

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

**AFFIDAVIT OF PROOF OF MAILING**

**IN THE MATTER OF THE PROPOSAL OF  
GOOD BUDS COMPANY INC.**

I, Josephine Fong, of the Trustee's office of Crowe MacKay & Company Ltd., hereby make oath and say:

- 1. THAT on the 20<sup>th</sup> day of December, 2024, I did cause to be e-filed to the Superintendent of Bankruptcy, e-file confirmation hereto attached as Exhibit "A", the documents attached as Exhibit "C".
  
- 2. THAT on the 20<sup>th</sup> day of December, 2024, I did cause to be e-mailed and mailed by prepaid ordinary mail to the debtor and to the list of creditors who appear on the attached as Exhibit "B", the documents attached as Exhibit "C".

SWORN BEFORE ME at the City of )  
Vancouver, in the Province of )  
British Columbia, this 20<sup>th</sup> day of )  
December, 2024. )

\_\_\_\_\_)  
A Commissioner for taking )  
Affidavits for British Columbia )

*J. Fong*  
\_\_\_\_\_)  
Josephine Fong )

**JONATHAN McNAIR**  
A Commissioner for Oaths in and  
for the Province of British Columbia  
Expiry date: June 30, 2027



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of Canada

Gouvernement  
du Canada

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# Update filing - update is confirmed

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## Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 11-3052361
- **Estate Name:** Good Buds Company Inc.

## Document(s) submitted

The following document(s) have been successfully submitted

- Notice to Creditor package

## Reference

- The Reference Number for this transaction is: **23257171**.
- Submitted by josephine fong.
- 2024-12-20 15:07 EST

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

**Date modified:** 2024-12-13

This is Exhibit *A* referred to in the  
affidavit of Josephine Fong  
sworn before me at Van couve  
this 20 day of December 2024

A Commissioner for taking Affidavits  
For British Columbia

## Creditor Mailing List

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia,  
 Crowe MacKay & Company Ltd., Trustee

This is Exhibit B referred to in the  
 affidavit of Josephine Fong  
 sworn before me at Van couve  
 this 20 day of December 20 24

Creditor Type	Name	Attention	Address
Director	Tyler Rumi		1867 North End Road Salt Spring Island BC V3K 1C9
Official Receiver	Office of the Superintendent of Bankruptcy		#1900 - 300 West Georgia Street Vancouver BC V6B 6E1
Secured	907282 Ontario Inc.		c/o 3 Atkins Avenue Toronto ON M6K 1V9
	CRA - Tax - Pacific		Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1
	Farm Credit Canada		C/o Gowlings WLG (Canada) LLP - 1600 - 1 First Canadian Place, 100 King Street West Toronto ON M5X 1G5
	Good Buds Company International Inc.		1867 North End Road Salt Spring Island BC V8K 1C9
	Rumi, Alex		41 Melbourne Street Hamilton ON L8P 2A5
	Rumi, Eric and Suzanne		c/o 3 Atkins Avenue Toronto ON M6K 1V9
	Rumi, Tyler		c/o 3 Atkins Avenue Toronto ON M6K 1V9
Unsecured	420 Premium Markets Ltd.		#1400 - 1100 1 Street SE (RETURNED MAIL) Calgary AB T2G 1B1
	907282 Ontario Inc.		c/o 3 Atkins Avenue Toronto ON M6K 1V9
	A. Jane Albo		1755 Fulford-Ganges Road Salt Spring Island BC V8K 2A5
	Aelius LED		2601 Belisle Drive, Unit 4 Val Caron ON P3N 0A7
	AirMed Canada Systems Inc		Box 53574 RPO Broadmead Victoria BC V8X 5K2
	Bank of Montreal		116 Fulford-Ganges Rd Salt Spring Island BC V8K 2S4
	BC Cannabis Inc.		6799 West Coast Road Sooke BC V9Z 1H5
	BC Hydro (Acct #000010296873)		P.O. Box 9501 STN Terminal Vancouver BC V6B 4N1
	Canadian Linen		947 North Park Street Victoria BC V8T 1C5
	CBN/SICPA JV - Canadian Bank Note Company		145 Richmond Road Ottawa ON K1Z 1A1
	CRA - GST/HST - Vancouver	Pacific Insolvency Intake Centre	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1

**A Commissioner for taking Affidavits  
For British Columbia**

## *Creditor Mailing List*

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	CRA - Tax - Pacific		Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1
	CRA - Tax - Pacific		Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1
	Fairlead Consulting		2711 Goldstream Crescent Coquitlam BC V3C 5G6
	Gideon Plumbing Ltd.		6111 Denali Dr Duncan BC V9L 5N4
	Good Buds Company International Inc.		1867 North End Road Salt Spring Island BC V8K 1C9
	Great Little Box Company		748 Market Street Victoria BC V8T 5K5
	GS1 Canada		800 - 1500 Don Mills Rd North York ON M3B 3K4
	Health Canada-Receiver General	Laetitia Antoine, Financial Officer A/CT-FIN-02	Accounts Receivable, P/L 1918B, Room 1804B 161 Goldenrod Driveway Ottawa ON K1A 0K9
	Hifyre Inc.		2 Bloor Street W. Suite 2006 Toronto ON M4W 3E2
	Independent Retail Cannabis Collective Inc.		#360 - 440 West Hastings Street Vancouver BC V6B 1L1
	Mercari Agency Limited	Sea Decory	300 - 192 Spadina Avenue Toronto ON M5T 2C2
	Mikus Transport		1003 Herring Gull Way Parksville BC V9P 2N1
	Ministry of Finance - EHT - British Columbia		Station Provincial Government PO Box 9445 Vancouver BC V8W 9V5
	MLT Aikins LLP (formerly MacPherson Leslie & Tyerman LLP)	Von Zerr	1500 Hill Centre I 1874 Scarth Street Regina SK S4P 4E9
	Net2phone - (versature)		5424 Canotek Rd ON K1J 1E9
	Ontario Cannabis Stores		4100 onge Street Toronto ON M2P 2B5
	Pest Control Services		221 Donore Road Salt Spring Island BC V8K 2H4
	Purolator Inc.	Kelly Sullivan	PO Box 1100, Post Stn A Etobicoke ON M9C 5K2
	Quality Analytical Services		Unit A43, 64089 393 Avenue East Okotoks AB T1S 0L1
	RB Engineering Ltd.	Les Brown	1850 Northfield Rd Nanaimo BC V9S 3B3
	Receiver General for Canada- Excise		PO Box 3800 Stn. A Sudbury ON P3A 0C3
	Rumi, Alex		41 Melbourne Street Hamilton ON L8P 2A5

## *Creditor Mailing List*

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	Rumi, Eric and Suzanne		c/o 3 Atkins Avenue Toronto ON M6K 1V9
	Salt Spring Garbage Services Ltd		360 Blackburn Salt Spring Island BC V8K 2B8
	Salt Spring Water Co		P.O. Box 767 Salt Spring Island BC V8K 2W3
	Security Response Center		506 Christina Street North Sarnia ON N7T 5W4
	Still Creek Engineering Ltd.	Henrico Rollke	#205 - 3991 Henning Drive Burnaby BC V5C 6N5
	ULINE		Box 3500, RPO Streetsville Mississauga ON L5M 0S8
	WorkSafe BC		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5
	Zip Courier		103-1588 Derwent Way Delta BC V3M 6Z7

## Josephine Fong

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**From:** Josephine Fong  
**Sent:** Friday, December 20, 2024 12:36 PM  
**Subject:** Good Buds Company Inc. - New Proposal to Creditors  
**Attachments:** Notice to Creditor Package.pdf

See attached creditor package from the Trustee.

Regards,

Josephine Fong on behalf of Tetsu Takagaki



Crowe MacKay & Company Ltd.  
**Resident Office**  
1100 - 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
Tel: 604-689-3928  
Direct: 604-697-5234  
*Toll Free: 1-844-887-DEBT*  
Fax: 604-687-5617  
[josephine.fong@crowemackay.ca](mailto:josephine.fong@crowemackay.ca)  
[www.crowemackayco.ca](http://www.crowemackayco.ca)

**Non-Resident Office**  
#200 – 5455 – 152<sup>nd</sup> Street  
Surrey, BC V3S 5A5  
Tel: 604-581-6181

tsimpson@420corp.ca  
ryan@aeliusled.com  
accounts@airmed.ca  
albert@bccann.com  
pam@transfreightlogistics.ca  
shelley@boomerlogistics.com  
AR.Victoria1@canadianlinen.com  
enquiries@daviesmaintenance.com  
ctrepanier@fairleadconsulting.com  
csc@fcc-fac.ca  
info@frescorefrigeration.ca  
invoicing@glbc.com  
collections-recouvrement@hc-sc.gc.ca;  
ar-cr@hc-sc.gc.ca  
info@intact.net  
lisa@mercarilife.ca  
crosskaren@shaw.ca  
samantha@qasltd.ca  
qbox@telus.net  
alex@goodbudscos.com  
eric@goodbudscos.com ;  
sue@goodbudscos.com  
tyler@goodbudscos.com  
sswaterco@shaw.ca  
accounts.receivable@uline.ca  
shakir@ircollective.com  
les@rbengineering.ca; BPfister@rbengineering.ca  
henrico@stillcreek.com  
Lpvendorreconciliation@ocs.ca  
janealbo@hotmail.com  
headoffice@cbnco.com  
info@gideonplumbing.com  
matthew@hifyre.com  
admin@mikutransport.com  
receivables@mltaikins.com



This is Exhibit C referred to in the affidavit of Josephine Fong sworn before me at Vancouver this 20 day of December 2024

**Crowe MacKay & Company Ltd.**  
 Licensed Insolvency Trustee  
 Main (604) 689 3928  
 Toll Free 1 (844) 887 DEBT (3328)  
 Fax (604) 687 5617  
 www.crowemackayco.ca

VIA EMAIL OR MAIL

December 20, 2024

To All Creditors of Good Buds Company Inc.

Dear Sir/Madam:

**Re: In the Matter of the Notice of Intention to Make a Proposal of Good Buds Company Inc. (the "Company")  
 Notice of Proposal and Meeting of Creditors**

The Company filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA") on March 6, 2024 and Crowe MacKay & Company Ltd. (the "**Proposal Trustee**") consented to act as Proposal Trustee for the Company. The Company filed a Proposal to its creditors on June 28, 2024. On December 20, 2024, the Company submitted a New Proposal to its creditors.

Please find enclosed the following documents for your review:

1. Notice of Proposal to Creditors and List of Creditors;
  2. Supplemental Report by the Proposal Trustee on the Proposal;
  3. New Proposal;
  4. Statement of Affairs;
  5. Proof of Claim;
  6. Proxy;
  7. Instructions for Completing the Proof of Claim and Proxy Forms; and,
  8. Voting Letter.
1. The Proposal provides that to be entitled to vote, the Proposal Trustee must receive your proof of claim no later than **12:00PM PST on January 10, 2025**. You can vote either in person, by proxy or by sending your proof of claim and voting letter via mail, facsimile (604-687-5617) or email at [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca). You may also appoint a representative, including the Proposal Trustee, as your proxy to vote at the meeting on your behalf. A proxy is required if you are filing a claim on behalf of a corporate entity. Any creditors who have already submitted a Proof of Claim and a voting letter related to the Original Proposal are NOT required to resubmit these documents for the New Proposal unless they wish to withdraw or amend their vote. However, please be sure to contact the Proposal Trustee to obtain an invitation to the below meeting of creditors:

**Meeting of Creditors**

Date and Time: January 14, 2025  
 Registration will open at 9:00AM to 9:30AM  
 Meeting starts promptly at 10:00 AM  
 Place: Online Virtual Meeting by Zoom



Note: For an invitation to participate in this meeting, please email the Proposal Trustee at [tetsu.takagaki@crowemacka.ca](mailto:tetsu.takagaki@crowemacka.ca).

Parties intending to attend the meeting must notify the Proposal Trustee by email to [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca) by no later than **12:00PM PST on January 13, 2025**. The Proposal Trustee will provide you with confirmation of receipt.

To be entitled to a distribution from the Proposal, the Proposal Trustee must receive your proof of claim. The Trustee will be issuing a 30-day Notice to Prove Claim pursuant to Section 149 of the BIA as discussed in the Proposal. Creditors must submit a proof of claim on or before the expiration of the aforesaid notice to be entitled to a distribution. Please ensure the amount entered into your proof of claim is inclusive of only amounts prior to the NOI date of March 6, 2024.

If you have any questions, please email [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca).

Yours very truly,

**CROWE MACKAY & COMPANY LTD.**, in its capacity as,  
Licensed Insolvency Trustee of the Proposal of Good Buds Company Inc.  
and not in its personal capacity

per:



Mr. Jonathan McNair, CPA, CA, CIRP, LIT  
(Chartered Insolvency & Restructuring Professional)

Encl.

Province: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.  
OF THE CITY OF VANCOUVER, PROVINCE OF BRITISH COLUMBIA**

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**CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE  
SUPPLEMENTAL REPORT BY THE PROPOSAL TRUSTEE ON THE PROPOSAL**

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**December 20, 2024**

## I. INTRODUCTION

1. This supplemental report (the “**Supplemental Report**”) has been prepared to provide creditors of Good Buds Company Inc. (the “**Company**”) with the necessary information to evaluate the New Proposal filed by the Company on December 20, 2024 (the “**New Proposal**”) and to present the recommendation of the Proposal Trustee (defined below) that creditors vote in favor of the New Proposal. Creditors are strongly encouraged to read both the New Proposal and this Supplemental Report in full.
2. This Supplemental Report should be reviewed alongside the Proposal Trustee’s Report to Creditors (the “**Report**”) dated July 2, 2024, and the Original Proposal (the “**Original Proposal**”) dated June 28, 2024. Copies of the Report and the Original Proposal are included as **Appendix “A”** and **Appendix “B,”** respectively. This Supplemental Report provides, among other things, detailed information regarding:
  - a. activities of the Company during the Proposal Proceedings;
  - b. activities of the Proposal Trustee during the Proposal Proceedings;
  - c. proposal Trustee’s monitoring of cash flows;
  - d. New Proposal to creditors;
  - e. estimated realization and distribution
  - f. recommendation of the Proposal Trustee; and,
  - g. voting procedures and other information
3. On March 6, 2024 (the “**Filing Date**”), the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the “**BIA**”) and commenced these proceedings (the “**Proposal Proceedings**”) in the Supreme Court of British Columbia, in Bankruptcy and Insolvency (the “**Court**”). Crowe MacKay & Company Ltd. consented to act as Trustee under the Proposal (“**CMCO**” or the “**Proposal Trustee**”).
4. A copy of the Certificate of Filing of the NOI can be found on the Proposal Trustee’s website at <https://crowemackayco.ca/project/good-buds-company-inc/> (the “**Proposal Trustee’s Website**”).
5. Pursuant to section 50.4(8) of the BIA, the automatic stay of proceedings (the “**Stay**”) which applies upon the filing of the NOI would have expired on April 5, 2024 if not extended. The Stay was extended twice by court orders pronounced on April 4, 2024 and May 17, 2024. The last Stay expired on July 4, 2024. Copies of the orders along with all other pleadings can be found on the Proposal Trustee’s Website.
6. On or about March 15, 2024 the Company, with the assistance of the Proposal Trustee, prepared and filed with the Office of the Superintendent of Bankruptcy (the “**OSB**”) a 13-week cash flow for the period ending May 31, 2024. The Company, with the assistance of the Proposal Trustee, prepared and filed with the OSB a further three (3) 13-week cash flow for the period ending August 2, 2024, November 1, 2024, and January 31, 2025

respectively (collectively the “**Cash Flow Projections**”) Attached as **Appendix “C”** are copies of the Cash Flow Projections for the Company.

7. On June 28, 2024, the Company filed the Original Proposal, and the Proposal Trustee filed the Report dated July 2, 2024. The meeting of creditors was scheduled to be held on July 17, 2024 to consider the Original Proposal (the “**MOC**”).
8. On or about July 17, 2024, the MOC was held and the Original Proposal was put forward to a vote. Ultimately, the Original Proposal was not supported by the requisite majority in number of proven creditors holding at least two-thirds in value of the proven claims and accordingly the Company was deemed to have made an assignment into bankruptcy that same day.
9. On or about July 18, 2024, the Company’s legal counsel, McMillan LLP (“**McMillan**”), filed an application to temporarily stay the deemed assignment into bankruptcy as a result of the aforesaid vote by the proven creditors (the “**Temporary Stay**”). The Court granted the Temporary Stay on the same day. Attached as **Appendix “D”** is a copy of the Entered Order for the Temporary Stay dated July 18, 2024.
10. After certain negotiations between the Company, its legal counsel, and the Company’s largest unsecured creditor, the Canada Revenue Agency (“**CRA**”), the Company filed the New Proposal on December 20, 2024.
11. The Company has informed the Proposal Trustee that, upon creditor approval of the New Proposal, it intends to seek a court order to approve the New Proposal, set aside the Temporary Stay and annul the Company's bankruptcy.

## **II. TERMS OF REFERENCE**

12. In preparing this Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company’s books and records, and discussions with management of the Company, namely Mr. Eugene Migus, CPA, CA, CIRP and Mr. Eric Tyler Rumi (“**Management**”) (collectively, the “**Information**”).
13. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this Report, or otherwise used to prepare this Report.
14. Certain of the information referred to in this Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are

cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

**III. ACTIVITIES OF THE COMPANY DURING THE PROPOSAL PROCEEDINGS**

15. Since the Filing Date, the Company has, among other things:

- a. stabilized and continued the operations of the Company;
- b. reviewed its operations to identify ways to reduce the Company's operating expenses;
- c. ensured the Company remained current with its statutory filing requirements;
- d. worked with the Proposal Trustee to monitor cash flows on a weekly basis and prepare cash flow projections along with related assumptions;
- e. had various correspondence with CRA regarding the excise tax arrears, the Proposal, and the New Proposal; and
- f. worked with its legal counsel and the Proposal Trustee to develop the Proposal, and the New Proposal.

