

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

THE HONOURABLE ) TUESDAY, THE 16TH DAY  
 )  
JUSTICE W.D. BLACK ) OF JULY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF **CANNMART LABS INC.** (the  
“**Applicant**”)

**ORDER  
(Stay Extension, Fee Approval and CCAA Termination)**

**THIS MOTION**, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the “**CCAA**”) for an order, *inter alia*: (i) extending the Stay Period up to and including July 31, 2025, (ii) approving the Second Report of msi Spergel Inc, (the “**Monitor**”) to be filed (the “**Second Report**”), and the Monitor’s activities, conduct and decisions set out therein, (iii) approving the fees and disbursements of the Monitor and its legal counsel, (iv) terminating this CCAA proceeding and discharging the Monitor at the CCAA Termination Time (as defined below), (v) terminating the Court-ordered charges approved in this CCAA proceeding effective as at the CCAA Termination Time, and (vi) permitting 16197507 Canada Inc. (“**ResidualCo**”) to file for bankruptcy, was heard this day by Zoom video conference.

**ON READING** the Motion Record of the Applicant dated July 10, 2024 (the “**Motion Record**”), the Second Report, and on hearing the submissions of counsel for the Applicant, counsel

for the Monitor, and those other parties listed on the Participant Information Form, no one else appearing although duly served as appears from the Affidavit of Service, filed,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Initial Order dated May 2, 2024 (the “**Initial Order**”).

### **STAY EXTENSION**

2. **THIS COURT ORDERS** that the Stay Period is hereby extended up to and including July 31, 2025.

### **APPROVAL OF THE SECOND REPORT**

3. **THIS COURT ORDERS** that the Second Report of the Monitor and the activities, conduct and decisions of the Monitor set out therein are hereby ratified and approved, provided that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

### **APPROVAL OF FEES OF THE MONITOR AND ITS COUNSEL**

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor during the period up to and including July 11, 2024, being \$83,692.96 (inclusive of taxes and disbursements) and the fees incurred by the Monitor’s counsel during the period from April 22, 2024, up to and including July 11, 2024, being \$42,678.97 (inclusive of taxes and disbursements) as set out in the Second Report, be and are hereby approved.

## **MONITOR'S POWERS**

5. **THIS COURT ORDERS** that after payment of all amounts outstanding in respect of the Administration Charge, the Monitor (on behalf of ResidualCo) is authorized to make one or more distributions from the sale proceeds arising from the Transaction to the DIP Lender in respect of all indebtedness (including any accrued or accruing interest of expenses) owed to the DIP Lender pursuant to the DIP Term Sheet dated April 26, 2024, as secured by the DIP Lender's Charge.

## **TERMINATION OF THE CCAA PROCEEDING**

6. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule "A"** (the "**Termination Certificate**") on the Service List in this CCAA proceeding certifying that all matters to be attended to in connection with the CCAA proceeding have been completed, the CCAA proceeding shall be terminated without any other act or formality (the "**CCAA Termination Time**"), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Order made in this CCAA proceeding or any action or steps taken by any Person pursuant thereto.

7. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the Service List in this CCAA proceeding.

8. **THIS COURT ORDERS** that the Monitor shall incur no liability with respect to delivery of the Termination Certificate.

9. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

**DISCHARGE OF MONITOR**

10. **THIS COURT ORDERS** that effective at the CCAA Termination Time, msi Spergel Inc. shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, msi Spergel Inc. shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to this CCAA proceeding following the CCAA Termination Time, as may be required or appropriate, as determined by msi Spergel Inc. (“**Monitor Incidental Matters**”).

11. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of this CCAA proceeding, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor and msi Spergel Inc. shall continue to have the benefit of the rights, approvals and protections granted in favour of the Monitor and msi Spergel Inc. at law or pursuant to the CCAA, the Initial Order, or any other Order of this Court in this CCAA proceeding or otherwise, all of which are expressly continued and confirmed following and after the CCAA Termination Time, including in connection with any Monitor Incidental Matters and other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicant, ResidualCo or this CCAA proceeding.

12. **THIS COURT ORDERS** that from and after the CCAA Termination Time, no action or other proceeding shall be commenced against the Monitor or msi Spergel Inc. in any way arising from or related to its capacity or conduct as Monitor, except with the prior leave of this Court and on prior written notice to the Monitor.

**ASSIGNMENT IN BANKRUPTCY**

13. **THIS COURT ORDERS** that at such time as ResidualCo determines that it is necessary or desirable to do so, including for greater certainty at a time prior to the CCAA Termination Time:

- (a) ResidualCo is hereby authorized to make an assignment in bankruptcy pursuant to *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“**BIA**”); and
- (b) msi Spergel Inc. is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of ResidualCo.

14. **THIS COURT ORDERS** that the sole director of ResidualCo may resign upon ResidualCo being assigned into bankruptcy and such resignation is hereby authorized and ratified.

**GENERAL**

15. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

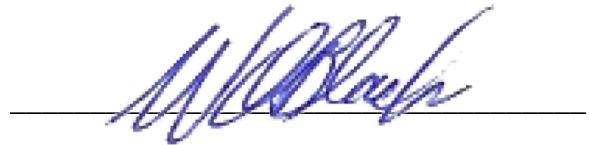
16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to

this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing.



**SCHEDULE “A”  
FORM OF TERMINATION CERTIFICATE**

Court File No. CV-24-719639-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 16197507 CANADA INC. (“**Applicant**”)

**TERMINATION CERTIFICATE**

**RECITALS**

1. msi Spergel Inc. was appointed as the Monitor of CannMart Labs Inc. in the within proceedings commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985 c.C-36, as amended (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 2, 2024 (the “**Initial Order**”).
2. Pursuant to the Approval and Reverse Vesting Order of this Court dated July 16, 2024, ResidualCo was added as an “applicant” in this CCAA proceeding.
3. Pursuant to an Order of this Court dated July 16, 2024 (the “**CCAA Termination Order**”), among other things, msi Spergel Inc. shall be discharged as the Monitor and the CCAA proceeding shall be terminated upon the service of this Termination Certificate on the Service List in this CCAA proceeding, all in accordance with the terms of the CCAA Termination Order.
4. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the Initial Order or the Termination Order, as applicable.

**THE MONITOR CERTIFIES the following:**

5. To the knowledge of the Monitor, all matters to be attended to in connection with the Applicant's CCAA Proceedings (Court File No. CV-24-00719639-00CL) have been completed.

**ACCORDINGLY**, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**msi Spergel Inc., in its capacity of the Monitor  
of the Applicant, and not in its personal or  
corporate capacity**

Per: \_\_\_\_\_  
Name:  
Title:



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNMART LABS INC. Court File No.: CV-24-719639-00CL

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

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**ORDER**  
**(Stay Extension, Fee Approval and CCAA**  
**Termination)**

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