance proceeds thereunder to be payable in case of loss to the Secured Party as mortgagee and loss payee and shall, if required, give to the Secured Party evidence of the payment of premiums and the assignment of such insurance to the Secured Party; should the Debtor fail to pay any premiums when due then the Secured Party may do so and the cost of such premiums shall be added to the Obligations and shall be secured by the security interests granted herein; the policy or policies of insurance required by this paragraph shall show the Secured Party as mortgagee and loss payee and shall contain a mortgage clause in form satisfactory to the Secured Party; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;
  - (iii) keep the then existing Collateral in good condition and repair according to the nature and description thereof, and to not use the Collateral in violation of the provisions of this Security Agreement or any other agreement of the Debtor relating to the Collateral or any policy issued to the Debtor insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance, and the Secured Party may, whenever reasonably necessary, either in person or by agent, enter upon the Debtor's property and inspect the Collateral and the reasonable cost of such inspection shall be payable on demand and added to the Obligations and the Secured Party may make repairs as it deems necessary, and the cost thereof shall be payable on demand and added to the Obligations;

- (iv) set up and maintain accounting systems and books of account in accordance with generally accepted accounting principles and furnish to the Secured Party such financial information as required by the Promissory Note;
- (v) materially comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party;
- (vi) materially comply with valid requirements of any governmental authority pertaining to the operation by the Debtor of its business;
- (vii) permit the Secured Party at any time and from time to time, after the security granted pursuant to this Security Agreement shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in Section 2(f) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (viii) pay or cause to be paid all taxes, rates and other impositions whatsoever already charged or hereafter to be charged by any authority on any of the Collateral as and when they shall generally fall due and, upon the request of the Secured Party, deliver to the Secured Party evidence of such payments;
- (ix) materially comply with all applicable laws, regulations and orders, including, without limitation, all public and employee health and safety provisions and all applicable federal, provincial, state or municipal environmental laws and all regulations or requirements thereunder relating in any way to the environment or the release of any substance into the environment;
- (x) defend the Collateral against the claims and demand of all other parties claiming the same or an interest therein and take all reasonable actions to keep the Collateral free from all encumbrances, other than permitted encumbrances;
- (xi) notify the Secured Party promptly of:
  - A. any material change in the information contained herein relating to the Debtor, including without limitation any change in the Debtor's registered office address, the Debtor's business or the Collateral;
  - B. the details of any significant acquisition or disposition of Collateral;
  - C. the details of any material complaints, violations, claims or litigation affecting the Debtor or the Collateral;
  - D. any material loss or damage to the Collateral;
  - E. any default by the Debtor in payment or performance of its Obligations with respect to the Collateral; and
  - F. the return to or repossession by the Debtor of the Collateral;
- (xii) do, execute, acknowledge and deliver such further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may from time to time be reasonably requested by the Secured Party of or with respect to the Collateral in order to give effect to this Security Agreement and to pay all costs and expenses (including reasonable and documented legal fees) of the

Secured Party incurred with respect to searches and filings in connection therewith and with respect to the preparation, execution and filing of this Security Agreement and keeping the security interest granted hereunder perfected;

- (xiii) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same may become due and payable;
- (xiv) prevent the Collateral from being or becoming an accession to other property not covered by this Security Agreement;
- (xv) carry on and conduct the business of the Debtor so as to protect and preserve the Collateral and to keep, in accordance with Canadian generally accepted accounting principles, consistently applied, financial statements supported by the books of account for the Debtors' business as well as accurate and complete records concerning the Collateral;
- (xvi) make available to the Secured Party from time to time promptly upon the request of the Secured Party true and complete copies of:
  - A. any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral,
  - B. all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same,
  - C. all financial statements prepared by or for Debtor regarding Debtor's business,
  - D. all policies and certificates of insurance relating to the Collateral, and
  - E. such information concerning Collateral, Debtor and Debtor's business and affairs as the Secured Party may reasonably request;
- (xvii) observe and perform its obligations under all material leases, licences, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances;
- (xviii) maintain its corporate existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; and
- (xix) subject to the transportation and location of equipment outside of Ontario in the ordinary course of business, prior to the removal of any of the Collateral from the province in which it is or they are situated at the date of this Security Agreement or to leasehold property, effect such further registrations and obtain such other consents and give such other security as may be required or desirable to protect or preserve the security hereby created, and the Debtor shall forthwith notify the Secured Party of the intended removal and the action proposed to be taken.