**IV. ACTIVITIES OF THE PROPOSAL TRUSTEE DURING THE PROPOSAL PROCEEDINGS**

16. Since the Filing Date, the Proposal Trustee has, among other things:

- a. on about March 7, 2024, mailed out the initial notice to all known creditors and employees with claims greater than \$250 notifying them of the Proposal Proceedings pursuant to section 50.4(6) of the BIA;
- b. assisted the Company with preparing the Cash Flow Projections which, along with assumptions, was filed with the OSB.
- c. prepared the First Report to Court in support of the Company's applications for, among other things, the extensions to the deadline to file a Proposal;
- d. prepared the Second Report to Court in support of the Company's applications for, among other things, the extensions to the deadline to file a Proposal;
- e. participated in numerous and extensive discussions, meetings, and phone calls with Management and counsel for the Company in relation to, among other things, the Company's ongoing activities, restructuring plan and estimated recoveries in a proposal versus a liquidation scenario;

- f. monitored the affairs and cash flows of the Company on a weekly basis;
- g. assisted the Company with the preparation of a variance analysis with respect to its actual and projected cash flows;
- h. engaged in discussions and dealings with creditors and other stakeholders of the Company with respect to the Proposal Proceedings;
- i. investigated the financial position of the Company;
- j. reviewed the Proposal and the New Proposal as prepared by the Company and its counsel and participated in discussions with respect to same;
- k. prepared the Report to creditors, and;
- l. Prepared this Supplemental Report to Creditors.

**V. PROPOSAL TRUSTEE'S MONITORING OF CASH FLOWS**

17. The Proposal Trustee is required to monitor the Company's business and financial affairs following the NOI up to the date the Proposal is approved by the creditors and the Court and advise the creditors of any material adverse changes in the projected cash flow or its financial affairs. The Proposal Trustee asked Management to provide weekly reports on its financial performance. Management provided the Proposal Trustee with weekly cash flow reports representing its actual results for the period of March 6, 2024 to November 29, 2024 (the "**Actual Cash Flows**") along with other documents in support of same. Below is a summary of the variance from the cash flow projections as prepared and filed by the Company to the Actual Cash Flows:

*[See Next Page]*

For the period of March 6, 2024 to Nov 29, 2024	Total Projected	Total Actual	Variance (\$)	Variance (%)
<b>RECEIPTS</b>				
Customer receipts	3,607,723.48	5,175,617.57	1,567,894.09	43%
Other receipts	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>3,607,723.48</b>	<b>5,175,617.57</b>	<b>1,567,894.09</b>	<b>43%</b>
<b>DISBURSEMENTS</b>				
Bank charges and debt servicing	93,828.69	88,500.96	5,327.73	6%
Excise duty	1,020,724.94	1,385,311.29	(364,586.35)	-36%
GST	61,080.49	69,924.00	(8,843.51)	-14%
Hydro	86,781.32	68,568.00	18,213.32	21%
Insurance	139,897.78	144,166.00	(4,268.22)	-3%
Payroll	1,257,376.36	1,258,510.31	(1,133.95)	0%
Property Tax	46,000.00	61,315.57	(15,315.57)	0%
Proposal/NOI costs	258,570.00	202,896.00	55,674.00	22%
Supplier payments	1,499,500.41	1,417,933.08	81,567.33	5%
Subtotal	4,463,759.99	4,697,125.21	(233,365.22)	-5%
Paid by credit card	(265,644.54)	(412,776.00)	147,131.46	55%
Payments against credit card	241,902.74	399,296.36	(157,393.62)	-65%
<b>TOTAL DISBURSEMENTS</b>	<b>4,440,018.19</b>	<b>4,683,645.57</b>	<b>(243,627.38)</b>	<b>-5%</b>
<b>NET CHANGE</b>	<b>(832,294.71)</b>	<b>491,972.00</b>	<b>1,811,521.47</b>	<b>218%</b>
Cash, beginning	5,079.00	5,079.00		
Cashflow Adjustment (Budget Only)	1,284,047.16			
<b>Cash, ending</b>	<b>456,831.45</b>	<b>497,051.00</b>	<b>40,219.55</b>	<b>9%</b>

18. Overall, the Proposal Trustee did not identify any material adverse changes based on its review of the cash flow projection, weekly cash flow reports and other banking/accounting documentation. That said, the Proposal Trustee notes the following non-material and/or non-adverse variances from the Initial Cash Flow Projection:

- a. the Company collected \$1.567M (43%) more in customer receipts than projected due to increased sales;
- b. excise duties of \$1,385,311.29 were paid. The projected cashflows had an expected outflow of \$1,020,724.94 during the Variance Analysis period. The increase in the excise tax is due to higher than projected customer receipts;
- c. cash outflows relating to supplier payments were \$81,567.33 (5%) less than projected, largely as a result of timing differences on payments;

## VI. NEW PROPOSAL TO CREDITORS

19. As discussed previously, on June 28, 2024, the Company filed its Original Proposal to creditors. Subsequently, on December 20, 2024, the Company filed a New Proposal. The New Proposal retains terms similar to the Original Proposal, including a cash distribution

of 100% of proven claims for unsecured creditors up to a maximum of \$2,500, with 10% of the remaining balance of proven claims proposed for distribution.

The major differences between the terms of the Original Proposal and the New Proposal are the additional provisions included in Article 10 of the New Proposal, which are as follows:

- a. The failure of the Company to satisfy the financial security requirements of the Excise License, by way of cash held by the CRA as security or by way of surety bond, and/or any fee requirements under the Cannabis Fees Order, shall constitute a default under the New Proposal. The Company shall notify the Proposal Trustee of any such failure, or any material change in the status of its surety bond or with respect to the Cannabis License and/or Cannabis Fees Order. The Company shall have 30 days to remedy the default in accordance with section 62.1 of the BIA and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the BIA.
- b. The failure of the Company to remit any amounts when due to the federal Crown, including any and all amounts due and owing under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, *Canada Pension Plan*, and/or the *Excise Act, 2001*, and the Cannabis Fees Order shall constitute a default under the New Proposal and entitle the federal Crown to notify the Proposal Trustee of such default. Upon notice of such default being provided to the Proposal Trustee and the Company, the Company shall have 30 days to remedy the default in accordance with section 62.1 of the BIA and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the BIA
- c. The Company shall file all appropriate tax returns, when due, and as required under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, and *Canada Pension Plan*.
- d. The Company shall file the Statement of Cannabis Revenue with Health Canada when due as required under the Cannabis Fees Order.
- e. The Company shall pay all of the Proposal Trustee's reasonable fees when due until the New Proposal has been successfully implemented and shall maintain the \$50,000 retainer held by the Proposal Trustee until the Cash Distribution Fund has been fully satisfied in accordance with section 4.1 of the New Proposal.

## **VII. ESTIMATED REALIZATION AND DISTRIBUTION**

20. In order for the Proposal to be considered approved by the creditors, it must be approved by a majority in number of creditors holding at least two-thirds in value who vote at the



creditor's meeting in person, by proxy or by voting letter. The New Proposal must also be approved by the Court which will consider, among other things, whether the New Proposal is calculated to benefit the general body of creditors. The Courts generally approve proposals that have been approved by the creditors.

21. If the New Proposal is not approved by the required majority of creditors or the court, the Company will be deemed to have made an assignment in bankruptcy as of the Filing Date.
22. As outlined in the Report, in a bankruptcy scenario, it is estimated that unsecured creditors would receive no recovery due to a shortfall to the secured creditors. Management has confirmed that circumstances have not significantly changed between the date of the Report and the date of this Supplementary Report.
23. Alternatively, under the New Proposal, the Company is proposing to pay approximately 11% of the proven claims of the proven unsecured creditors. Creditors with a proven claim of \$2,500 or less will be paid in full, net of the Superintendent's levy. It is therefore estimated that this will result in a greater recovery to the unsecured creditors as opposed to a bankruptcy.

#### **VIII. RECOMMENDATION OF THE PROPOSAL TRUSTEE**

24. It is the duty of the Proposal Trustee to inform the creditors in an independent and objective manner as to the merits of the New Proposal. Further, the Proposal Trustee is required to state whether or not, in its opinion, the New Proposal provides an advantage to the general body of creditors as compared to bankruptcy.
25. Accordingly, the Proposal Trustee recommends that the unsecured creditors accept this New Proposal for the following reasons:
  - a. the unsecured creditors are not expected to receive any recovery of their claims in the event of a bankruptcy;
  - b. the New Proposal relies on future events and the Company's ability to generate sufficient cash flows to fund the Cash Distribution Fund, and accordingly is not a certainty. However, if successful, the New Proposal offers to pay approximately 11% of the proven claims of unsecured creditors. This would provide a greater recovery to the unsecured creditors as compared to a bankruptcy;
  - c. the New Proposal will allow for the Company to continue operations while also preserving existing relationships with stakeholders including suppliers, employees and other parties. This may provide for ongoing opportunities for suppliers, employees and other stakeholders to participate in the Company's future growth as it continues to contribute to the economy in a positive manner;
  - d. The Company has shown an ability to operate in a manner in which it could pay all of its post-filing obligations during the monitoring period, and;

- e. should the New Proposal not be accepted, the Company will be deemed bankrupt. This will result in, among other things, the immediate closure of the business, liquidation of any personal property and termination of all 29 employees along with service contracts.

## IX. VOTING PROCEDURES AND OTHER INFORMATION

- 26. A meeting of creditors (the “**Meeting**”) will take place at 10:00AM (Pacific) on January 14, 2025 for the purpose of voting on the Proposal.
- 27. The Meeting will be held virtually. For the meeting login details, please send an email to [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca) for an invitation to the meeting.
- 28. To be approved, a proposal must receive affirmative votes from creditors having a two-thirds majority of “dollars” voted (each \$1 of claim is entitled to 1 vote) and by a majority of the number of proven creditors voting in the Affected Creditor class (the “**Affected Creditor**”) as defined in the New Proposal.
- 29. Along with this Supplemental Report, the Proposal Trustee mailed a copy of the New Proposal, a condensed statement of affairs, a notice of the meeting of creditors, a form of Proof of Claim, Proxy, and Voting Letter.
- 30. In order to be eligible to vote on the New Proposal creditors must have filed a Proof of Claim with the Proposal Trustee prior to the appointed meeting time. In order to be accepted by the Proposal Trustee, Proofs of Claim must be properly completed, signed and provide evidence (i.e. invoices, agreements and/or statements of account) in support of their claim. The Proposal Trustee will reject any deficient Proofs of Claim.
- 31. Votes can be cast in person at the Meeting, by proxy or by voting letter. A corporation can only vote by voting letter or through an individual holding a valid proxy. Creditors are encouraged to submit their Proofs of Claim and voting letters to the Proposal Trustee in advance of the Meeting date to assist the Proposal Trustee in getting their claims and votes duly registered.
- 32. **Any creditors who have already submitted a Proof of Claim and a voting letter related to the Original Proposal are NOT required to resubmit these documents for the New Proposal unless they wish to withdraw or amend their vote.**
- 33. If creditors do not vote to approve the New Proposal in sufficient number and dollar value, the Company is deemed bankrupt.
- 34. If approved by creditors, the New Proposal must then be approved by the Court. Refusal by the Court to approve the New Proposal will also result in a deemed bankruptcy. However, based on our experience, it is unlikely a court would refuse to approve the New Proposal if approved by the creditors.

35. As previously discussed, if the New Proposal is approved by creditors, the Company will seek an order from the Court to annul the deemed assignment of bankruptcy.
36. Electronic submissions are acceptable. You may fax the above documents to the attention of Mr. Tetsu Takagaki at Crowe MacKay & Company Ltd. (facsimile 604-687-5617 or by e-mail to [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca)). It is not necessary to mail original copies to the Proposal Trustee.
37. If accepted by the creditors and approved by the Court, the New Proposal becomes binding on all Affected Creditors whether they voted for or against the New Proposal.

DATED AT the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> of December, 2024.

**Crowe MacKay & Company Ltd.**

in its capacity as Licensed Insolvency Trustee of the Proposal of  
Good Buds Company Inc. and not in its personal capacity

Per:



Mr. Jonathan McNair CPA, CA, CIRP, LIT  
(Chartered Insolvency & Restructuring Professional)

*Encl.*

Province: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.  
OF THE CITY OF VANCOUVER, PROVINCE OF BRITISH COLUMBIA**

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**CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE**

**PROPOSAL TRUSTEE'S REPORT ON THE PROPOSAL**

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**July 2, 2024**

## I. INTRODUCTION

1. This report (the "**Report**") has been prepared to provide the creditors of Good Buds Company Inc. (the "**Company**") with information necessary to evaluate the Proposal filed by the Company on June 28, 2024 (the "**Proposal**"), and the recommendation of the Proposal Trustee (defined below) that creditors vote in favor of the Proposal. Parties are encouraged to read the Proposal and this Report in its entirety. This report includes, among other things, information regarding:
  - a. Company background and financial position;
  - b. activities of the Company during the Proposal Proceedings;
  - c. activities of the Proposal Trustee during the Proposal Proceedings;
  - d. summary of assets and liabilities;
  - e. Proposal Trustee's monitoring of cash flows;
  - f. review of the Company's books and records;
  - g. proposal to creditors;
  - h. statement of estimated realization and distribution;
  - i. recommendation of the Proposal Trustee; and,
  - j. voting procedures and other information
2. On March 6, 2024 (the "**Filing Date**"), the Company filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") and commenced these proceedings (the "**Proposal Proceedings**") in the Supreme Court of British Columbia, in Bankruptcy and Insolvency (the "**Court**"). Crowe MacKay & Company Ltd. consented to act as Trustee under the Proposal ("**CMCO**" or the "**Proposal Trustee**").
3. A copy of the Certificate of Filing of the NOI can be found on the Proposal Trustee's website at <https://www.crowemackayco.ca/recent-engagements> (the "**Proposal Trustee's Website**").
4. Pursuant to section 50.4(8) of the BIA, the automatic stay of proceedings (the "**Stay**") which applies upon the filing of the NOI would have expired on April 5, 2024 if not extended. The Stay was extended twice by court orders pronounced on April 4, 2024 and May 17, 2024. The current Stay expires on July 4, 2024. Copies of the orders along with all other pleadings can be found on the Proposal Trustee's Website.
5. On or about March 15, 2024 the Company, with the assistance of the Proposal Trustee, prepared and filed with the Office of the Superintendent of Bankruptcy (the "**OSB**") a 13-week cash flow for the period ending May 31, 2024 (the "**Initial Cash Flow Projection**"). Attached as **Appendix "A"** is a copy of the Initial Cash Flow Projections for the Company.
6. On or about May 7, 2024, the Company, with the assistance of the Proposal Trustee, prepared and filed an updated 13-week cash flow projection for the period ending August 02, 2024 (the "**Updated Cash Flow Projection**") with the OSB. Attached as **Appendix "B"** is a copy of the Updated Cash Flow Projection.

7. On June 28, 2024, the Company filed a Proposal to its creditors. Attached as **Appendix "C"** and **"D"** is the Certificate of Filing of a Proposal from the OSB and Proposal respectively.

## **II. TERMS OF REFERENCE**

8. In preparing this Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company's books and records, and discussions with management of the Company, namely Mr. Eugene Migus, CPA, CA, CIRP and Mr. Eric Tyler Rumi ("**Management**") (collectively, the "**Information**").
9. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this Report, or otherwise used to prepare this Report.
10. Certain of the information referred to in this Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

## **III. COMPANY BACKGROUND AND FINANCIAL POSITION**

11. The Company was incorporated in the province of British Columbia on January 6, 2017. GBCI operates an organic cannabis farm on Salt Spring Island, British Columbia as part of a vertically integrated cannabis operation which produces, markets and sells various high-quality cannabis products. GBCI grows cannabis in both indoor and outdoor growing space at its farm on Salt Spring Island.
12. GBCI holds a federal license (the "**Cannabis License**") issued by Health Canada related to the cultivation, processing and sale of cannabis and cannabis related products in Canada. GBCI's Cannabis License is valid to May 13, 2027.
13. GBCI also holds license issued by CRA pursuant to the Excise Act, 2001 (the "**Excise License**") which is valid to April 30, 2027.
14. Mr. Eric Tyler Rumi is the Company's sole director.
15. Management has identified several issues that have led to GBCI's insolvency issues. In summary these issues include but are not necessarily limited to:

- a. High tax and regulatory costs and, in particular, the method that the federal government uses to apply excise taxes to the Licensed Producers in Canada, such as GBCI
  - b. Current oversupply of industry capacity / production resulting in substantial competition which has put downward pressure on sale prices;
  - c. Entrenched black market continuing to compete with the new legal cannabis market;
  - d. Provincial wholesale monopolies charging additional mark-ups and fees;
  - e. Significant start up challenges related to being in a new, highly regulated and capital-intensive industry;
  - f. Limited banking options and difficulty obtaining financing.
16. Presently, Canada's excise taxes on dried cannabis stand at \$1 per gram or 10% of the value of the gram; whichever is greater. It is apparent that the \$1 per gram calculation was based on an idealized value of a dried gram being \$10. However, the current oversupply of cannabis in the market has resulted in the value of a dried gram of cannabis being reduced to \$3.50 or less. Accordingly, at \$1/gram (per the above "greater of" calculation) the excise tax amounts to a levy of 29% or more.
17. To summarize the above, GBCI is involved in a new, highly regulated and competitive industry which requires substantial and ongoing capital and operating expenditures in order to grow and acquire market share at the same time that it is incurring substantial cash outflows, or otherwise accruing substantial liabilities, related to the excise tax and regulatory regimes.
18. Indeed, GBCI is not alone in these issues. The Proposal Trustee's research indicates that of Canada's approximately 300 Licensed Cannabis Producers, approximately 70% are in arrears to the Canada Revenue Agency ("**CRA**") for excise taxes. As at December 2023, the excise tax arrears owing by Canada's Licensed Producers to CRA was \$273M; an increase of approximately 72% from the same period prior year.
19. GBCI owes approximately \$3.3M in excise tax arrears (the "**Excise Tax Arrears**") to the CRA.
20. It is apparent that the Canadian Federal Government recognizes the above structural issues facing the cannabis industry. Research indicates that Canada's House of Commons Standing Committee on Finance has recommended a change in how cannabis is taxed. The suggested tax change would see the excise tax rate changed from the current method of calculation (discussed above) to a "10% ad valorem" charge based on the wholesale selling price of cannabis. Management has indicated that they welcome this potential change which would greatly improve liquidity.

21. At the same time, CRA has started to take more aggressive collection action to collect the ever-increasing excise tax arrears by issuing Requirements to Pay ("**RTP**") to the various provincial government owned wholesalers. This, of course, has further exacerbated liquidity issues facing the Licensed Producers.
22. Management advised the Proposal Trustee that two of its main customers, the British Columbia Liquor Distribution Branch (the "**BCLDB**") and the Alberta Gaming, Liquor and Cannabis (the "**AGLC**") had received RTP's from CRA pursuant to the Excise Tax Arrears. The RTP's required the BCLDB and the AGLC to garnish the payments made to the Company at a rate of 30% which further negatively affected the Company's liquidity. The RTP's were stayed upon the filing of the NOI and the full amounts are being remitted to the Company during the Initial Stay Period.
23. Accordingly, Management determined that the Company was insolvent, faced an impending liquidity crisis, and was unable to meet its obligations as they generally became due. On or around February 29, 2024, the directors passed a resolution to file the NOI under Form 33 pursuant to section 50.4(1) of the BIA, with CMCO acting as Proposal Trustee.

#### **IV. ACTIVITIES OF THE COMPANY DURING THE PROPOSAL PROCEEDINGS**

24. Since the Filing Date, the Company has, among other things:
  - a. stabilized and continued the operations of the Company;
  - b. reviewed its operations to identify ways to reduce the Company's operating expenses;
  - c. ensured the Company remained current with its statutory filing requirements;
  - d. worked with the Proposal Trustee to monitor cash flows on a weekly basis and prepare cash flow projections along with related assumptions;
  - e. had various correspondence with CRA regarding the excise tax arrears, and the Proposal; and,
  - f. worked with its legal counsel and the Proposal Trustee to develop the Proposal.

#### **V. ACTIVITIES OF THE PROPOSAL TRUSTEE DURING THE PROPOSAL PROCEEDINGS**

25. Since the Filing Date, the Proposal Trustee has, among other things:
  - a. on about March 7, 2024, mailed out the initial notice to all known creditors and employees with claims greater than \$250 notifying them of the Proposal Proceedings pursuant to section 50.4(6) of the BIA;



- b. assisted the Company with preparing the Initial Cash Flow Projection which, along with assumptions, was filed with the OSB on March 15, 2024 in accordance with section 50.4(2) of the BIA;
- c. prepared the First Report to Court in support of the Company's applications for, among other things, the extensions to the deadline to file a Proposal;
- d. prepared the Second Report to Court in support of the Company's applications for, among other things, the extensions to the deadline to file a Proposal;
- e. participated in numerous and extensive discussions, meetings, and phone calls with Management and counsel for the Company in relation to, among other things, the Company's ongoing activities, restructuring plan and estimated recoveries in a proposal versus a liquidation scenario;
- f. monitored the affairs and cash flows of the Company on a weekly basis;
- g. assisted the Company with the preparation of a variance analysis with respect to its actual and projected cash flows;
- h. engaged in discussions and dealings with creditors and other stakeholders of the Company with respect to the Proposal Proceedings;
- i. investigated the financial position of the Company;
- j. reviewed the Proposal prepared by the Company and its counsel and participated in discussions with respect to same; and
- k. prepared this Report to creditors.

## **VI. SUMMARY OF THE COMPANY'S ASSETS AND LIABILITIES**

### **ASSETS**

26. If the Proposal is not supported by the requisite majority of creditors and approved by the Court, the Company will be deemed to have made an assignment in bankruptcy. To assist the creditors in assessing the Proposal, the Proposal Trustee, with the assistance of Management, has, to the extent possible based on available records, included estimated realizable values of the Company's assets in the event of a bankruptcy and forced liquidation.
27. Below is a summary of the Company's assets as at April 30, 2024 prepared based on information provided by Management. As mentioned above, readers are cautioned that since the accounting records are unaudited, the figures may vary from actual.

<b>Assets as of April 30, 2024</b>	<b>Cost</b>	<b>Estimated Realizable Value</b>
Cash	\$ 326,346	\$ 163,000
Accounts receivable	245,015	145,000
Inventory	809,986	385,000
Biological assets	346,355	-
Income taxes recoverable	95,950	-
Prepaid expenses	148,404	-
Property, plant & equipment	4,841,190	3,012,000
Total Assets	\$6,813,246	\$ 3,705,000

**Cash**

28. As at June 7, 2024, the Company had cash on hand of \$457,552 as compared to a projected cash balance of \$200,418 for a positive variance of \$257,134. As the Company has no lines of credit, it relies on the cash to fund its operations. The Company's bi-weekly payroll is between \$65,000 to \$68,000.
29. In the event of a bankruptcy, any remaining cash on hand is subject to the interests of the secured creditors.

**Trade Accounts Receivable**

30. The Company's accounts receivable as at April 30, 2024 had a net book value of approximately \$245,015. Management advised that this balance is largely owing from AGLC and BCLDB, and is generally considered collectable.
31. In the Trustee's experience, in the event of a bankruptcy, the collection of accounts receivable can be challenging. Accordingly, in the event of a bankruptcy, it is estimated that that accounts receivable realizations would range from \$nil and \$245,015. Management has estimated accounts receivable collections of \$145,000. Funds realized from the collection of accounts receivable are subject to the rights of the secured creditors.

**Inventory and Biological Assets**

32. Inventory consists of packaged, bulk and in-process cannabis and cannabis products, and non-cannabis materials and supplies. Biological assets consist of seeds and live cannabis plants.
33. Management estimates that inventory would provide an expected realization of \$385,000. However, in the event of bankruptcy wherein the Cannabis and Excise Licenses held by the Company pursuant to the *Cannabis Act and the Excise Act*, respectively, would likely expire, it is unlikely that the cannabis inventory and other biological assets could be legally sold or realized. In any event, the realization from the inventory and other biological assets would be subject to the rights of the secured creditors.

34. If the Company is able to successfully continue operations as a going concern via a successful proposal, this would preserve the value of the cannabis inventory and biological assets for the benefit of all stakeholders and could result in payments being made to the Company's unsecured creditor's including CRA.

***Income Taxes Recoverable***

35. Management advised that as at April 30, 2024, the Company had income tax receivables with a balance of \$95,950. In the event of a bankruptcy, CRA would apply any credit balances against its outstanding liabilities. Therefore, there is no expected realizable value to the general body of unsecured creditors in the event of a bankruptcy.

***Prepaid Expenses***

36. Management advised that as at April 30, 2024, the Company had prepaid expenses with a balance of \$148,404 which consist of the following:

Intact Insurance Cash deposit for surety bond for excise duty	\$60,000
CMCO retainer for Proposal	50,000
Company's Legal Counsel Retainer	25,000
Other miscellaneous	<u>13,404</u>
Total	\$148,404

37. Management estimates that there would be no recoveries from the prepaid expenses in the event of a bankruptcy.

***Property, Plant and Equipment***

38. Property, plant and equipment consist of land, building, improvements including green house building, growing and processing equipment, and security system. The realizable value of Property, plant & equipment is estimated as follows:

<b>Property, Plant and Equipment</b>	<b>Net Book Value</b>	<b>Realizable Value</b>
Land and Building	\$ 4,816,716	\$ 2,710,000
Equipment and other	24,474	<u>302,000</u>
Total	\$ 4,841,190	\$ 3,012,000

39. On April 12, 2024, the Company had an appraisal report of the property completed by Cunningham & Rivard Appraisal Ltd. ("**Cunningham**"). The market value of the property was estimated to be \$2,710,000 on the basis of forced liquidation purposes. A copy of the appraisal is attached hereto as Appendix "E".

40. Equipment and other consist mainly of furniture and fixtures, growing equipment, processing equipment, computer equipment, farm equipment, vehicles, software, elevator, shipping container, and trailers.
41. Amounts realized from the sale of the above are subject to the rights of the secured creditors.

**Other Assets**

42. The Proposal Trustee is not aware of any other assets owned by the Company.

**LIABILITIES**

**Deemed Trust Claims & Secured Creditors**

43. Based on the Statement of Affairs filed with the Proposal, the Company has secured creditors with claims as follows:

<b>Secured Creditor</b>	<b>Net Book Value</b>	
	<b>Low</b>	<b>High</b>
Property Tax	\$ 41,000	\$ 41,000
Employees (Section 81.3)	32,000	32,000
Farm Credit Canada	2,260,392	2,260,392
Rumi Family Creditors (see discussion below)	7,134,259	10,500,071
Total	\$9,467,651	\$12,833,463

44. As of June 28, 2024, Management advised that the Company is current on its Employee Source Deductions / payroll remittances ("**ESD**"). CRA is entitled to a deemed trust claim for the employee portion of ESD which ranks in priority to all creditors. The Proposal Trustee is not aware of any creditor who may hold a deemed trust claim against the Company.
45. Management estimates that there will be a property tax liability of \$41,000 to be incurred during the 2024 year. Property tax liability constitutes a secured lien against the property and would be paid as a priority claim from the eventual proceeds from the disposition of the real property.
46. In the event of a bankruptcy, employees' claims for wages and vacation due within 6-months of the date of bankruptcy plus severance receive an elevated priority to a maximum of \$8,507.66 (2024 limit) pursuant to the *Wage Earner Protection Program Act*. Service Canada would then be entitled to a subrogated secured claim against the current assets of the Company pursuant to Section 81.3 of the BIA for the wages and vacation paid to the employees to a maximum of \$2,000 per employee. The current assets include the cash on hand and accounts receivable. The Proposal Trustee understands there are 29 employees currently employed at the Company. Management advises that the

Company is current on its payments to its employees. That said, a \$32,000 secured claim relating to employee wages has been included in the Estimated Realization Schedule (defined below) for conservative purposes.

47. Farm Credit Canada (“**FCC**”) has a first in time security registration under the British Columbia Personal Property Security Registry (“**PPSR**”) against all present and after-acquired property of the Company. Any balance owing to FCC would be paid in priority to all other preferred and unsecured creditors.
  
48. Various members of the Rumi family including: Eric Tyler Rumi, Eric Maurice Rumi, Suzanne Edith Rumi, Lucas Alexander Rumi, as well as other Rumi family entities called 907282 Ontario Inc. and Good Buds Company International Inc. (collectively the “**Rumi Family Creditors**”) have advanced funds in numerous tranches over the years and assert security for those advances. Indeed, Management advises that they sought and received legal assistance in this regard. Based on the Trustee’s review of the PPSR, it is apparent that the Rumi Family Creditors, with the possible exception of Good Buds Company International Inc., have duly registered security interests in the PPSR. Management asserts that Good Buds Company International Inc. has a cross collateralized interest as well. The Trustee has not obtained an independent legal opinion as to the validity and enforceability of the security held by the Rumi Family Creditors. However, based on security agreements provided by the Rumi Family Creditors and registrations in the PPSR, the Trustee understands that the Rumi Family Creditors, with the possible exception of Good Buds Company International Inc. hold secured claims that are believed to be valid and enforceable as against a trustee in bankruptcy. For clarity, the Rumi Family Creditors are subordinate to FCC.
  
49. Based on the above, as well as recently updated accounting provided by Management, the Trustee believes that the Rumi Family Creditors may hold potential secured charges ranging from \$7,134,259 to \$10,500,071. When including FCC, the total potential secured debt is \$12,760,461 as more fully detailed in the table below:

UPDATED BALANCES - RECAP BY LENDER						
RUMI Alex	RUMI Eric and Sue	RUMI Tyler	902782 Ontario	FCC	GBCII	TOTAL
485,515	4,975,334	148,813	1,524,597	2,260,392	3,365,812	12,760,463

50. Based on the above, in the event of a bankruptcy, it is expected that the Rumi Family Creditors would experience a shortfall on their security.
  
51. In order to improve the distribution to the unsecured creditors in this Proposal, the Rumi Family Creditors have agreed that they will not file an unsecured claim related to any

estimated shortfall from their security and accordingly will not participate in any distribution to be made to unsecured creditors in this Proposal.

***Preferred Creditors***

52. Other than potential preferred claims of the employees, the Proposal Trustee is not aware of any other parties who may hold a preferred claim pursuant to Section 136 of the BIA.

***Unsecured Creditors***

53. Based on the Company's Statement of Affairs dated June 28, 2024, the Company was indebted to 33 unsecured creditors with claims totaling \$3,834,629. This includes certain unsecured "Crown Claims" for GST and the Excise Tax of \$3,364,172.

**VII. PROPOSAL TRUSTEE'S MONITORING OF CASH FLOWS**

54. The Proposal Trustee is required to monitor the Company's business and financial affairs following the NOI up to the date the Proposal is approved by the creditors and the Court and advise the creditors of any material adverse changes in the projected cash flow or its financial affairs. The Proposal Trustee asked Management to provide weekly reports on its financial performance. Management provided the Proposal Trustee with weekly cash flow reports representing its actual results for the period of March 6, 2024 to June 7, 2024 (the "**Actual Cash Flows**") along with other documents in support of same. Below is a summary of the variance from the cash flow projections as prepared and filed by the Company to the Actual Cash Flows:

For the period of March 6, 2024 to June 7, 2024	Total Projected	Total Actual	Variance (\$)	Variance (%)
<b>RECEIPTS</b>				
Customer receipts	\$ 1,197,376	\$ 1,765,643	\$ 568,267	47%
Other receipts	-	-	-	
<b>TOTAL RECEIPTS</b>	<b>\$ 1,197,376</b>	<b>\$ 1,765,643</b>	<b>\$ 568,267</b>	<b>47%</b>
<b>DISBURSEMENTS</b>	-	-	\$ -	
Bank charges and debt servicing	\$ 38,052	\$ 35,873	\$ 2,179	6%
Excise duty	\$ 197,260	\$ 234,846	\$ (37,586)	-19%
GST	\$ 7,236	\$ 5,281	\$ 1,955	27%
Hydro	\$ 28,313	\$ 14,140	\$ 14,173	50%
Insurance	\$ 19,260	\$ 20,106	\$ (846)	-4%
Payroll	\$ 446,093	\$ 472,145	\$ (26,052)	-6%
Property Tax	\$ -	\$ 13,875	\$ (13,875)	0%
Proposal/NOI costs	\$ 85,000	\$ 59,114	\$ 25,886	30%
Supplier payments	\$ 523,211	\$ 456,774	\$ 66,437	13%
Subtotal	\$ 1,344,425	\$ 1,312,154	\$ 32,271	2%
Paid by credit card	\$ (77,704)	\$ (141,172)	\$ 63,468	82%
Payments against credit card	\$ 79,226	\$ 142,188	\$ (62,962)	-79%
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 1,345,947</b>	<b>\$ 1,313,170</b>	<b>\$ 32,777</b>	<b>2%</b>
<b>NET CHANGE</b>	<b>(148,571)</b>	<b>\$ 452,473</b>	<b>\$ 535,490</b>	<b>360%</b>
Cash, beginning	5,079	5,079		
Cashflow Adjustment (Budget Only)	343,910	-		
<b>Cash, ending</b>	<b>\$ 200,418</b>	<b>\$ 457,552</b>	<b>\$ 257,134</b>	<b>128%</b>

55. Overall, the Proposal Trustee did not identify any material adverse changes based on its review of the cash flow projection, weekly cash flow reports and other banking/accounting documentation. That said, the Proposal Trustee notes the following non-material and/or non-adverse variances from the Initial Cash Flow Projection:

- a. the Company collected \$568,267 (47%) more in customer receipts than projected due to increased sales;
- b. excise duties of \$234,846 were paid. The projected cashflows had an expected outflow of \$197,260 during the Variance Analysis period. The increase in the excise tax is due to higher than projected customer receipts;
- c. cash outflows relating to supplier payments were \$66,437 (13%) less than projected, largely as a result of timing differences on payments;

### VIII. REVIEW OF THE COMPANY'S BOOKS AND RECORDS

56. The Proposal Trustee is required to review the Company's accounting and banking records to identify any transactions that may be considered a fraudulent preference or a transfer at undervalue pursuant to Sections 95 and 96 of the BIA. Sections 95 to 101 of the BIA confer upon the Proposal Trustee the ability to challenge settlements, preferential transactions, transactions at undervalue. If successful, the proceeds of any such challenges would be for the benefit of the general body creditors.
57. The Proposal provides that sections 95 to 99 and 101 of the BIA will not apply with respect to the Proposal and the Company, which means that any potential recovery for preferences or transfers at undervalue are eliminated by the Proposal.
58. Notwithstanding that the Proposal provides for a release of reviewable transactions, the Proposal Trustee has reviewed the Company's accounting and banking records with a view to identifying potential preferences, transfers at undervalue, settlements or preferential transactions.
59. The Proposal Trustee conducted a review of the banking and accounting information for the period June 1, 2023 to May 31, 2024, and did not identify any material transactions that may be considered a fraudulent preference, transfer at undervalue pursuant to Section 95 and 96 of the BIA. The Trustee does not believe there would be any potential recovery for the benefit of creditors arising from Sections 95 to 101 of the BIA.

### IX. PROPOSAL TO CREDITORS

60. On June 28, 2024, the Company filed a Proposal to its creditors. A summary of the major terms of the Proposal is as follows:
- a. there shall only be one class of creditors, being the proven unsecured creditors, including CRA for GST and Excise Duty (the "**Affected Creditors**").
  - b. The Affected Creditors shall be entitled to consider and vote on the Proposal.
  - c. The Proposal Trustee shall pay from the cash distribution fund to each Affected Creditor with a proven claim a cash distribution equal to:
    - i. 100% of its Proven Claim up to a maximum of \$2,500 (the "**100% Cash Distribution**"); and,
    - ii. 10% of the remaining balance of its Proven Claim (the "**10% Cash Distribution**").
  - d. The following preferred payments shall be made before making any distributions to the creditors:



- i. Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any; and,
  - ii. All other preferred claims pursuant to sections 60(1) and 136 of the BIA.
- e. Crown Claims that are Proven Claims, if any, that relate to any amounts due which could be subject to a deemed trust under subsection 224(1.2) of the *Income Tax Act* shall be paid in their entirety, without interest, within six months after the granting of the Approval Order in accordance with the scheme of distribution set forth in the BIA;
- f. The Proposal Trustee's Costs shall be paid by the Company in the ordinary course of business;
- g. Post-filing creditors will be paid by the Company in the ordinary course of business;
- h. Secured creditors will be paid in accordance with existing agreements or in accordance with alternative arrangements to be negotiated concurrently with the filing and implementation of this Proposal;
- i. As discussed above, in the event of a successful proposal, the Rumi Family Creditors would not participate in the Proposal with respect to any amount of its claim being an unsecured claim.
- j. Following the Implementation Date, as defined in the Proposal, the Company will fund monthly payments over the next 3 months to the Proposal Trustee as it relates to the 100% Cash Distribution. Per Article 4.2 of the Proposal, these funds will be distributed within 30 days of the Cash Distribution Dates in accordance with Article 3 and Schedule "A" of the Proposal.
- k. Thereafter, the Company will continue to fund monthly payments to the Proposal Trustee as it relates to the 10% Cash Distribution for the remaining 57 months of the Proposal term. Per Article 4.2 of the Proposal, these funds will be distributed within 30 days of the Cash Distribution Dates in accordance with Article 3 and Schedule "A" of the Proposal.
- l. In order to share in any distributions under the Proposal, creditors must have filed a Proof of Claim with the Proposal Trustee on or prior to the date that is thirty (30) days from the date of issuance of the Notice to Prove Claim issued pursuant to section 149 of the BIA (the "**Claims Bar Date**"). Any person who does not file a Proof of Claim within that timeframe shall forever be barred from making a claim or sharing in any dividend hereunder.
- m. All distributions under this Proposal, shall be without interest or penalty and will be subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.