10. The Debtor hereby agrees that it will at all times, both before and after default, do or cause to be done such additional things and execute and deliver or cause to be executed and delivered all such further acts and documents as the Secured Party may reasonably require for the better

mortgaging, charging, transferring, assigning, confirming and granting of security interests in the present or future Collateral to the Secured Party.

11. Subject to compliance with the Debtor's covenants contained herein, the Debtor may, until the security granted pursuant to this Security Agreement shall have become enforceable, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor.

#### **F. DEFAULT**

12. The Obligations shall, at the option of the Secured Party, become payable and the security granted pursuant to this Security Agreement shall become enforceable upon the occurrence of any Event of Default, as such term is defined in the Promissory Note (for the purposes of this Security Agreement, each, an "**Event of Default**").
13. This Security Agreement may be amended or modified, and any obligation, right or condition set forth herein may be waived, by an instrument in writing duly executed by the Debtor and the Secured Party.

#### **G. REMEDIES OF THE SECURED PARTY**

14. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by, without limitation:
  - (a) entry;
  - (b) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Secured Party or not and the Secured Party may remove any receiver or receivers so appointed and appoint another or others in his or their stead);
  - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof;
  - (d) preserving, protecting and maintaining the Collateral and making such replacements and repairs and additions to the Collateral as the Secured Party deems advisable;
  - (e) disposing of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
  - (f) using, selling, assigning, leasing, licensing or sub-licensing any of the Collateral; or

- (g) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

In addition, the Secured Party may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor.

Any receiver or receivers so appointed shall have power to:

- (i) take possession of, to protect, to preserve and to use the Collateral or any part thereof;
- (ii) carry on the business of the Debtor (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may seem necessary or desirable in connection with the business, operations and affairs of the Debtor);
- (iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
- (iv) further charge the Collateral in priority to the security interests of this Security Agreement as security for money so borrowed; and
- (v) sell, lease, license or sub-license (to the extent permitted by the applicable license in the case of intellectual property or technology licensed from a third party), or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

The Secured Party shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

In addition, the Secured Party may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, liens and charges, without hindrance, interruption or denial of the same by the Debtor or by any other person or persons save only a landlord pursuant to its rights of reversion under any lease of real property on expiry of its term, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Debtor. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Secured Party in its sole discretion may seem advantageous. Such sale may take place whether or not the Secured Party has taken possession of the Collateral.

The Debtor agrees to pay to the Secured Party forthwith on demand all expenses incurred by the Secured Party in the preparation, perfection, administration and enforcement of this Security Agreement (including without limitation expenses incurred in considering and protecting or improving the Secured Party's position, or attempting to do so, whether before or after default), all amounts borrowed by the receiver from the Secured Party as hereinbefore provided and all costs, charges, expenses and fees (including, without limiting the generality of the foregoing, the reasonable and documented fees and expenses of any receiver and reasonable and documented legal fees on a solicitor and client basis) of or incurred by the Secured Party and by any receiver or receivers or agent or agents appointed by the Secured Party in connection with the recovery or enforcing of payment of any moneys owing hereunder, whether by realization, by taking possession or otherwise. All such sums, together with interest thereon at the rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the security interests granted herein.

No remedy for the realization of the security interests granted herein or for the enforcement of the rights of the Secured Party shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

15. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize such security and to enforce its rights by notifying all or any debtors of the security interest contemplated herein and may also direct such debtors to make all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments or other proceeds of the Collateral received by the Debtor from such debtors after notification of the security interest contemplated herein to such debtors shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.
16. Whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Debtor will not request or receive any money or other proceeds constituting income or interest from or interest on the Collateral and if the Debtor receives any such money or proceeds without any request by it, the Debtor will pay the same promptly to the Secured Party. So long as the security granted pursuant to this Security Agreement has not become enforceable or does not remain enforceable, the Debtor reserves the right to receive any money or other proceeds constituting income from or interest on Collateral and if the Secured Party receives any such money or proceeds prior to default, the Secured Party shall either credit the same against the Obligations or pay the same promptly to Debtor.
17. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