**X. STATEMENT OF ESTIMATED REALIZATION AND DISTRIBUTION**

61. In order for the Proposal to be considered approved by the creditors, it must be approved by a majority in number of creditors holding at least two-thirds in value who vote at the creditor's meeting in person, by proxy or by voting letter. The Proposal must also be approved by the Court which will consider, among other things, whether the Proposal is calculated to benefit the general body of creditors. The courts generally approve proposals that have been approved by the creditors.
62. If the Proposal is not approved by the required majority of creditors or the court, the Company will be deemed to have made an assignment in bankruptcy as of the Filing Date.
63. The Proposal Trustee, with the assistance of Management, has prepared a schedule comparing expected recoveries by the Affected Creditors in a bankruptcy and liquidation scenario vs. the amount those creditors might expect to receive under the Proposal (the "**Estimated Realization Schedule**"). Attached as **Appendix "F"** is a copy of the Estimated Realization Schedule.
64. In a bankruptcy scenario, it is estimated that there would be no recovery by Unsecured Creditors based on a shortfall to the secured creditors as more fully illustrated on **Appendix "F"**
65. Alternatively, under the Proposal, the Company is proposing to pay approximately 11% of the Proven Claims of the Affected Creditors. Creditors with a proven claim of \$2,500 or less will be paid in full, net of the Superintendent's levy. It is therefore estimated that this will result in a greater recovery to the Unsecured Creditors as opposed to a bankruptcy.

**XI. RECOMMENDATION OF THE PROPOSAL TRUSTEE**

66. It is the duty of the Proposal Trustee to inform the creditors in an independent and objective manner as to the merits of the Proposal. Further, the Proposal Trustee is required to state whether or not, in its opinion, the Proposal provides an advantage to the general body of creditors as compared to bankruptcy.
67. Accordingly, the Proposal Trustee recommends that the Unsecured Creditors accept this Proposal for the following reasons:
  - a. the Unsecured Creditors are not expected to receive any recovery of their claims in the event of a bankruptcy;
  - b. the Proposal relies on future events and the Company's ability to generate sufficient cash flows to fund the Cash Distribution Fund, and accordingly is not a certainty. However, if successful, the Proposal offers to pay approximately 11% of the Proven Claims of Affected Creditors. This would provide a greater recovery to the Unsecured Creditors as compared to a bankruptcy;

- c. the Proposal will allow for the Company to continue operations while also preserving existing relationships with stakeholders including suppliers, employees and other parties. This may provide for ongoing opportunities for suppliers, employees and other stakeholders to participate in the Company's future growth as it continues to contribute to the economy in a positive manner; and
- d. should the Proposal not be accepted, the Company will be deemed bankrupt. This will result in, among other things, the immediate closure of the business, liquidation of any personal property and termination of all 29 employees along with service contracts.

## **XII. VOTING PROCEDURES AND OTHER INFORMATION**

- 68. A meeting of creditors (the "**Meeting**") will take place at 10:00AM (Pacific) on July 17, 2024 for the purpose of voting on the Proposal.
- 69. The Meeting will be held virtually. For the meeting login details, please send an email to [sarah.sabbagh@crowemackay.ca](mailto:sarah.sabbagh@crowemackay.ca) for an invitation to the meeting.
- 70. To be approved, a proposal must receive affirmative votes from creditors having a two-thirds majority of "dollars" voted (each \$1 of claim is entitled to 1 vote) and by a majority of the number of proven creditors voting in the Affected Creditor class.
- 71. Along with this Report, the Proposal Trustee mailed a copy of the Proposal, a condensed statement of affairs, a notice of the meeting of creditors, a form of Proof of Claim, Proxy, and Voting Letter.
- 72. In order to be eligible to vote on the Proposal creditors must have filed a Proof of Claim with the Proposal Trustee prior to the appointed meeting time. In order to be accepted by the Proposal Trustee, Proofs of Claim must be properly completed, signed and provide evidence (i.e. invoices, agreements and/or statements of account) in support of their claim. The Proposal Trustee will reject any deficient Proofs of Claim.
- 73. Votes can be cast in person at the Meeting, by proxy or by voting letter. A corporation can only vote by voting letter or through an individual holding a valid proxy. Creditors are encouraged to submit their Proofs of Claim and voting letters to the Proposal Trustee in advance of the Meeting date to assist the Trustee in getting their claims and votes duly registered.
- 74. If creditors do not vote to approve the Proposal in sufficient number and dollar value, the Company is deemed bankrupt.
- 75. If approved by creditors, the Proposal must then be approved by the Court. Refusal by the Court to approve the Proposal will also result in a deemed bankruptcy. However, based on our experience, it is unlikely a court would refuse to approve the Proposal if approved by the creditors.

76. Electronic submissions are acceptable. You may fax the above documents to the attention of Ms. Sarah Sabbagh at Crowe MacKay & Company Ltd. (facsimile 604-687-5617 or by e-mail to [sarah.sabbagh@crowemackay.ca](mailto:sarah.sabbagh@crowemackay.ca)). It is not necessary to mail original copies to the Proposal Trustee.

77. If accepted by the creditors and approved by the Court, the Proposal becomes binding on all Affected Creditors whether they voted for or against the Proposal.

DATED AT the City of Vancouver, in the Province of British Columbia, this 2<sup>nd</sup> of July, 2024.

**Crowe MacKay & Company Ltd.**

in its capacity as Licensed Insolvency Trustee of the Proposal of  
Good Buds Company Inc. and not in its personal capacity

Per:

Mr. Jonathan McNair CPA, CA, CIRP, LIT  
(Chartered Insolvency & Restructuring Professional)

*Encl.*

Appendix - B

No: 11-3052361  
Province of British Columbia  
Bankruptcy Division  
Vancouver Registry

In the Supreme Court of British Columbia

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, C. B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

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**PROPOSAL TO CREDITORS**

**JUNE 28, 2024**

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## PROPOSAL TO CREDITORS

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Proposal, unless otherwise stated or the context otherwise requires:

“**Affected Claims**” means all Claims, other than Unaffected Claims.

“**Affected Creditors**” means any Creditor having an Affected Claim, but only with respect to, and to the extent of, such Affected Claim.

“**Affected Creditors Class**” means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof by Affected Creditors with Proven Claims.

“**Approval Order**” means an Order that, among other things, approves and directs the implementation of the Proposal and all actions and transactions set out herein, effective as at the Implementation Date in accordance with the terms of this Proposal.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“**Business Day**” means a day, other than a Saturday or Sunday, or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia.

“**Cannabis License**” means the Health Canada license issued to the Company related to the cultivation, processing and sale of cannabis and cannabis related products in Canada.

“**Cash Distribution**” means a cash distribution by the Proposal Trustee from the Cash Distribution Fund to Affected Creditors with a Proven Claim made in accordance with Article 3 and Schedule “A”.

“**Cash Distribution Dates**” means, subject to modifications made in accordance with Article 7, the distribution dates as set out in Schedule “A”.

“**Cash Distribution Fund**” means the fund established by the Company pursuant to and as described in Article 4.

“**Cash Distribution Fund Proceeds**” means the funds contributed to the Cash Distribution Fund in accordance with Article 4.

“**Claim**” means any right or claim of any Person against the Company which constitutes a “*claim provable in bankruptcy*” as that term is defined under the BIA, whether or not asserted in connection with any indebtedness, liability, or obligation was in existence on the Filing Date, as well as interest accrued that may accrue thereon, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including any legal, statutory, or equitable

fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, which claim is based in whole or in part on facts which existed prior to the Filing Date and for clarity, includes Crown Claims.

“**Claims Bar Date**” has the meaning ascribed to it in Article 5.1 of this Proposal.

“**Company**” means Good Buds Company Inc.

“**Conditions Precedent**” means those condition precedents to the implementation of this Proposal as defined and enumerated in Article 6.1 of this Proposal.

“**Court**” means the Supreme Court of British Columbia, in bankruptcy and insolvency.

“**Creditor**” means any Person having a Claim.

“**Crown**” means Her Majesty the Queen in right of Canada or a province.

“**Crown Claims**” means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Affected Creditor Claims, and specifically excludes any other claims of the Crown.

“**Director**” means anyone who is, or is deemed to be, a director of the Company at the Filing Date.

“**Excise License**” means the license issued by the Canada Revenue Agency to the Company pursuant to the *Excise Act, 2001*.

“**Electronic Meeting Protocol**” means the protocol for conducting the Meeting electronically, substantially in the form attached hereto as Schedule “B”.

“**Filing Date**” means March 6, 2024, the date on which the Company filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada.

“**Implementation Date**” means the date on which all Condition Precedents have been satisfied.

“**Meeting**” means the meeting of the Affected Creditors Class held in accordance with Section 51(1) of the BIA and the Electronic Meeting Protocol for the purpose of considering and, if thought fit, voting to approve this Proposal and agreeing to the compromises and arrangements constituted hereby, and includes any subsequent reconvened meeting should any meeting be adjourned.

**“Notice to Prove Claim”** means the notice made pursuant to Section 149 of the BIA to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Proposal Trustee, advising such Creditors that if their Claims are not proven within 30 days after the sending of such notice (i.e. the Claims Bar Date), the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.

**“Officers”** means, anyone who is, or is deemed to be, an officer of the Company at the Filing Date.

**“Order”** means any order of the Court made in the Proposal Proceedings.

**“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), any governmental authority, regulatory board, corporation, unincorporated association or organization, syndicate or other entity, whether or not having legal status.

**“Post-Filing Claim”** means a Claim arising from the supply of goods and services to the Company after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such Claims. Post-Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

**“Post Filing Creditor”** means a Creditor having a Post-Filing Claim.

**“Preferred Claim”** means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims.

**“Proof of Claim”** means the form of document prescribed by the BIA to be filed with the Proposal Trustee to prove the Claim of a Creditor.

**“Proposal”** means this proposal among the Company and the Affected Creditors, as from time to time amended, modified or supplements pursuant to an Order, or pursuant to an agreement among the Company and the Affected Creditors as provided for herein, or at any Meeting.

**“Proposal Proceedings”** means the proceedings under the BIA commenced under the Supreme Court of British Columbia Action No. 11-3052361 (Vancouver Registry).

**“Proposal Trustee”** means Crowe MacKay & Company Ltd. in its capacity as proposal trustee of the Company.

**“Proposal Trustee’s Costs”** means all proper fees, expenses and legal costs of the Proposal Trustee arising in any way in relation to this Proposal.

**“Proven Claim”** means a Claim which, after delivery of a Proof of Claim to the Proposal Trustee has been: (a) admitted by the Proposal Trustee in whole or in part; or (b) disallowed by the Proposal Trustee and such disallowance has been subsequently (i) resolved by agreement among the Claimant, the Company and the Proposal Trustee; or (ii) set aside in whole or in part by the Court.



Proven Claims shall not include any amounts due to a Post-Filing Creditor in respect of a Post Filing Claim and shall not include any interest for the period subsequent to the Filing Date.

“**Related Creditor**” means any Person who is a “related person” as defined under Section 4 of the BIA having a Proven Claim to the extent of their Proven Claim.

“**Released Parties**” means those persons released by the Affected Creditors, as defined and enumerated in Article 2.7(c) of the Proposal.

“**Required Majority**” means a majority in number and two thirds in value of the Voting Creditors who vote on this Proposal in accordance with the voting procedures established hereby and under the BIA.

“**Rumi Group**” includes the following individuals and entity: Eric Maurice Rumi, Suzanne E. Rumi, Eric Tyler Rumi, Lucas Alexander Rumi, 907282 Ontario Inc., and Good Buds Company International Inc.

“**Secured Claims**” means a Claim that is secured by a Security Interest, which includes Farm Credit Canada and the Rumi Group.

“**Secured Creditor**” means a Person having a Secured Claim.

“**Security Interest**” means a mortgage, hypothec, prior claim, pledge, charge, lien or other security interest on or against the assets and property of the Company or any part thereof as security for a debt due and accruing from the Company, or any negotiable instrument held as collateral security and on which the Company is only indirectly or secondarily liable.

“**Unaffected Claim**” means a Claim of an Unaffected Creditor.

“**Unaffected Creditor**” means: (a) the Post-Filing Creditors; (b) the Secured Creditors; (c) the Crown (to the extent of any Crown Claims).

“**Voting Creditors**” means all Affected Creditors in attendance at the Meeting in person or by proxy and who are entitled to vote at the Meeting. For clarity, this excludes all Related Creditors, Unaffected Creditors (to the extent of their Unaffected Claims).

## **1.2 Interpretation**

For the purposes of this Proposal:

- (a) the division of this Proposal into Articles and Sections and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define or limit the scope, extent or intent of this Proposal;
- (b) the words “hereunder”, “hereof”, and similar expressions, refer to this Proposal and not to any particular Article, Section or Schedule and references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to this Proposal;

- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words “includes” and “including”, and similar terms of inclusion shall not, unless expressly modified by the words only or solely, be construed as terms of limitation, but rather shall mean “includes without limitation”, or “including without limitation”, as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time; and
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

### **1.3 Currency**

All references to amounts of money mean the lawful currency of Canada unless otherwise expressly indicated. For purposes relating to voting on this Proposal and calculating distributions thereunder, any Claims submitted and denominated in a currency other than Canadian dollars shall be converted to Canadian dollars as at the Filing Date based on the applicable daily average exchange rate published by the Bank of Canada on the Filing Date.

### **1.4 Interest**

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

### **1.5 Date for Any Action**

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the following date that is a Business Day.

## **1.6 Schedules**

- Schedule “A”: Cash Distribution Schedule
- Schedule “B”: Electronic Meeting Protocol

## **ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL**

### **2.1 Purpose of Proposal**

The purpose of this Proposal is to enable the Company to preserve and carry on its core business.

In the event of the bankruptcy of the Company and the forced liquidation of its assets, it is very unlikely that there will be any more than nominal recovery by any Creditors other than Secured Creditors. The successful implementation of this Proposal will enable the Company to continue its business operations.

### **2.2 Overview of Proposal**

This Proposal provides for the compromise of the Affected Creditor Claims of the Affected Creditors. The Affected Creditors will receive a cash distribution in accordance with Article 3. The Cash Distribution Fund will be funded by sales revenues and/or the raising of capital by the Company. This Proposal will, as of the Implementation Date, be effective and binding on all Persons affected by the Proposal, and to whom this Proposal is made.

The alternative to this Proposal is the bankruptcy of the Company and the immediate liquidation of its assets. In a bankruptcy scenario, it is expected that it will be difficult, if not impossible, for a bankruptcy trustee to realize on the assets of the Company to such a degree that there will be a distribution to the unsecured creditors. In a bankruptcy, the Secured Creditors will be entitled to a distribution, if any, in priority to the unsecured creditors, thereby reducing the amount available for distribution to any unsecured creditors.

In the event of the bankruptcy of the Company, the Cannabis and Excise Licenses will likely be terminated. In such circumstances, it is unlikely that the Proposal Trustee or any other trustee in bankruptcy in respect of the Company would be legally authorized to realize upon the cannabis inventory held by the Company at the date of bankruptcy. The most likely outcome in such circumstances is the destruction of the cannabis with a corresponding negative impact on the chances of any distribution to unsecured creditors.

In the event that this Proposal is approved by the Required Majority, the Rumi Group has agreed to not file a Proof of Claim and waive its rights to participate in this Proposal with respect to any amount of the Claim of the Rumi Group being an unsecured claim.

Accordingly, and as will be apparent from the foregoing, this Proposal is premised on the expectation that Affected Creditors will derive a materially greater benefit from this Proposal than would result from a bankruptcy and the immediate liquidation of the Company's assets.

### **2.3 Proposal Trustee Under this Proposal**

Subject to the provisions of the BIA, the Proposal Trustee shall act as the administrator for certain purposes connected with this Proposal, including administration of the Proof of Claims process and the Meeting, as well as the distribution of the Proposal Proceeds, all in accordance with this Proposal.

### **2.4 Persons Affected by this Proposal**

This Proposal provides for, among other things, the compromise, discharge, and release of all Affected Claims against the Company. Accordingly, on the Implementation Date, this Proposal will become effective and shall be binding on the Company, the Affected Creditors and all other Persons named or referred to in, or subject to, this Proposal.

### **2.5 Unaffected Claims**

This Proposal does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under this Proposal in respect of such Claims. Nothing in this Proposal shall affect any of the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

### **2.6 Equity Claims**

Persons having equity claims or equity interests (such as those terms are defined in the BIA), shall not be entitled to receive a distribution under this Proposal or otherwise receive anything in respect of their shares or interest or be entitled to vote on this Proposal on its equity claim.

### **2.7 Release of Company, Directors and Officers and Proposal Trustee by Affected Creditors**

Upon the Company meeting its obligations to the Affected Creditors under this Proposal, each Affected Creditor hereby, and without the need for any further action, releases:

- (a) the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) the Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA.

Once the Company has met its obligations to the Affected Creditors under this Proposal, no Affected Creditor shall have any right, remedy or claim against the Proposal Trustee or the Company, and each of their respective past and present Directors and Officers, employees,

financial advisors, legal counsel, representatives and agents, (each a “Released Party”, and collectively, the “Released Parties”) for anything arising in connection with this Proposal or these Proposal Proceedings. The Released Parties shall then be fully and irrevocably released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with the Claims, as applicable, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other wilful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits.