#### **H. RIGHTS OF THE SECURED PARTY**

18. The Secured Party may pay and satisfy the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any of the Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations and shall be secured by the security interests granted herein. In the event of the Secured Party satisfying any such lien, charge or encumbrance, it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
19. The Debtor grants to the Secured Party the right to set off against any and all accounts, credits or balances maintained by it with the Secured Party, the aggregate amount of any of the Obligations.
20. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other persons and securities as the Secured Party may see fit.
21. Nothing herein shall obligate the Secured Party to extend any credit to the Debtor.
22. The Secured Party may assign, transfer and deliver to any permitted transferee, any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Obligations; and thereafter the Secured Party shall be fully discharged from all responsibility

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with respect to the Obligations and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Secured Party under such security, documents or instruments but the Secured Party shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

## **I. MISCELLANEOUS**

23. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, whenever the security granted pursuant to this Security Agreement shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may remedy any default by Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
24. The security interest created hereby is intended to attach when this Security Agreement is executed by the Debtor and delivered to the Secured Party.
25. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
26. Upon payment by the Debtor or its successors or permitted assigns, and the fulfillment of all the Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor, the Secured Party shall, upon request in writing by the Debtor, discharge this Security Agreement.
27. This Security Agreement shall be construed in accordance with and be governed by the laws of the Province of Alberta. For the purpose of legal proceedings, this Security Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Security Agreement. Each of the Debtor and the Secured Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts.
28. The headings in this Security Agreement are included for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose.
29. This Security Agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
30. This Security Agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding on the Debtor, its successors and permitted assigns.
31. Any demand, notice or other communication by the Secured Party in connection with this Security Agreement shall be subject to the notice provisions of the Promissory Note. Notwithstanding the foregoing, if the Act or any other statute requires a demand or notice to be given in a certain way or specifies the time at which the Debtor is deemed to have received a demand or notice then the Secured Party shall make the demand or notice in accordance with the particular statute and the demand or notice shall be deemed to have been received by the Debtor on the date or at the time specified by the particular statute.
32. In construing this Security Agreement, terms herein shall have the same meaning as defined in the Act, unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its"

PKS

and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

33. This Security Agreement may be executed in any number of separate counterparts and all such signed counterparts constitute one and the same agreement. Delivery by facsimile, email, pdf or other electronic means of an originally executed signature page to this Security Agreement by a party is as effective as personal delivery of such signature page.
34. To the extent of any conflict between the provisions of this Security Agreement and the provisions of the Promissory Note, the provisions of the Promissory Note shall govern.

**K. INDEMNIFICATION**

35. The Debtor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, reasonable costs and expenses (including, without limitation, reasonable and documented legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any court, arbitrator or governmental entity, jurisdiction or authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Secured Party under any accounts for any sum owing thereunder to the Debtor, or to enforce any provisions of any accounts, the Debtor will save, indemnify and keep the Secured Party harmless from and against all reasonable and documented expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Debtor.

*[Signature Page Follows]*

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor and the Secured Party as of the date first written above.

**DEBTOR:**

**PATHWAY HEALTH CORP.**

By: \_\_\_\_\_

Name: Ken Yoon

Title: Chief Executive Officer

**SECURED PARTY**

**HEAL GLOBAL HOLDINGS CORP.**

By: \_\_\_\_\_

Name: Michael A . Steele

Title: Chief Executive Officer

PKJ

**THIS IS EXHIBIT "N"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**



# PATHWAY HEALTH CORP. ANNOUNCES RESIGNATION OF MANAGEMENT TEAM AND BOARD OF DIRECTORS



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NEWS PROVIDED BY  
**Pathway Health Corp. →**  
28 Jul, 2023, 09:29 ET

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CALGARY, AB, July 28, 2023 /CNW/ - Pathway Health Corp. (TSXV: PHC) ("**Pathway**" or the "**Corporation**") today announces the resignation of the executive management team and board of directors of the Corporation and each of its subsidiaries.