### **ARTICLE 3 TREATMENT OF CREDITORS**

#### **3.1 Classes of Creditors**

For the purposes of considering and voting on this Proposal, there shall only be one class of creditors, being the Affected Creditors Class.

#### **3.2 Affected Creditors**

The Proposal Trustee shall pay from the Cash Distribution Fund to each Affected Creditor with a Proven Claim a Cash Distribution equal to:

- i. 100% of its Proven Claim up to a maximum of \$2,500; and
- ii. 10% of the remaining balance of its Proven Claim.

The Cash Distributions calculated under section 3.2(i) will be funded over the first three months following the Implementation Date and paid to Affected Creditors by the end of the fourth month following the Implementation Date.

The Cash Distributions calculated under section 3.2(ii) will be funded over the remaining 57-month period in the Proposal term, and paid to Affected Creditors in five instalments issued on or before the anniversary of the Implementation Date for the following five years.

#### **3.3 Unaffected Claims**

Unaffected Claims are not included under or in any way affected by this Proposal. Unaffected Claims that are not Post-Filing Claims will be paid in accordance with existing agreements between the Unaffected Creditors and the Company or in accordance with alternative arrangements to be negotiated concurrently with the filing and implementation of this Proposal.

Unaffected Claims that are Post-Filing Claims will be unaffected by this Proposal and will be paid by the Company in the ordinary course of business.

### **3.4 Crown Claims and Preferred Claims**

Crown Claims that are Proven Claims (if any) shall be paid in their entirety, without interest, within six months after the granting of the Approval Order in accordance with the scheme of distribution set forth in the BIA.

Preferred Claims that are Proven Claims (if any) shall be paid in full on or after the date that is immediately upon the Approval Order, in accordance with the scheme of distribution set forth in the BIA.

### **3.5 Proposal Trustee's Costs**

The Proposal Trustee's Costs in respect of this Proposal shall be paid by the Company in the ordinary course of business and in accordance with the agreements between the Company and the Proposal Trustee.

### **3.6 Full Satisfaction of All Affected Creditor Claims and No Other Entitlements**

All Affected Creditors shall accept the consideration set out in Article 3 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Company, or other assets and undertaking of the Company. When implementation of the Proposal is complete, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors.

## **ARTICLE 4 CASH DISTRIBUTION FUND & CASH DISTRIBUTION**

### **4.1 Cash Distribution Fund**

The Company will fund the Cash Distribution Fund by way of making monthly payments to the Proposal Trustee in respect of each of the Cash Distributions set out in Schedule "A".

The Company shall make such payments to the Proposal Trustee on dates and in a manner to be reasonably determined by the Proposal Trustee so as to enable the Proposal Trustee to facilitate Cash Distributions from the Cash Distribution Fund in accordance with this Proposal.

All amounts comprising the Cash Distribution Fund will be delivered to the Proposal Trustee, and will be held by the Proposal Trustee, in trust, pending distribution to Affected Creditors in the time and manner set out in Article 3 and Schedule "A".

## 4.2 Cash Distribution

In accordance with Article 3, the Cash Distribution Fund Proceeds shall be distributed by the Proposal Trustee as soon as practicably possible, but in any event within thirty (30) days of the Cash Distribution Dates in accordance with Article 3 and Schedule "A".

## 4.3 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Cash Distributions made by the Proposal Trustee from the Cash Distribution Fund pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice.

# ARTICLE 5 MEETING OF CREDITORS

## 5.1 Proving Claims

The procedure for dealing with the allowance, disallowance, and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with Article 3, Creditors must have filed a Proof of Claim in accordance with the BIA such that it is actually received by the Proposal Trustee in accordance with the BIA and by no later than the date that is 30 days from the date on which the Proposal Trustee delivers the Notice to Prove Claim (the "**Claims Bar Date**") pursuant to Section 149 of the BIA. The Proposal Trustee may issue the Notice to Prove Claim at its discretion anytime following the Implementation Date.

**Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before the Claims Bar Date will not be eligible for participation in the proposed distribution under this Proposal and their claims will be forever barred as against the Company.**

## 5.2 Meeting

Unless otherwise ordered by the Court, the Meeting shall be held at 10:00 a.m. (Vancouver time) on July 17, 2024, virtually, in accordance with the Electronic Meeting Protocol. For an invitation to join the meeting, please contact the Proposal Trustee at: Sarah.Sabbagh@crowemackay.ca

## 5.3 Conduct of Meeting

Unless otherwise ordered by the Court, the Meeting shall be chaired by a representative of the Office of the Superintendent in Bankruptcy, or the nominee thereof. The Meeting shall be conducted in accordance with Part III, Division I of the BIA.

The only Persons entitled to attend the Meeting are the Affected Creditors with Proven Claims, including the holders of proxies, and their legal counsel, if any, and the Directors and Officers of the Company, auditors, advisors and legal counsel of the Company, together with such

representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, legal counsel for the Proposal Trustee and such scrutineers as may be duly appointed by the chair of the Meeting. Any other person may be admitted only on invitation of the chair of the Meeting.

#### **5.4 Voting at the Meeting**

Each Voting Creditor will be entitled to vote the full amount of its Proven Claim at the Meeting. Each Voting Creditor shall have one vote for the purposes of determining a majority in number, and each Voting Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

#### **5.5 Parties Not Entitled to Vote**

Related Creditors and Unaffected Creditors, to the extent of their Unaffected Claims, shall not be entitled to vote at the Meeting.

#### **5.6 Adjournment of the Meeting**

The Meeting may be adjourned in accordance with Section 52 of the BIA. If the Meeting is adjourned, no further Proof of Claims nor proxies shall be filed with or accepted by the Proposal Trustee or the Company for the purpose of voting at any reconvening of the Meeting.

#### **5.7 Proxies and Voting Letters**

Affected Creditors with Proven Claims will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim package and will be binding upon all Affected Creditors.

### **ARTICLE 6 CONDITIONS PRECEDENT**

#### **6.1 Conditions Precedent**

The implementation of this Proposal by the Company on the Implementation Date is subject to the satisfaction by the Company of the following conditions precedent (collectively, the “**Conditions Precedent**”):

- (a) this Proposal shall have been approved by the Affected Creditors Class by the Required Majority in accordance with the provisions of the BIA;
- (b) the Approval Order sanctioning this Proposal shall have been made, and the effect of the Approval Order shall not have been stayed, revised, modified, reversed or amended, and the Approval Order shall, among other things:
  - i. declare that: (1) this Proposal has been approved by the Required Majority of the Affected Creditors Class in conformity with the BIA; and (2) this Proposal and the transactions contemplated hereby, are fair and reasonable, and in the



best interests of the Company, the Affected Creditors, and the other stakeholders;

- ii. order that this Proposal is sanctioned and approved pursuant to the BIA; and
- iii. authorize and direct the Company and the Proposal Trustee to execute and deliver the agreements, documents, and instruments contemplated by this Proposal in order to effect all actions contemplated by this Proposal.

- (c) all other actions, documents and agreements necessary to implement this Proposal as required herein shall have been effected and executed.

The non-fulfillment or non-satisfaction of any of the Conditions Precedent set forth in this Article 6.1(a) through (c) shall constitute a default under this Proposal for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

## **ARTICLE 7 AMENDMENT AND MODIFICATIONS**

### **7.1 Modification to Proposal before or at Meeting**

The Company reserves the right, with the consent of the Proposal Trustee and/or inspectors (if any), to amend, modify, supplement or restate this Proposal at any time prior to the Meeting, or at the Meeting, in which case the amended, modified, supplemented or restated proposal will be put before the Affected Creditors Class for approval at the Meeting.

### **7.2 Modification of Proposal after Meeting**

After the Meeting, this Proposal may be modified from time to time:

- (a) by the Company, if the amendment is considered by the Proposal Trustee and the inspectors (if any) to be non-substantive in nature, and, with the approval of the Proposal Trustee; and
- (b) by the Court on application of the Company or the Proposal Trustee and upon notice to those determined by the applicant to be directly affected by the proposed modification.

## **ARTICLE 8 APPLICATION FOR COURT APPROVAL & EFFECT OF PROPOSAL**

### **8.1 Application for Court Approval**

Upon the conclusion of the Meeting, if this Proposal has been approved by the Affected Creditors Class by the Required Majority, the Proposal Trustee shall apply to the Court for the Approval Order. Subject only to the Approval Order being granted and the satisfaction of those Conditions Precedent enumerated in Article 6.1, this Proposal will be implemented by the Company and will

be binding upon all the Affected Creditors and all other Persons affected by this Proposal in accordance with its terms.

## **8.2 Binding Effect of Proposal**

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

## **ARTICLE 9 NOTICE, UNDELIVERABLE DISTRIBUTIONS AND THE LEVY**

### **9.1 Notices and Payments to Affected Creditors**

Any notices, correspondence and distributions to Affected Creditors under or in relation to this Proposal shall be delivered to the address provided by each Affected Creditor unless the Company and the Proposal Trustee are notified by an Affected Creditor in writing of an alternative address for delivery.

### **9.2 Undeliverable Distributions**

If any distribution, delivery or correspondence to an Affected Creditor under this Proposal is returned to the sender as undeliverable, no further distributions, deliveries or correspondence shall be made to that Affected Creditor unless and until the sender is notified by such Affected Creditor, in writing, of their current address, at which time any missed deliveries, distributions (without interest) and correspondence shall be delivered to such Affected Creditor.

Undeliverable distributions shall be retained by the sender until they are claimed or until six months after the date of such distribution, after which they shall revert to the Company, free of any restrictions or claims thereon.

### **9.3 Withholding Taxes and Superintendent's Levy**

All distributions to the Affected Creditors under this Proposal shall be made net of the levy imposed by the Superintendent of Bankruptcy under the BIA. This includes any distribution of equity. Notwithstanding any other provision of this Proposal, each Affected Creditor that receives a distribution pursuant to this Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

## **ARTICLE 10 GENERAL**

### **10.1 Capacity of Proposal Trustee**

Crowe MacKay & Company Ltd. is acting in its capacity as Proposal Trustee and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto and no Person shall have any Claim against Crowe MacKay & Company Ltd. in respect thereof. The foregoing is in addition to, and not substitution for, and in no way affects any protections afforded Crowe MacKay & Company Ltd. under the BIA or elsewhere.

### **10.2 Certificate of Completion**

Upon the Proposal Trustee making the last distributions to the Affected Creditors as contemplated by this Proposal, the terms of this Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Official Receiver a certificate pursuant to Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged.

### **10.3 No Default**

Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditor and the Company that occurred on or prior to the Implementation Date. Each Affected Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and the provisions of any such agreement are amended accordingly.

### **10.4 Conflict Between this Proposal and Other Agreements**

From and after the Implementation Date, any conflict between: (a) this Proposal; and (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Company as at the Implementation Date, will be deemed to be governed by the provisions of this Proposal and the Approval Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Proposal.

### **10.5 Severability**

If, subsequent to the Implementation Date, any term or provision of this Proposal is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company or Proposal Trustee, shall have the power to alter and interpret such term or provision to make it valid or

enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Proposal shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### **10.6 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

#### **10.7 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

#### **10.8 Notices to Company or Proposal Trustee**

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Company or the Proposal Trustee shall be in writing and shall be delivered either personally, by email, by regular mail, by registered mail or by certified mail, return receipt requested, at the following address:

To the Company

1867 North End Road  
Salt Spring Island, BC V8K 1C9

With a copy to:

McMillan LLP  
1500 - 1055 West Georgia Street  
Vancouver, BC V6E 4N7  
Attention: Daniel Shouldice  
Email: daniel.shouldice@mcmillan.ca

To the Proposal Trustee

Crowe MacKay & Company Ltd., in its capacity as  
Proposal Trustee of Good Buds Company Inc.  
1100 - 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
Attention: Jonathan McNair / Tetsu Takagaki  
Email: jonathan.mcnair@crowemackay.ca / Sarah.Sabbagh@crowemackay.ca

With a copy to:

Dentons Canada LLP  
20<sup>th</sup> Floor – 250 Howe Street  
Vancouver, BC V6C 3R8  
Attention: Jordan Schultz  
Email: Jordan.schultz@dentons.com

**10.9 Successors and Assigns**


This Proposal is binding upon the Company, the Creditors and their respective heirs, executors, administrators, successors and assigns.

**10.10 Date and Reference**

This Proposal may be referred to as being the Proposal of the Company dated for reference the June 28, 2024.

DATED at the City of Salt Spring Island in the Province of British Columbia on this 28<sup>th</sup> day of June, 2024.

GOOD BUDS COMPANY INC.

Per:   
**Eric Tyler Rumi**  
Authorized Signatory

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE "A" TO THE PROPOSAL**

**CASH DISTRIBUTION SCHEDULE**

1. In accordance with Article 3 of the Proposal, Cash Distributions will be paid to Affected Creditors with Proven Claims as outlined in the following schedule, subject to the paragraph below:

<b>Tranche</b>	<b>Cash Distribution Dates</b>
1	120 days from the Implementation Date
2	1 year from the Implementation Date
3	2 years from the Implementation Date
4	3 years from the Implementation Date
5	4 years from the Implementation Date
6	5 years from the Implementation Date

2. Note: in accordance with Article 3 of the Proposal, the Company may, at its sole discretion, accelerate the payment of Cash Distributions.

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE "B" TO THE PROPOSAL**

**ELECTRONIC MEETING PROTOCOL**

On March 6, 2024, Good Buds Company Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "**BIA**"), and Crowe MacKay & Company Ltd. was appointed proposal trustee (in such capacity, the "**Proposal Trustee**") in relation to the Company's proposal proceedings under the BIA.

By order of the Honourable Justice Ahmad granted May 17, 2024, among other things, the time for filing the Company's proposal under Part III of the BIA was extended to 11:59 pm Vancouver time on July 4, 2024.

The Proposal Trustee is authorized to convene, hold, and conduct a meeting of the Company's creditors (the "**Meeting**") to consider and vote on the Company's Proposal to Creditors dated July 17, 2024, as may be amended (the "**Proposal**").

**A. MEETING DETAILS**

1. date of the Meeting: July 17, 2024;
2. time of the Meeting: 10:00 a.m. (Vancouver time);
3. Meeting Platform: Zoom.

## B. TECHNOLOGY AND MEETING ETIQUETTE

4. The Meeting will be conducted using the Zoom virtual meeting platform. The Zoom virtual meeting platform can be downloaded at <https://zoom.us/download> or accessed through your web browser.
5. Prior to the Meeting, you are required to learn the software as the Proposal Trustee will not have the capacity to answer questions concerning the technology during the Meeting.
6. During the Meeting:
  - (a) leave your microphone device on “mute” until recognized by the Proposal Trustee to prevent background noise; and
  - (b) turn your video feed off within the program, to prevent unnecessary use of bandwidth.

## C. PRE-MEETING REQUIREMENTS

7. Proxy/ Voting Letter cut-off: All proxies or voting letters to be delivered to the Proposal Trustee in accordance with the Proof of Claim package must be received by the Proposal Trustee by no later than noon on July 15, 2024. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on July 15, 2024, please follow up with the Proposal Trustee by email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [Sarah.Sabbagh@crowemackay.ca](mailto:Sarah.Sabbagh@crowemackay.ca).
8. Attendance Notice: Parties intending to attend the Meeting through Zoom shall notify the Proposal Trustee by email to [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [Sarah.Sabbagh@crowemackay.ca](mailto:Sarah.Sabbagh@crowemackay.ca) by no later than noon on July 16, 2024. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on July 16, 2024, please follow up with the Proposal Trustee by sending an email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [Sarah.Sabbagh@crowemackay.ca](mailto:Sarah.Sabbagh@crowemackay.ca).
9. Prior to the Meeting, the Proposal Trustee will provide information by email to parties that have delivered proxies, voting letters, or notices of attendance. The information to be provided in advance of the Meeting is:
  - (a) a proposed agenda for the Meeting;
  - (b) a unique creditor identification number;
  - (c) confirmation as to the status of your Claim (i.e. whether it is admitted or contested for voting purposes); and
  - (d) the meeting ID and password.



#### **D. CONDUCT OF MEETING**

10. Registration: The Zoom Meeting will be open at 9:00 a.m. on July 17, 2024, to provide sufficient time for registration. You are encouraged to call in early, and no later than 9:30 a.m. so that the registration process can be completed in a timely fashion and not delay the commencement of the Meeting. The Meeting will begin promptly, and the Proposal Trustee may not have capacity to admit late registrations.

11. During the registration process, you will be required to:

- (a) identify yourself by your unique creditor identification number and/or whether you hold a proxy or voting letter;
- (b) identify any additional individuals in attendance with you, including their capacity (legal counsel and firm as applicable); and
- (c) confirm your contact details and Claim amount.

12. Calling the Meeting to Order: A representative of the Office of the Superintendent of Bankruptcy or its nominee will act as “chair” of the Meeting (in that capacity, the “**Chair**”). The Chair will call the Meeting to order at 10:00 a.m. Vancouver time on July 17, 2024, and will adjourn the Meeting if the Chair determines that such is necessary to permit completion of the registration process. The time of the adjournment will be estimated by the Chair at the time the adjournment is declared.

13. Motions and Voting at the Meeting: The Proposal Trustee will maintain a roster of all participants compiled during the registration process. When a motion is called for by the Chair, either as a standard protocol motion for such meetings or based on a request for a motion generally, the Chair will request from the general population of Affected Creditors (as defined in the Proposal) in attendance at the Meeting for:

- (a) a second of the motion; and
- (b) a call for a vote on the motion, by the Required Majority (as defined in the Proposal).

14. In all instances, and in respect of all motions and votes, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient in the circumstances.

15. Questions at the Meeting: The Zoom platform includes a chat feature that allows you to submit questions to the Chair electronically. For the purposes of asking questions at the Meeting, please use the chat feature and: (a) include your creditor identification number; and (b) advise that you wish to ask a question. In an effort to mitigate disruptions, the Proposal Trustee or Chair may turn off the video and mute the microphone of any or all participants while the meeting is underway.

16. The Chair will recognize your interest in asking a question in the following priority:

- a) those that have submitted requests via the chat function, and in the order of registration; and
- b) those that are unable to register on the chat or prefer not to do so, via a general call for questions.

17. Once recognized by the Chair, and before asking your question, please: (a) state your creditor identification number; (b) your name; and (c) the creditor you represent. You may then ask your question.

18. For clarity, you will not be permitted to ask a question or to speak at the Meeting unless and until you have been recognized by the Chair.