The Corporation has been advised that its senior secured lender will not provide additional financing to support any ongoing operations, and Pathway has been unable to secure funding from other sources. The Corporation is unable to support its operations due to the lack of ability to produce sufficient revenue or raise capital to support its operations and maintain compliance with its current obligations. All employees of the Corporation and its subsidiaries have been terminated.

At this time, Kenneth Howling, Alison Wright, Dr. Rakesh Jetly, Mark Goldhar and Ken Yoon have resigned from their positions as board members of Pathway and from board and management positions at certain of Pathway's subsidiaries, as applicable. Additionally, Ken Yoon - Chief Executive Officer, Aura Balboa - Chief Financial Officer, Kim Wei - Chief Commercial Officer and Pram Sandhu - Vice President, Pharmacy Programs and Regulatory

PKS

Affairs have resigned as executives of the Corporation and from board and management positions of Pathway's subsidiaries. Marc Wagner has also resigned from his respective director and officer position at another Pathway subsidiary.

Following these resignations, the Corporation and its subsidiaries have no remaining directors or officers.

***Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this Press Release. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.***

SOURCE Pathway Health Corp.

For further information: Pathway Health Corp., Email: [investor-relations@pathwayhealth.ca](mailto:investor-relations@pathwayhealth.ca)

**THIS IS EXHIBIT "O"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MICHAEL STEELE**

**Sworn before me this 9<sup>th</sup> of August, 2023**



---

**A COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA**

**Pavin Takhar**  
**Barrister & Solicitor**

August 9, 2023

File No.: 587135-10

Delivered Via Registered Mail

**Pathway Health Corp.**  
16 Four Seasons Place, Suite  
203A, Toronto, Ontario M9B  
6E5

**Pathway Health Corp.**  
1500-850 2 Street SW  
Calgary AB T2P 0R8

To Whom It May Concern:

**Re: Obligations of Pathway Health Corp. (the "Borrower") to Avonlea-Drewry Holdings Inc. ("Lender")**

We are counsel to the Lender in connection with the credit facilities outstanding between the Borrower and the Lender. Reference is made to the credit facility documentation set out in Schedule "A" to this letter (hereafter, the "**Facility Documents**").

Advances have been made to the Borrower by the Lender and the Borrower is presently indebted to the Lender, as at August 3, 2023, as follows:

<u>Facility</u>	<u>Principal</u>	<u>Accrued Loan Fee</u>	<u>Accrued Work Fee</u>	<u>Accrued Interest</u>	<u>Accrued PIK Interst</u>	<u>Total</u>
Facilities Outstanding	\$4,700,000	100,000.00	\$35,000	\$511,811	\$70,000	\$5,416,811.00
<b>TOTAL</b>	<b>\$4,700,000</b>	<b>\$100,000</b>	<b>\$35,000</b>	<b>\$511,811</b>	<b>\$70,000</b>	<b>\$5,416,811.00</b>

The Borrower is in default of its repayment obligations, including (without limitation) for failure to pay to the Lender amounts owing as the same have come due. The Borrower is obligated to repay its indebtedness upon demand.

Demand is hereby made upon the Borrower for repayment of the indebtedness in full, which, as at August 3, 2023, equals \$5,416,811.00, plus interest, plus all fees and costs, including all legal costs incurred by the Lender on a solicitor and its own client full indemnity basis (collectively, the "**Indebtedness**").

PKJ

The Indebtedness will continue to accrue interest at the rates agreed and to accrue costs and fees, all of which the Borrower is responsible for. Payment may be made by providing either a certified cheque or bank draft to the following address:

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Borrower must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Borrower: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Borrower, is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
98986BF40CA84D0...