#### **E. POST-MEETING REPORTING**

19. As mentioned above, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient and advises in the circumstances. The Proposal Trustee or Chair will allot 15 minutes for participants at the meeting to submit their votes electronically. The Chair will adjourn the meeting on a short-term basis to allow time for the Proposal Trustee to compile all votes.

20. Once the votes have been compiled, the Chair will reconvene the meeting and the Proposal Trustee will provide a report that includes:

- (a) A summary of all motions called at the Meeting;
- (b) The result of the votes on each motion; and
- (c) Such further and other information as determined by the Proposal Trustee to be necessary. This report will be available on the Proposal Trustee's website at: <https://www.crowemackayco.ca/engagements/recent-engagements>.

Appendix - C

In the Matter of the Notice of Intention to File a Proposal of Good Buds Company Inc.

For the period of March 6, 2024 to May 31, 2024

Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL	
	8-Mar-24	15-Mar-24	22-Mar-24	29-Mar-24	5-Apr-24	12-Apr-24	19-Apr-24	26-Apr-24	3-May-24	10-May-24	17-May-24	24-May-24	31-May-24		
<b>RECEIPTS</b>															
Customer receipts	2	\$ 115,587	\$ 123,580	\$ 86,560	\$ 24,149	\$ 77,906	\$ 90,149	\$ 90,149	\$ 90,149	\$ 90,149	\$ 90,149	\$ 90,149	\$ 90,149	\$ 1,148,975	
Other receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL RECEIPTS</b>		<b>115,587</b>	<b>123,580</b>	<b>86,560</b>	<b>24,149</b>	<b>77,906</b>	<b>90,149</b>	<b>90,149</b>	<b>90,149</b>	<b>90,149</b>	<b>90,149</b>	<b>90,149</b>	<b>90,149</b>	<b>1,148,975</b>	
<b>DISBURSEMENTS</b>															
Bank charges and debt servicing	3	-	999	3,796	539	10,080	569	400	539	10,080	-	400	-	539	27,942
Excise duty	4	-	-	-	-	-	-	-	80,381	-	-	-	100,927	181,308	
GST	4	-	-	-	-	-	-	-	7,236	-	-	-	-	7,236	
Hydro		-	-	8,626	-	-	-	11,000	-	-	-	11,000	-	30,626	
Insurance		-	6,420	-	-	6,420	-	-	-	-	6,420	-	-	19,260	
Payroll	5	-	62,487	-	65,000	7,545	65,155	4,600	65,000	2,500	54,487	-	56,332	383,106	
Proposal/NOI costs	7	-	-	25,000	30,000	-	-	15,000	-	-	-	10,000	-	80,000	
Supplier payments	6	5,609	37,975	39,975	36,895	26,183	36,100	60,688	30,959	25,600	27,200	35,600	25,600	413,984	
Subtotal		5,609	107,881	77,397	132,434	43,808	108,244	65,688	122,498	125,797	81,687	42,420	102,932	1,143,462	
Paid by credit card	8	(884)	(16,478)	(500)	(10,901)	(500)	(17,220)	(500)	(10,800)	(601)	(10,800)	(6,920)	(10,800)	(601)	(87,504)
Payments against credit card	8	-	3,507	16,478	500	10,901	500	17,220	500	10,800	601	10,800	6,920	89,526	
<b>TOTAL DISBURSEMENTS</b>		<b>4,725</b>	<b>94,910</b>	<b>93,375</b>	<b>122,034</b>	<b>54,209</b>	<b>91,524</b>	<b>82,408</b>	<b>112,198</b>	<b>135,997</b>	<b>71,488</b>	<b>46,300</b>	<b>99,052</b>	<b>1,145,484</b>	
<b>NET CHANGE</b>		<b>110,862</b>	<b>28,670</b>	<b>(6,814)</b>	<b>(97,885)</b>	<b>23,697</b>	<b>(1,375)</b>	<b>7,741</b>	<b>(22,049)</b>	<b>(45,848)</b>	<b>18,661</b>	<b>43,849</b>	<b>(8,903)</b>	<b>(47,117)</b>	<b>3,491</b>
Cash, beginning		5,079	115,942	144,612	162,797	54,913	78,610	77,235	84,976	52,927	7,080	25,741	69,590	60,687	5,079
<b>Cash, ending</b>		<b>\$ 115,942</b>	<b>\$ 144,612</b>	<b>\$ 137,797</b>	<b>\$ 64,913</b>	<b>\$ 78,610</b>	<b>\$ 77,235</b>	<b>\$ 84,976</b>	<b>\$ 62,927</b>	<b>\$ 7,080</b>	<b>\$ 25,741</b>	<b>\$ 69,590</b>	<b>\$ 60,687</b>	<b>\$ 13,570</b>	<b>\$ 8,570</b>

Good Buds Company Inc.

This statement of projected cash flow of Good Buds Company Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Good Buds Company Inc. and not in its personal capacity

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No. 11-3052361

-- FORM 29 --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The attached statement of projected cash flow of Good Buds Company Inc., as of the 14th day of March 2024, consisting of projected attached cash flow over the next 13 weeks, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of March 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee  
Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No. 11-3052361

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending May 31, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management’s current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly payments under loan/lease agreements with three secured creditors: Farm Credit Canada, Bodkin - a division of Bennington Financial Corp., and John Deere Financial Inc. The loan/lease agreements with Bodkin - a division of Bennington Financial Corp., and John Deere Financial Inc. are near the end of their terms with the final monthly payments expected to be made In March 2024 and April 2024 respectively.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period.
- 5) Payroll costs are based on historical payroll amounts.
- 6) Supplier payments includes all other production, administration, operating costs, and a general contingency.
- 7) Proposal/NOI costs include legal and Proposal Trustee's fees are estimates associated with the proposal proceeding.
- 8) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of March 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No. 11-3052361

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The Management of Good Buds Company Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of March 2024, consisting of projected attached cash flow over the next 13 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of March 2024.



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Good Buds Company Inc.  
Debtor

Eric Tyler Rumi

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Name and title of signing officer

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Name and title of signing officer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No. 11-3052361

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending May 31, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:



The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management's current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly payments under loan/lease agreements with three secured creditors: Farm Credit Canada, Bodkin - a division of Bennington Financial Corp., and John Deere Financial Inc. The loan/lease agreements with Bodkin - a division of Bennington Financial Corp., and John Deere Financial Inc. are near the end of their terms with the final monthly payments expected to be made in March 2024 and April 2024 respectively.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period.
- 5) Payroll costs are based on historical payroll amounts.
- 6) Supplier payments includes all other production, administration, operating costs, and a general contingency.
- 7) Proposal/NOI costs include legal and Proposal Trustee's fees are estimates associated with the proposal proceeding.
- 8) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of March 2024.



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Good Buds Company Inc.

In the Matter of the Notice of Intention to File a Proposal of Good Buds Company Inc.  
For the period of May 4, 2024 to August 2, 2024  
Cash Flow Projections

		1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL
		10-May-24	17-May-24	24-May-24	31-May-24	7-Jun-24	14-Jun-24	21-Jun-24	28-Jun-24	5-Jul-24	12-Jul-24	19-Jul-24	26-Jul-24	2-Aug-24	
<b>RECEIPTS</b>															
Customer receipts	2	165,210	-	23,248	131,291	89,248	121,000	89,248	89,248	89,248	121,000	89,248	89,248	89,248	1,186,485
Other receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>165,210</b>	<b>-</b>	<b>23,248</b>	<b>131,291</b>	<b>89,248</b>	<b>121,000</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>121,000</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>1,186,485</b>
<b>DISBURSEMENTS</b>															
Bank charges and debt servicing	3	-	430	-	539	10,080	-	400	539	10,080	-	400	539	10,080	33,088
Excise duty	4	-	-	-	116,879	-	-	-	-	114,733	-	60,000	-	114,733	406,344
GST	4	-	-	-	-	-	-	-	-	-	-	-	29,601	-	29,601
Hydro		-	-	8,687	-	-	-	10,000	-	-	-	-	10,000	-	28,687
Insurance		-	6,420	-	-	-	6,420	-	-	-	6,420	-	-	-	19,260
Payroll	5	54,332	155	56,332	-	62,987	-	64,986	-	60,432	155	48,332	-	54,832	402,543
Property Tax	6	-	-	-	-	-	-	-	-	46,000	-	-	-	-	46,000
Proposal/NOI costs	7	15,000	-	-	-	-	-	-	-	28,026	-	-	-	18,026	61,052
Supplier payments	8	52,419	68,204	25,600	30,850	46,154	53,659	25,600	25,600	25,600	46,154	49,238	25,600	25,600	500,278
Subtotal		121,751	75,209	90,619	148,268	119,221	60,079	100,986	26,139	284,871	52,729	157,970	65,740	223,271	1,526,853
Paid by credit card	9	(500)	(17,220)	(500)	(601)	(500)	(17,220)	(500)	(10,901)	(500)	(17,220)	(500)	(10,800)	(601)	(77,562)
Payments against credit card	9	-	500	17,220	500	601	500	17,220	500	10,901	500	17,220	500	10,800	76,961
<b>TOTAL DISBURSEMENTS</b>		<b>121,251</b>	<b>58,489</b>	<b>107,339</b>	<b>148,167</b>	<b>119,321</b>	<b>43,359</b>	<b>117,706</b>	<b>15,739</b>	<b>295,271</b>	<b>36,009</b>	<b>174,690</b>	<b>55,440</b>	<b>233,470</b>	<b>1,526,252</b>
<b>NET CHANGE</b>		<b>43,958</b>	<b>(58,489)</b>	<b>(84,091)</b>	<b>(16,877)</b>	<b>(30,073)</b>	<b>77,641</b>	<b>(28,458)</b>	<b>73,509</b>	<b>(206,023)</b>	<b>84,991</b>	<b>(85,442)</b>	<b>33,808</b>	<b>(144,222)</b>	<b>(339,767)</b>
Cash, beginning		345,990	389,948	331,459	247,368	230,491	200,418	278,059	249,601	323,111	117,087	202,079	116,637	150,445	345,990
<b>Cash, ending</b>		<b>389,948</b>	<b>331,459</b>	<b>247,368</b>	<b>230,491</b>	<b>200,418</b>	<b>278,059</b>	<b>249,601</b>	<b>323,111</b>	<b>117,087</b>	<b>202,079</b>	<b>116,637</b>	<b>150,445</b>	<b>6,223</b>	<b>6,223</b>

  
**Good Buds Company Inc.**

This statement of projected cash flow of Good Buds Company Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

  
**Crowe MacKay & Company Ltd.**

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Good Buds Company Inc. and not in its personal capacity

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

-- FORM 29 --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The attached statement of projected cash flow of Good Buds Company Inc., as of the 7th day of May 2024, consisting of projected attached cash flow over the next 13 weeks, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of May 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee  
Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending August 2, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management's current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly interest payments to Farm Credit Canada and monthly truck rental/lease payments with TD Bank.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period. Timing of payments are set per prescribed dates.
- 5) Payroll costs are based on historical payroll amounts.
- 6) Property tax payments are management's estimates and is required to be paid in early July.
- 7) Proposal/NOI costs include legal and Proposal Trustee's fees are estimates associated with the proposal proceeding.
- 8) Supplier payments includes all other production, administration, operating costs, and a general contingency, derived from both historical and forecasted amounts.
- 9) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of May 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee


The Management of Good Buds Company Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 7th day of May 2024, consisting of projected attached cash flow over the next 13 weeks.


The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of May 2024.

  
\_\_\_\_\_  
Good Buds Company Inc.  
Debtor

  
\_\_\_\_\_  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending August 2, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee's Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management's current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly interest payments to Farm Credit Canada and monthly truck rental/lease payments with TD Bank.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period. Timing of payments are set per prescribed dates.
- 5) Payroll costs are based on historical payroll amounts.
- 6) Property tax payments are management's estimates and is required to be paid in early July.
- 7) Proposal/NOI costs include legal and Proposal Trustee's fees are estimates associated with the proposal proceeding.
- 8) Supplier payments includes all other production, administration, operating costs, and a general contingency, derived from both historical and forecasted amounts.
- 9) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of May 2024.

  
\_\_\_\_\_  
Good Buds Company Inc.



In the Matter of the Notice of Intention to File a Proposal of Good Buds Company Inc.  
For the period of Aug 3, 2024 to November 1, 2024  
Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL	
	9-Aug-24	16-Aug-24	23-Aug-24	30-Aug-24	6-Sep-24	13-Sep-24	20-Sep-24	27-Sep-24	4-Oct-24	11-Oct-24	18-Oct-24	25-Oct-24	1-Nov-24		
<b>RECEIPTS</b>															
Customer receipts	2	103,082	228,418	89,248	23,248	89,248	89,248	89,248	89,248	121,000	89,248	89,248	89,248	89,248	1,278,980
Other receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>103,082</b>	<b>228,418</b>	<b>89,248</b>	<b>23,248</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>121,000</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>89,248</b>	<b>1,278,980</b>
<b>DISBURSEMENTS</b>															
Bank charges and debt servicing	3	-	400	-	539	10,080	-	400	539	10,080	-	400	-	10,080	32,519
Excise duty	4	-	-	-	162,000	-	-	-	-	106,000	-	-	-	141,000	409,000
GST	4	-	-	-	-	-	-	-	-	-	-	-	-	24,243	24,243
Hydro		-	-	8,850	-	-	-	10,000	-	-	-	-	10,000	-	28,850
Insurance	5	-	66,420	-	-	-	6,420	-	-	-	6,420	-	-	-	79,260
Payroll	6	3,615	64,000	-	64,250	2,500	64,000	5,654	79,000	2,500	79,250	-	84,200	2,500	451,469
Proposal/NOI costs	7	-	-	-	75,000	-	-	-	-	13,759	-	-	-	13,759	102,518
Supplier payments	8	30,240	40,000	26,600	31,850	61,100	26,600	33,554	94,789	48,100	26,600	33,554	26,600	48,100	527,687
Subtotal		33,856	170,820	35,450	333,639	73,680	97,020	49,608	174,328	180,439	112,270	33,954	120,800	239,682	1,655,545
Paid by credit card	9	(5,348)	(7,489)	(10,800)	(601)	(10,800)	(6,920)	(10,800)	(500)	(10,901)	(6,920)	(10,800)	(500)	(10,901)	(93,279)
Payments against credit card	9	9,525	5,348	7,489	10,800	601	10,800	6,920	10,800	500	10,901	6,920	10,800	500	91,903
<b>TOTAL DISBURSEMENTS</b>		<b>38,033</b>	<b>168,678</b>	<b>32,139</b>	<b>343,839</b>	<b>63,481</b>	<b>100,900</b>	<b>45,728</b>	<b>184,628</b>	<b>170,038</b>	<b>116,251</b>	<b>30,074</b>	<b>131,100</b>	<b>229,281</b>	<b>1,654,169</b>
<b>NET CHANGE</b>		<b>65,049</b>	<b>59,740</b>	<b>57,109</b>	<b>(320,591)</b>	<b>25,767</b>	<b>(11,652)</b>	<b>43,520</b>	<b>(95,380)</b>	<b>(49,038)</b>	<b>(27,003)</b>	<b>59,174</b>	<b>(41,852)</b>	<b>(140,033)</b>	<b>(375,189)</b>
Cash, beginning		478,822	543,871	603,610	660,720	340,129	365,896	354,244	397,765	302,385	253,347	226,344	285,518	243,666	478,822
<b>Cash, ending</b>		<b>543,871</b>	<b>603,610</b>	<b>660,720</b>	<b>340,129</b>	<b>365,896</b>	<b>354,244</b>	<b>397,765</b>	<b>302,385</b>	<b>253,347</b>	<b>226,344</b>	<b>285,518</b>	<b>243,666</b>	<b>103,632</b>	<b>103,632</b>

**Good Buds Company Inc.**

This statement of projected cash flow of Good Buds Company Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

**Crowe MacKay & Company Ltd.**

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Good Buds Company Inc. and not in its personal capacity

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

\_ FORM 29 \_  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The attached statement of projected cash flow of Good Buds Company Inc., as of the 14th day of August 2024, consisting of projected attached cash flow over the next 13 weeks, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of August 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee  
Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending November 1, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management’s current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly interest payments to Farm Credit Canada and monthly truck rental/lease payments with TD Bank.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period. Timing of payments are set per prescribed dates.
- 5) Insurance costs include a \$60,000 payment to Intact Insurance as cash collateral for the issuance of a surety bond in week 2.
- 6) Payroll costs are based on historical payroll amounts.
- 7) Proposal/NOI costs include legal and Proposal Trustee’s fees are estimates associated with the proposal proceeding.
- 8) Supplier payments includes all other production, administration, operating costs, and a general contingency, derived from both historical and forecasted amounts.
- 9) Good Buds utilizes an individual’s credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of August 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 30  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The Management of Good Buds Company Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of August 2024, consisting of projected attached cash flow over the next 13 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of August 2024.



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Good Buds Company Inc.  
Debtor

Eric Tyler Rumi. CEO

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Name and title of signing officer

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Name and title of signing officer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending November 1, 2024, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management's current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly interest payments to Farm Credit Canada and monthly truck rental/lease payments with TD Bank.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period. Timing of payments are set per prescribed dates.
- 5) Insurance costs include a \$60,000 payment to Intact Insurance as cash collateral for the issuance of a surety bond in week 2.
- 6) Payroll costs are based on historical payroll amounts.
- 7) Proposal/NOI costs include legal and Proposal Trustee's fees are estimates associated with the proposal proceeding.
- 8) Supplier payments includes all other production, administration, operating costs, and a general contingency, derived from both historical and forecasted amounts.
- 9) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 14th day of August 2024.



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Good Buds Company Inc.