Derek Pontin  
Partner

FOR

Enclosure

PT/rlc

PKJ

**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Lender intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

- Credit Agreement dated July 29, 2023;
- Secured Promissory Grid Note dated May 27, 2022;
- Amended and Restated Secured Promissory Grid Note dated April 21, 2023;
- Guarantee provided by Pathway Health Services Corp. in support of Pathway Health Corp. dated May 27, 2022;
- General Security Agreement provided by Pathway Health Services Corp dated May 27, 2022;
- General Security Agreement provided by Pathway Health Corp. dated May 27, 2022;
- Guarantee provided by Pathway Health Technologies Corp. in support of Pathway Health Corp. dated July 29, 2022;
- Guarantee provided by Slawner Ortho Ltee in support of Pathway Health Corp. dated July 29, 2022;
- Guarantee provided by 2563367 Ontario Limited in support of Pathway Health Corp. dated July 29, 2022;
- Share Pledge Agreement provided by Pathway Health Corp. dated May 27, 2022;
- Share Pledge Agreement provided by Pathway Health Services Corp. dated July 29, 2022;
- Share Pledge Agreement provided by Pathway Health Technologies Corp. dated July 29, 2022;
- Secured Convertible Promissory Grid Note dated February 3, 2023; and
- General Security Agreement provided by Pathway Health Corp. to Heal Global Holdings Corp. dated February 3, 2023.

The Lender further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all forbearance agreements, forbearance amending and extension agreements, and restated forbearance agreements, all as may have been entered into from time to time., all as may have been entered into from time to time.

FORM 86

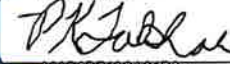
Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Health Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All present and after acquired personal and real property;
  - (b) All shares held in Pathway Health Services Corp, Pathway Wellness Corp., Pathway Wellness Products Corp., Pathway Healthcare Technologies Corp. and 13199223 Canada Ltd.; and
  - (c) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is the following
  - (a) General Security Agreement, dated May 27, 2022; and
  - (b) Share Pledge Agreement, dated May 27, 2022;(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:  
  
989B6BF40CA84D0...

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
For: Derek Pontin



## CONSENT AND WAIVER

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTH CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

Name:

Title:

I have authority to bind the corporation.

PKS

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail****Sent Via Email: [aura.balboa@theclinicnetwork.ca](mailto:aura.balboa@theclinicnetwork.ca)**

Pathway Health Services Corp. Pathway Health Services Corp.  
16 Four Seasons Place, Suite 1500-850 2 Street SW  
203A Calgary AB T2P 0R8  
Etobicoke, Ontario M9B 6H7

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by Pathway Health Services Corp. (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

Reference is made to the guarantee provided by the Guarantor, in support of the indebtedness of the Debtor to the Lender (the "**Guarantees**"). Under the Guarantee, the Guarantor agreed to repay to the Lender all obligations of the Debtor to the Lender. The Guarantee is unlimited.

The Guarantee is payable upon demand. **Demand is hereby made upon you for payment in the amount of \$5,416,811.00, plus interest and costs as are provided for under the Guarantee (the "Indebtedness").**

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing is received.

Payment may be made by providing either a certified cheque or bank draft to the following address:

PKJ

August 9, 2023  
Page 2

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Guarantor, is a Notice of Intention to Enforce Security ("NOI") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B8BF40CA84D0...  
Derek Pontin  
Partner

FOR

Enclosure

PT/rlc

PKJ

FORM 86

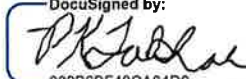
Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Health Services Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All present and after acquired personal and real property;
  - (b) All shares held in 10030712 Manitoba Ltd., 2563367 Ontario Limited and Slawner Ortho Ltee; and
  - (c) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is the following
  - (a) General Security Agreement, dated May 27, 2022; and
  - (b) Share Pledge Agreement, dated July 29, 2022;(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:  
  
989B8BF40C84D0

FOR

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
Per: Derek Pontin



## CONSENT AND WAIVER

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTH SERVICES CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

Name:

Title:

I have authority to bind the corporation.



August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail****Delivered via Email: steeleconsult@aol.com**

Pathway Healthcare Technologies Corp. Pathway Healthcare Technologies Corp.  
16 Four Seasons Place, Suite 203A 1500-850 2 Street SW  
Toronto, Ontario M9B 6E5 Calgary AB T2P 0R8

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by Pathway Healthcare Technologies Corp. (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

Reference is made to the guarantee provided by the Guarantor, in support of the indebtedness of the Debtor to the Lender (the "**Guarantee**"). Under the Guarantee, the Guarantor agreed to repay to the Lender all obligations of the Debtor to the Lender. The Guarantee is unlimited.

The Guarantee is payable upon demand. **Demand is hereby made upon you for payment in the amount of \$5,416,811.00, plus interest and costs as are provided for under the Guarantee (the "Indebtedness").**

Please note that your obligations under the Guarantee will continue to accrue interest at the rates agreed and to accrue costs, all of which you will be responsible for, until payment of all amounts owing is received.

Payment may be made by providing either a certified cheque or bank draft to the following address:

Avonlea-Drewry Holdings Inc.  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

PKJ

**Full payment of the Indebtedness must be made by close of business on August 21, 2023.** The Guarantor must contact the writer at the time of payment, to confirm the full amount of the Indebtedness as of that date. If full payment is not received, the Lender will take whatever steps it deems appropriate to seek repayment of such amounts.

The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

Enclosed with this letter, for service upon the Guarantor, is a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the Bankruptcy and Insolvency Act (Canada). If you are prepared to waive the ten-day notice period, please provide your consent to early enforcement of the Lender's security by executing the consent and waiver attached to the NOI.

Should you wish to discuss the foregoing, you may contact the writer.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B6BF40CA84D0...

Derek Pontin  
Partner

Enclosure

PT/rlc

FOR

PKS

FORM 86

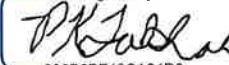
Notice of Intention to Enforce a Security  
(Rule 124)

To: Pathway Healthcare Technologies Corp., an insolvent person

Take notice that:

1. Avonlea-Drewry Holdings Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) All shares held in 1964433 Alberta Ltd.; and
  - (b) Proceeds: All proceeds of the foregoing.
2. The security that is to be enforced is a Share Pledge Agreement, dated July 29, 2022 (the "**Security**").
3. The total amount of indebtedness secured by the Security, as of August 3, 2023, is \$5,416,811.00 plus all costs, including legal costs on a solicitor and own client, full indemnity basis, and expenses of the Secured Party in exercising its rights.
4. The Secured Party will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 9<sup>th</sup> day of August 2023.

DocuSigned by:  
  
989B6BF40CA84D0...

FOR

Dentons Canada LLP,  
Solicitors for Avonlea-Drewry Holdings  
Inc.  
Per: Derek Pontin

PKA

## CONSENT AND WAIVER

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the 10 days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**PATHWAY HEALTHCARE TECHNOLOGIES CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

Name:

Title:

I have authority to bind the corporation.

PKS

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail**

2563367 Ontario Limited	2563367 Ontario Limited
16 Four Seasons Place, Suite	16 Four Seasons Place, Suite
203A	203A
Toronto, Ontario M9B 6E5	Etobicoke, Ontario M9B 6H7

To Whom It May Concern:

**Re: Guarantee of the Obligations of Pathway Health Corp. (the "Debtor") to Avonlea-Drewry Holdings Inc. (the "Lender") provided by 2563367 Ontario Limited (the "Guarantor")**

We are counsel to the Lender in connection with certain credit facilities outstanding between the Debtor and the Lender. Advances have been made to the Debtor by the Lender under those credit facilities. The Debtor is indebted to the Lender, as of August 3, 2023 in the amount of \$5,416,811.00, plus further accruing interest, plus full indemnity for costs.

Demand has been made by the Lender upon the Debtor for repayment of the indebtedness. A copy of that demand is enclosed.

Reference is made to the guarantee provided by the Guarantor, in support of the indebtedness of the Debtor to the Lender (the "**Guarantee**"). Under the Guarantee, the Guarantor agreed to repay to the Lender all obligations of the Debtor to the Lender. The Guarantee is unlimited.

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c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Derek Pontin

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The Lender reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

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Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
989B6BF40CA84D0...  
Derek Pontin  
Partner

FOR      Enclosure

PT/rlc

August 9, 2023

File No.: 587135-10

**Delivered Via Registered Mail****Delivered via Email: [aura.balboa@pathwayhealth.ca](mailto:aura.balboa@pathwayhealth.ca)**Slawner Ortho Ltee  
16 Four Seasons Place, Suite  
203A  
Toronto, Ontario M9B 6E5Slawner Ortho Ltee  
4890 rue Jean-Talon O  
Montréal (Québec) H4P1W9  
Canada

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Yours truly,

Dentons Canada LLP

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989568E40CA84D0...  
Derek Pontin  
Partner

FOR

Enclosure

PT/rlc

PKJ