In the Matter of the Notice of Intention to File a Proposal of Good Buds Company Inc.  
For the period of November 2, 2024 to January 31, 2025  
Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL	
	8-Nov-24	15-Nov-24	22-Nov-24	29-Nov-24	6-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24	3-Jan-25	10-Jan-25	17-Jan-25	24-Jan-25	31-Jan-25		
<b>RECEIPTS</b>															
Customer receipts	2	89,855	105,945	132,509	25,570	89,830	95,020	89,248	89,248	66,000	-	23,248	89,248	89,248	984,970
Other receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>89,855</b>	<b>105,945</b>	<b>132,509</b>	<b>25,570</b>	<b>89,830</b>	<b>95,020</b>	<b>89,248</b>	<b>89,248</b>	<b>66,000</b>	<b>-</b>	<b>23,248</b>	<b>89,248</b>	<b>89,248</b>	<b>984,970</b>
<b>DISBURSEMENTS</b>															
Bank charges and debt servicing	3	280	400	-	539	10,080	-	400	539	10,080	-	400	-	539	23,258
Excise duty	4	-	-	-	125,000	-	-	-	-	100,000	-	-	-	75,000	300,000
GST	4	-	-	-	-	-	-	-	-	-	-	-	-	35,622	35,622
Hydro		-	-	9,619	-	-	-	10,000	-	-	-	10,000	-	-	29,619
Insurance	5	-	11,038	17,500	-	-	5,221	-	-	-	5,221	-	-	-	38,981
Payroll	6	67,078	-	64,000	-	67,025	-	69,654	-	67,025	-	68,800	-	64,225	467,806
Proposal/NOI costs	7	-	-	-	25,000	-	-	-	15,000	-	-	-	-	13,759	53,759
Supplier payments	8	62,820	47,880	26,600	34,251	48,100	27,065	26,600	26,600	48,100	26,600	41,600	26,600	26,600	469,416
Subtotal		130,178	59,319	117,719	184,790	125,205	32,286	106,654	42,139	225,205	26,600	116,021	36,600	215,746	1,418,461
Paid by credit card	9	(13,499)	(11,870)	(650)	(10,401)	(650)	(5,871)	(650)	(10,300)	(751)	(650)	(5,871)	(10,300)	(751)	(72,215)
Payments against credit card	9	-	113	11,870	650	10,401	650	5,871	650	10,300	751	650	5,871	10,300	58,078
<b>TOTAL DISBURSEMENTS</b>		<b>116,678</b>	<b>47,562</b>	<b>128,939</b>	<b>175,039</b>	<b>134,956</b>	<b>27,065</b>	<b>111,875</b>	<b>32,489</b>	<b>234,754</b>	<b>26,701</b>	<b>110,800</b>	<b>32,171</b>	<b>225,295</b>	<b>1,404,325</b>
<b>NET CHANGE</b>		<b>(26,823)</b>	<b>58,384</b>	<b>3,570</b>	<b>(149,470)</b>	<b>(45,126)</b>	<b>67,955</b>	<b>(22,627)</b>	<b>56,759</b>	<b>(168,754)</b>	<b>(26,701)</b>	<b>(87,552)</b>	<b>57,077</b>	<b>(136,047)</b>	<b>(419,355)</b>
Cash, beginning		571,171	544,348	602,732	606,302	456,833	411,707	479,662	457,035	513,794	345,039	318,339	230,787	287,863	571,171
<b>Cash, ending</b>		<b>544,348</b>	<b>602,732</b>	<b>606,302</b>	<b>456,833</b>	<b>411,707</b>	<b>479,662</b>	<b>457,035</b>	<b>513,794</b>	<b>345,039</b>	<b>318,339</b>	<b>230,787</b>	<b>287,863</b>	<b>151,816</b>	<b>151,816</b>

*TJR*

**Good Buds Company Inc.**

This statement of projected cash flow of Good Buds Company Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

*J*

**Crowe MacKay & Company Ltd.**

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Good Buds Company Inc. and not in its personal capacity



District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

\_ FORM 29 \_  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The attached statement of projected cash flow of Good Buds Company Inc., as of the 2nd day of November 2024, consisting of projected attached cash flow over the next 13 weeks, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of November 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee  
Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending January 31, 2025, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

- 1) The purpose of the Projected Cash Flow Statement is to estimate the cash requirements of Good Buds Company Inc. ("Good Buds" or the "Company").
- 2) Customer receipts are based on management’s current expectations regarding sales and collections. Customer receipts are forecasted based on current collection terms and estimated product demand.
- 3) Bank charges and debt servicing costs consist of monthly interest payments to Farm Credit Canada and monthly truck rental/lease payments with TD Bank.
- 4) Excise duty and GST payments are estimates based on projected sales activity during the projection period. Timing of payments are set per prescribed dates.
- 5) Insurance cost includes \$17,500 to satisfy the Company’s security obligation with CRA as well as monthly premium obligations for its existing insurance coverage.
- 6) Payroll costs are based on historical payroll amounts.
- 7) Proposal/NOI costs include legal and Proposal Trustee’s fees are estimates associated with the proposal proceeding.
- 8) Supplier payments includes all other production, administration, operating costs, and a general contingency, derived from both historical and forecasted amounts.
- 9) Good Buds utilizes an individual’s credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of November 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

Per:



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Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 30  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

The Management of Good Buds Company Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 2nd day of November 2024, consisting of projected attached cash flow over the next 13 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of November 2024.



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Good Buds Company Inc.  
Debtor

Tyler Rumi CEO

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Name and title of signing officer

---

Name and title of signing officer

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Projected Cash Flow Statement for the period ending January 31, 2025, is to enable the creditors of Good Buds Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

The cash flow statement is to be read in conjunction with the Form 30 – Report on Cash Flow Statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash Flow Statement.

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- 9) Good Buds utilizes an individual's credit card for certain purchases and payments. Payments for credit card purchases will be made on a weekly basis.

Dated at the City of Vancouver in the Province of British Columbia, this 20th day of November 2024.



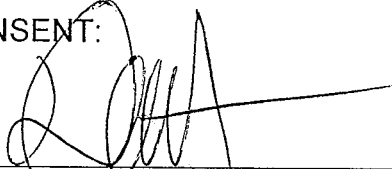
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Good Buds Company Inc.



3. Signatures of counsel other than counsel for Goods Buds Company Inc. are dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



\_\_\_\_\_  
Signature of lawyer for the applicant  
Good Buds Company Inc.  
Daniel Shouldice



By the Court



\_\_\_\_\_  
Registrar IN BANKRUPTCY.



No: 11-3052361  
Province of British Columbia  
Bankruptcy Division  
Vancouver Registry

In the Supreme Court of British Columbia

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, C. B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

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**PROPOSAL TO CREDITORS**

**DECEMBER 20, 2024**

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# **PROPOSAL TO CREDITORS**

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Proposal, unless otherwise stated or the context otherwise requires:

“**Affected Claims**” means all Claims, other than Unaffected Claims.

“**Affected Creditors**” means any Creditor having an Affected Claim, but only with respect to, and to the extent of, such Affected Claim.

“**Affected Creditors Class**” means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof by Affected Creditors with Proven Claims.

“**Approval Order**” means an Order that, among other things, approves and directs the implementation of the Proposal and all actions and transactions set out herein, effective as at the Implementation Date in accordance with the terms of this Proposal.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“**Business Day**” means a day, other than a Saturday or Sunday, or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia.

“**Cannabis License**” means the Health Canada license issued to the Company related to the cultivation, processing and sale of cannabis and cannabis related products in Canada.

“**Cash Distribution**” means a cash distribution by the Proposal Trustee from the Cash Distribution Fund to Affected Creditors with a Proven Claim made in accordance with Article 3 and Schedule “A”.

“**Cash Distribution Dates**” means, subject to modifications made in accordance with Article 7, the distribution dates as set out in Schedule “A”.

“**Cash Distribution Fund**” means the fund established by the Company pursuant to and as described in Article 4.

“**Cash Distribution Fund Proceeds**” means the funds contributed to the Cash Distribution Fund in accordance with Article 4.

“**Claim**” means any right or claim of any Person against the Company which constitutes a “*claim provable in bankruptcy*” as that term is defined under the BIA, whether or not asserted in connection with any indebtedness, liability, or obligation was in existence on the Filing Date, as well as interest accrued that may accrue thereon, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including any legal, statutory, or equitable

fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, which claim is based in whole or in part on facts which existed prior to the Filing Date and for clarity, includes Crown Claims.

“**Claims Bar Date**” has the meaning ascribed to it in Article 5.1 of this Proposal.

“**Company**” means Good Buds Company Inc.

“**Conditions Precedent**” means those condition precedents to the implementation of this Proposal as defined and enumerated in Article 6.1 of this Proposal.

“**Court**” means the Supreme Court of British Columbia, in bankruptcy and insolvency.

“**Creditor**” means any Person having a Claim.

“**Crown**” means Her Majesty the Queen in right of Canada or a province.

“**Crown Claims**” means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Affected Creditor Claims, and specifically excludes any other claims of the Crown.

“**Director**” means anyone who is, or is deemed to be, a director of the Company at the Filing Date.

“**Excise License**” means the license issued by the Canada Revenue Agency to the Company pursuant to the *Excise Act, 2001*.

“**Electronic Meeting Protocol**” means the protocol for conducting the Meeting electronically, substantially in the form attached hereto as Schedule “B”.

“**Filing Date**” means March 6, 2024, the date on which the Company filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada.

“**Implementation Date**” means the date on which all Condition Precedents have been satisfied.

“**Meeting**” means the meeting of the Affected Creditors Class held in accordance with Section 51(1) of the BIA and the Electronic Meeting Protocol for the purpose of considering and, if thought fit, voting to approve this Proposal and agreeing to the compromises and arrangements constituted hereby, and includes any subsequent reconvened meeting should any meeting be adjourned.

**“Notice to Prove Claim”** means the notice made pursuant to Section 149 of the BIA to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Proposal Trustee, advising such Creditors that if their Claims are not proven within 30 days after the sending of such notice (i.e. the Claims Bar Date), the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.

**“Officers”** means, anyone who is, or is deemed to be, an officer of the Company at the Filing Date.

**“Order”** means any order of the Court made in the Proposal Proceedings.

**“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), any governmental authority, regulatory board, corporation, unincorporated association or organization, syndicate or other entity, whether or not having legal status.

**“Post-Filing Claim”** means a Claim arising from the supply of goods and services to the Company after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such Claims. Post-Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

**“Post Filing Creditor”** means a Creditor having a Post-Filing Claim.

**“Preferred Claim”** means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims.

**“Proof of Claim”** means the form of document prescribed by the BIA to be filed with the Proposal Trustee to prove the Claim of a Creditor.

**“Proposal”** means this proposal among the Company and the Affected Creditors, as from time to time amended, modified or supplements pursuant to an Order, or pursuant to an agreement among the Company and the Affected Creditors as provided for herein, or at any Meeting.

**“Proposal Proceedings”** means the proceedings under the BIA commenced under the Supreme Court of British Columbia Action No. 11-3052361 (Vancouver Registry).

**“Proposal Trustee”** means Crowe MacKay & Company Ltd. in its capacity as proposal trustee of the Company.

**“Proposal Trustee’s Costs”** means all proper fees, expenses and legal costs of the Proposal Trustee arising in any way in relation to this Proposal.

**“Proven Claim”** means a Claim which, after delivery of a Proof of Claim to the Proposal Trustee has been: (a) admitted by the Proposal Trustee in whole or in part; or (b) disallowed by the Proposal Trustee and such disallowance has been subsequently (i) resolved by agreement among the Claimant, the Company and the Proposal Trustee; or (ii) set aside in whole or in part by the Court.

Proven Claims shall not include any amounts due to a Post-Filing Creditor in respect of a Post Filing Claim and shall not include any interest for the period subsequent to the Filing Date.

**“Related Creditor”** means any Person who is a “related person” as defined under Section 4 of the BIA having a Proven Claim to the extent of their Proven Claim.

**“Released Parties”** means those persons released by the Affected Creditors, as defined and enumerated in Article 2.7(c) of the Proposal.

**“Required Majority”** means a majority in number and two thirds in value of the Voting Creditors who vote on this Proposal in accordance with the voting procedures established hereby and under the BIA.

**“Rumi Group”** includes the following individuals and entity: Eric Maurice Rumi, Suzanne E. Rumi, Eric Tyler Rumi, Lucas Alexander Rumi, 907282 Ontario Inc., and Good Buds Company International Inc.

**“Secured Claims”** means a Claim that is secured by a Security Interest, which includes Farm Credit Canada and the Rumi Group.

**“Secured Creditor”** means a Person having a Secured Claim.

**“Security Interest”** means a mortgage, hypothec, prior claim, pledge, charge, lien or other security interest on or against the assets and property of the Company or any part thereof as security for a debt due and accruing from the Company, or any negotiable instrument held as collateral security and on which the Company is only indirectly or secondarily liable.

**“Unaffected Claim”** means a Claim of an Unaffected Creditor.

**“Unaffected Creditor”** means: (a) the Post-Filing Creditors; (b) the Secured Creditors; (c) the Crown (to the extent of any Crown Claims).

**“Voting Creditors”** means all Affected Creditors in attendance at the Meeting in person or by proxy and who are entitled to vote at the Meeting. For clarity, this excludes all Related Creditors, Unaffected Creditors (to the extent of their Unaffected Claims).

## **1.2 Interpretation**

For the purposes of this Proposal:

- (a) the division of this Proposal into Articles and Sections and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define or limit the scope, extent or intent of this Proposal;
- (b) the words “hereunder”, “hereof”, and similar expressions, refer to this Proposal and not to any particular Article, Section or Schedule and references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to this Proposal;

- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words “includes” and “including”, and similar terms of inclusion shall not, unless expressly modified by the words only or solely, be construed as terms of limitation, but rather shall mean “includes without limitation”, or “including without limitation”, as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time; and
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

### **1.3 Currency**

All references to amounts of money mean the lawful currency of Canada unless otherwise expressly indicated. For purposes relating to voting on this Proposal and calculating distributions thereunder, any Claims submitted and denominated in a currency other than Canadian dollars shall be converted to Canadian dollars as at the Filing Date based on the applicable daily average exchange rate published by the Bank of Canada on the Filing Date.

### **1.4 Interest**

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

### **1.5 Date for Any Action**

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the following date that is a Business Day.

## **1.6 Schedules**

- Schedule “A”: Cash Distribution Schedule
- Schedule “B”: Electronic Meeting Protocol

## **ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL**

### **2.1 Purpose of Proposal**

The purpose of this Proposal is to enable the Company to preserve and carry on its core business.

In the event of the bankruptcy of the Company and the forced liquidation of its assets, it is very unlikely that there will be any more than nominal recovery by any Creditors other than Secured Creditors. The successful implementation of this Proposal will enable the Company to continue its business operations.

### **2.2 Overview of Proposal**

This Proposal provides for the compromise of the Affected Creditor Claims of the Affected Creditors. The Affected Creditors will receive a cash distribution in accordance with Article 3. The Cash Distribution Fund will be funded by sales revenues and/or the raising of capital by the Company. This Proposal will, as of the Implementation Date, be effective and binding on all Persons affected by the Proposal, and to whom this Proposal is made.

The alternative to this Proposal is the bankruptcy of the Company and the immediate liquidation of its assets. In a bankruptcy scenario, it is expected that it will be difficult, if not impossible, for a bankruptcy trustee to realize on the assets of the Company to such a degree that there will be a distribution to the unsecured creditors. In a bankruptcy, the Secured Creditors will be entitled to a distribution, if any, in priority to the unsecured creditors, thereby reducing the amount available for distribution to any unsecured creditors.

In the event of the bankruptcy of the Company, the Cannabis and Excise Licenses will likely be terminated. In such circumstances, it is unlikely that the Proposal Trustee or any other trustee in bankruptcy in respect of the Company would be legally authorized to realize upon the cannabis inventory held by the Company at the date of bankruptcy. The most likely outcome in such circumstances is the destruction of the cannabis with a corresponding negative impact on the chances of any distribution to unsecured creditors.

In the event that this Proposal is approved by the Required Majority, the Rumi Group has agreed to not file a Proof of Claim and waive its rights to participate in this Proposal with respect to any amount of the Claim of the Rumi Group being an unsecured claim.

Accordingly, and as will be apparent from the foregoing, this Proposal is premised on the expectation that Affected Creditors will derive a materially greater benefit from this Proposal than would result from a bankruptcy and the immediate liquidation of the Company's assets.

### **2.3 Proposal Trustee Under this Proposal**

Subject to the provisions of the BIA, the Proposal Trustee shall act as the administrator for certain purposes connected with this Proposal, including administration of the Proof of Claims process and the Meeting, as well as the distribution of the Proposal Proceeds, all in accordance with this Proposal.

### **2.4 Persons Affected by this Proposal**

This Proposal provides for, among other things, the compromise, discharge, and release of all Affected Claims against the Company. Accordingly, on the Implementation Date, this Proposal will become effective and shall be binding on the Company, the Affected Creditors and all other Persons named or referred to in, or subject to, this Proposal.

### **2.5 Unaffected Claims**

This Proposal does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under this Proposal in respect of such Claims. Nothing in this Proposal shall affect any of the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

### **2.6 Equity Claims**

Persons having equity claims or equity interests (such as those terms are defined in the BIA), shall not be entitled to receive a distribution under this Proposal or otherwise receive anything in respect of their shares or interest or be entitled to vote on this Proposal on its equity claim.

### **2.7 Release of Company, Directors and Officers and Proposal Trustee by Affected Creditors**

Upon the Company meeting its obligations to the Affected Creditors under this Proposal, each Affected Creditor hereby, and without the need for any further action, releases:

- (a) the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) the Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA.

Once the Company has met its obligations to the Affected Creditors under this Proposal, no Affected Creditor shall have any right, remedy or claim against the Proposal Trustee or the Company, and each of their respective past and present Directors and Officers, employees,



financial advisors, legal counsel, representatives and agents, (each a “Released Party”, and collectively, the “Released Parties”) for anything arising in connection with this Proposal or these Proposal Proceedings. The Released Parties shall then be fully and irrevocably released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with the Claims, as applicable, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other wilful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits.

### **ARTICLE 3 TREATMENT OF CREDITORS**

#### **3.1 Classes of Creditors**

For the purposes of considering and voting on this Proposal, there shall only be one class of creditors, being the Affected Creditors Class.

#### **3.2 Affected Creditors**

The Proposal Trustee shall pay from the Cash Distribution Fund to each Affected Creditor with a Proven Claim a Cash Distribution equal to:

- i. 100% of its Proven Claim up to a maximum of \$2,500; and
- ii. 10% of the remaining balance of its Proven Claim.

The Cash Distributions calculated under section 3.2(i) will be funded over the first three months following the Implementation Date and paid to Affected Creditors by the end of the fourth month following the Implementation Date.

The Cash Distributions calculated under section 3.2(ii) will be funded over the remaining 57-month period in the Proposal term, and paid to Affected Creditors in five instalments issued on or before the anniversary of the Implementation Date for the following five years.

#### **3.3 Unaffected Claims**

Unaffected Claims are not included under or in any way affected by this Proposal. Unaffected Claims that are not Post-Filing Claims will be paid in accordance with existing agreements between the Unaffected Creditors and the Company or in accordance with alternative arrangements to be negotiated concurrently with the filing and implementation of this Proposal.

Unaffected Claims that are Post-Filing Claims will be unaffected by this Proposal and will be paid by the Company in the ordinary course of business.

### **3.4 Crown Claims and Preferred Claims**

Crown Claims that are Proven Claims (if any) shall be paid in their entirety, without interest, within six months after the granting of the Approval Order in accordance with the scheme of distribution set forth in the BIA.

Preferred Claims that are Proven Claims (if any) shall be paid in full on or after the date that is immediately upon the Approval Order, in accordance with the scheme of distribution set forth in the BIA.

### **3.5 Proposal Trustee's Costs**

The Proposal Trustee's Costs in respect of this Proposal shall be paid by the Company in the ordinary course of business and in accordance with the agreements between the Company and the Proposal Trustee.

### **3.6 Full Satisfaction of All Affected Creditor Claims and No Other Entitlements**

All Affected Creditors shall accept the consideration set out in Article 3 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Company, or other assets and undertaking of the Company. When implementation of the Proposal is complete, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors.

## **ARTICLE 4 CASH DISTRIBUTION FUND & CASH DISTRIBUTION**

### **4.1 Cash Distribution Fund**

The Company will fund the Cash Distribution Fund by way of making monthly payments to the Proposal Trustee in respect of each of the Cash Distributions set out in Schedule "A".

The Company shall make such payments to the Proposal Trustee on dates and in a manner to be reasonably determined by the Proposal Trustee so as to enable the Proposal Trustee to facilitate Cash Distributions from the Cash Distribution Fund in accordance with this Proposal.

All amounts comprising the Cash Distribution Fund will be delivered to the Proposal Trustee, and will be held by the Proposal Trustee, in trust, pending distribution to Affected Creditors in the time and manner set out in Article 3 and Schedule "A".

## 4.2 Cash Distribution

In accordance with Article 3, the Cash Distribution Fund Proceeds shall be distributed by the Proposal Trustee as soon as practicably possible, but in any event within thirty (30) days of the Cash Distribution Dates in accordance with Article 3 and Schedule “A”.

## 4.3 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Cash Distributions made by the Proposal Trustee from the Cash Distribution Fund pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice.

# ARTICLE 5 MEETING OF CREDITORS

## 5.1 Proving Claims

The procedure for dealing with the allowance, disallowance, and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with Article 3, Creditors must have filed a Proof of Claim in accordance with the BIA such that it is actually received by the Proposal Trustee in accordance with the BIA and by no later than the date that is 30 days from the date on which the Proposal Trustee delivers the Notice to Prove Claim (the “**Claims Bar Date**”) pursuant to Section 149 of the BIA. The Proposal Trustee may issue the Notice to Prove Claim at its discretion anytime following the Implementation Date.

**Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before the Claims Bar Date will not be eligible for participation in the proposed distribution under this Proposal and their claims will be forever barred as against the Company.**

## 5.2 Meeting

Unless otherwise ordered by the Court, the Meeting shall be held at 10:00 a.m. (Vancouver time) on January 14, 2025, virtually, in accordance with the Electronic Meeting Protocol. For an invitation to join the meeting, please contact the Proposal Trustee at: [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca)

## 5.3 Conduct of Meeting

Unless otherwise ordered by the Court, the Meeting shall be chaired by a representative of the Office of the Superintendent in Bankruptcy, or the nominee thereof. The Meeting shall be conducted in accordance with Part III, Division I of the BIA.

The only Persons entitled to attend the Meeting are the Affected Creditors with Proven Claims, including the holders of proxies, and their legal counsel, if any, and the Directors and Officers of

the Company, auditors, advisors and legal counsel of the Company, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, legal counsel for the Proposal Trustee and such scrutineers as may be duly appointed by the chair of the Meeting. Any other person may be admitted only on invitation of the chair of the Meeting.

#### **5.4 Voting at the Meeting**

Each Voting Creditor will be entitled to vote the full amount of its Proven Claim at the Meeting. Each Voting Creditor shall have one vote for the purposes of determining a majority in number, and each Voting Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

#### **5.5 Parties Not Entitled to Vote**

Related Creditors and Unaffected Creditors, to the extent of their Unaffected Claims, shall not be entitled to vote at the Meeting.

#### **5.6 Adjournment of the Meeting**

The Meeting may be adjourned in accordance with Section 52 of the BIA. If the Meeting is adjourned, no further Proof of Claims nor proxies shall be filed with or accepted by the Proposal Trustee or the Company for the purpose of voting at any reconvening of the Meeting.

#### **5.7 Proxies and Voting Letters**

Affected Creditors with Proven Claims will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim package and will be binding upon all Affected Creditors.

### **ARTICLE 6 CONDITIONS PRECEDENT**

#### **6.1 Conditions Precedent**

The implementation of this Proposal by the Company on the Implementation Date is subject to the satisfaction by the Company of the following conditions precedent (collectively, the “**Conditions Precedent**”):

- (a) this Proposal shall have been approved by the Affected Creditors Class by the Required Majority in accordance with the provisions of the BIA;
- (b) the Approval Order sanctioning this Proposal shall have been made, and the effect of the Approval Order shall not have been stayed, revised, modified, reversed or amended, and the Approval Order shall, among other things:
  - i. declare that: (1) this Proposal has been approved by the Required Majority of the Affected Creditors Class in conformity with the BIA; and (2) this Proposal and the transactions contemplated hereby, are fair and reasonable, and in the

best interests of the Company, the Affected Creditors, and the other stakeholders;

- ii. order that this Proposal is sanctioned and approved pursuant to the BIA; and
- iii. authorize and direct the Company and the Proposal Trustee to execute and deliver the agreements, documents, and instruments contemplated by this Proposal in order to effect all actions contemplated by this Proposal.

(c) all other actions, documents and agreements necessary to implement this Proposal as required herein shall have been effected and executed.

The non-fulfillment or non-satisfaction of any of the Conditions Precedent set forth in this Article 6.1(a) through (c) shall constitute a default under this Proposal for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

## **ARTICLE 7 AMENDMENT AND MODIFICATIONS**

### **7.1 Modification to Proposal before or at Meeting**

The Company reserves the right, with the consent of the Proposal Trustee and/or inspectors (if any), to amend, modify, supplement or restate this Proposal at any time prior to the Meeting, or at the Meeting, in which case the amended, modified, supplemented or restated proposal will be put before the Affected Creditors Class for approval at the Meeting.

### **7.2 Modification of Proposal after Meeting**

After the Meeting, this Proposal may be modified from time to time:

- (a) by the Company, if the amendment is considered by the Proposal Trustee and the inspectors (if any) to be non-substantive in nature, and, with the approval of the Proposal Trustee; and
- (b) by the Court on application of the Company or the Proposal Trustee and upon notice to those determined by the applicant to be directly affected by the proposed modification.

## **ARTICLE 8 APPLICATION FOR COURT APPROVAL & EFFECT OF PROPOSAL**

### **8.1 Application for Court Approval**

Upon the conclusion of the Meeting, if this Proposal has been approved by the Affected Creditors Class by the Required Majority, the Proposal Trustee shall apply to the Court for the Approval Order. Subject only to the Approval Order being granted and the satisfaction of those Conditions Precedent enumerated in Article 6.1, this Proposal will be implemented by the Company and will

be binding upon all the Affected Creditors and all other Persons affected by this Proposal in accordance with its terms.

## **8.2 Binding Effect of Proposal**

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

## **ARTICLE 9 NOTICE, UNDELIVERABLE DISTRIBUTIONS AND THE LEVY**

### **9.1 Notices and Payments to Affected Creditors**

Any notices, correspondence and distributions to Affected Creditors under or in relation to this Proposal shall be delivered to the address provided by each Affected Creditor unless the Company and the Proposal Trustee are notified by an Affected Creditor in writing of an alternative address for delivery.

### **9.2 Undeliverable Distributions**

If any distribution, delivery or correspondence to an Affected Creditor under this Proposal is returned to the sender as undeliverable, no further distributions, deliveries or correspondence shall be made to that Affected Creditor unless and until the sender is notified by such Affected Creditor, in writing, of their current address, at which time any missed deliveries, distributions (without interest) and correspondence shall be delivered to such Affected Creditor.

Undeliverable distributions shall be retained by the sender until they are claimed or until six months after the date of such distribution, after which they shall revert to the Company, free of any restrictions or claims thereon.

### **9.3 Withholding Taxes and Superintendent's Levy**

All distributions to the Affected Creditors under this Proposal shall be made net of the levy imposed by the Superintendent of Bankruptcy under the BIA. This includes any distribution of equity. Notwithstanding any other provision of this Proposal, each Affected Creditor that receives a distribution pursuant to this Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

## **ARTICLE 10 ADDITIONAL TERMS**

### **10.1 Excise License**

The failure of the Company to satisfy the financial security requirements of the Excise License, by way of cash held by the Canada Revenue Agency as security or by way of surety bond, and/or any fee requirements under the Cannabis Fees Order, shall constitute a default under the Proposal. The Company shall notify the Proposal Trustee of any such failure, or any material change in the status of its surety bond or with respect to the Cannabis License and/or Cannabis Fees Order. The Company shall have 30 days to remedy the default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act* and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act*.

### **10.2 Federal Tax Remittances**

The failure of the Company to remit any amounts when due to the federal Crown, including any and all amounts due and owing under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, *Canada Pension Plan*, and/or the *Excise Act, 2001*, and the Cannabis Fees Order shall constitute a default under the proposal and entitle the federal Crown to notify the Proposal Trustee of such default. Upon notice of such default being provided to the Proposal Trustee and the Company, the Company shall have 30 days to remedy the default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act* and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act*.

### **10.3 Tax Return Filings**

The Company shall file all appropriate tax returns, when due, and as required under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, and *Canada Pension Plan*.

### **10.4 Statement of Cannabis Revenue**

The Company shall file the Statement of Cannabis Revenue with Health Canada when due as required under the Cannabis Fees Order.

### **10.5 Proposal Trustee's Fees**

The Company shall pay all of the Proposal Trustee's reasonable fees when due until the Proposal has been successfully implemented and shall maintain the \$50,000 retainer held by the Proposal Trustee until the Cash Distribution Fund has been fully satisfied in accordance with section 4.1 herein.

## **ARTICLE 11 GENERAL**

### **11.1 Capacity of Proposal Trustee**

Crowe MacKay & Company Ltd. is acting in its capacity as Proposal Trustee and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto and no Person shall have any Claim against Crowe MacKay & Company Ltd. in respect thereof. The foregoing is in addition to, and not substitution for, and in no way affects any protections afforded Crowe MacKay & Company Ltd. under the BIA or elsewhere.

### **11.2 Certificate of Completion**

Upon the Proposal Trustee making the last distributions to the Affected Creditors as contemplated by this Proposal, the terms of this Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Official Receiver a certificate pursuant to Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged.

### **11.3 No Default**

Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditor and the Company that occurred on or prior to the Implementation Date. Each Affected Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and the provisions of any such agreement are amended accordingly.

### **11.4 Conflict Between this Proposal and Other Agreements**

From and after the Implementation Date, any conflict between: (a) this Proposal; and (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Company as at the Implementation Date, will be deemed to be governed by the provisions of this Proposal and the Approval Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Proposal.

### **11.5 Severability**

If, subsequent to the Implementation Date, any term or provision of this Proposal is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company or Proposal Trustee, shall have the power to alter and interpret such term or provision to make it valid or



enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Proposal shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **11.6 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

### **11.7 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

### **11.8 Notices to Company or Proposal Trustee**

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Company or the Proposal Trustee shall be in writing and shall be delivered either personally, by email, by regular mail, by registered mail or by certified mail, return receipt requested, at the following address:

To the Company

1867 North End Road  
Salt Spring Island, BC V8K 1C9

With a copy to:

McMillan LLP  
1500 - 1055 West Georgia Street  
Vancouver, BC V6E 4N7  
Attention: Daniel Shouldice  
Email: daniel.shouldice@mcmillan.ca

To the Proposal Trustee

Crowe MacKay & Company Ltd., in its capacity as  
Proposal Trustee of Good Buds Company Inc.  
1100 - 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
Attention: Jonathan McNair / Tetsu Takagaki  
Email: jonathan.mcnair@crowemackay.ca / tetsu.takagaki@crowemackay.ca

With a copy to:

Dentons Canada LLP  
20<sup>th</sup> Floor – 250 Howe Street  
Vancouver, BC V6C 3R8  
Attention: Jordan Schultz  
Email: Jordan.schultz@dentons.com

## **11.9 Successors and Assigns**

This Proposal is binding upon the Company, the Creditors and their respective heirs, executors, administrators, successors and assigns.

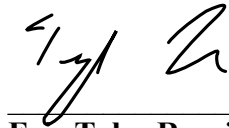
## **11.10 Date and Reference**

This Proposal may be referred to as being the Proposal of the Company dated for reference December 20, 2024.

DATED at Salt Spring Island, in the Province of British Columbia on this 20<sup>th</sup> day of December, 2024.

GOOD BUDDS COMPANY INC.

Per:



\_\_\_\_\_  
**Eric Tyler Rumi**  
Authorized Signatory

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE "A" TO THE PROPOSAL**

**CASH DISTRIBUTION SCHEDULE**

1. In accordance with Article 3 of the Proposal, Cash Distributions will be paid to Affected Creditors with Proven Claims as outlined in the following schedule, subject to the paragraph below:

<b>Tranche</b>	<b>Cash Distribution Dates</b>
1	120 days from the Implementation Date
2	1 year from the Implementation Date
3	2 years from the Implementation Date
4	3 years from the Implementation Date
5	4 years from the Implementation Date
6	5 years from the Implementation Date

2. Note: in accordance with Article 3 of the Proposal, the Company may, at its sole discretion, accelerate the payment of Cash Distributions.

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE “B” TO THE PROPOSAL**

**ELECTRONIC MEETING PROTOCOL**

On March 6, 2024, Good Buds Company Inc. (the “**Company**”) filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the “**BIA**”), and Crowe MacKay & Company Ltd. was appointed proposal trustee (in such capacity, the “**Proposal Trustee**”) in relation to the Company’s proposal proceedings under the BIA.

By order of the Honourable Justice Ahmad granted May 17, 2024, among other things, the time for filing the Company’s proposal under Part III of the BIA was extended to 11:59 pm Vancouver time on July 4, 2024.

On June 28, 2024, the Company filed a proposal dated June 28, 2024 (the “**June Proposal**”) with the official receiver pursuant to Division I of Part III of the BIA. The June Proposal was not approved pursuant to a vote at a meeting of the Company’s creditors on July 17, 2024. By order of the Honourable Madam Justice Sharma granted July 18, 2024, the deemed assignment in bankruptcy of the Company was stayed.

The Proposal Trustee is authorized to convene, hold, and conduct a meeting of the Company’s creditors (the “**Meeting**”) to consider and vote on the Company’s Proposal to Creditors dated December 20, 2024, as may be amended (the “**Proposal**”).

## **A. MEETING DETAILS**

1. date of the Meeting: January 14, 2025;
2. time of the Meeting: 10:00 a.m. (Vancouver time);
3. Meeting Platform: Zoom.

## **B. TECHNOLOGY AND MEETING ETIQUETTE**

4. The Meeting will be conducted using the Zoom virtual meeting platform. The Zoom virtual meeting platform can be downloaded at <https://zoom.us/download> or accessed through your web browser.
5. Prior to the Meeting, you are required to learn the software as the Proposal Trustee will not have the capacity to answer questions concerning the technology during the Meeting.
6. During the Meeting:
  - (a) leave your microphone device on “mute” until recognized by the Proposal Trustee to prevent background noise; and
  - (b) turn your video feed off within the program, to prevent unnecessary use of bandwidth.

## **C. PRE-MEETING REQUIREMENTS**

7. Proxy/ Voting Letter cut-off: All proxies or voting letters to be delivered to the Proposal Trustee in accordance with the Proof of Claim package must be received by the Proposal Trustee by no later than noon on January 10, 2025. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on January 10, 2025, please follow up with the Proposal Trustee by email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca).
8. Attendance Notice: Parties intending to attend the Meeting through Zoom shall notify the Proposal Trustee by email to [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca) by no later than noon on January 13, 2025. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on January 13, 2025, please follow up with the Proposal Trustee by sending an email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca).
9. Prior to the Meeting, the Proposal Trustee will provide information by email to parties that have delivered proxies, voting letters, or notices of attendance. The information to be provided in advance of the Meeting is:
  - (a) a proposed agenda for the Meeting;

- (b) a unique creditor identification number;
- (c) confirmation as to the status of your Claim (i.e. whether it is admitted or contested for voting purposes); and
- (d) the meeting ID and password.

#### **D. CONDUCT OF MEETING**

10. Registration: The Zoom Meeting will be open at 9:00 a.m. on January 14, 2025, to provide sufficient time for registration. You are encouraged to call in early, and no later than 9:30 a.m. so that the registration process can be completed in a timely fashion and not delay the commencement of the Meeting. The Meeting will begin promptly, and the Proposal Trustee may not have capacity to admit late registrations.

11. During the registration process, you will be required to:

- (a) identify yourself by your unique creditor identification number and/or whether you hold a proxy or voting letter;
- (b) identify any additional individuals in attendance with you, including their capacity (legal counsel and firm as applicable); and
- (c) confirm your contact details and Claim amount.

12. Calling the Meeting to Order: A representative of the Office of the Superintendent of Bankruptcy or its nominee will act as “chair” of the Meeting (in that capacity, the “**Chair**”). The Chair will call the Meeting to order at 10:00 a.m. Vancouver time on January 14, 2025, and will adjourn the Meeting if the Chair determines that such is necessary to permit completion of the registration process. The time of the adjournment will be estimated by the Chair at the time the adjournment is declared.

13. Motions and Voting at the Meeting: The Proposal Trustee will maintain a roster of all participants compiled during the registration process. When a motion is called for by the Chair, either as a standard protocol motion for such meetings or based on a request for a motion generally, the Chair will request from the general population of Affected Creditors (as defined in the Proposal) in attendance at the Meeting for:

- (a) a second of the motion; and
- (b) a call for a vote on the motion, by the Required Majority (as defined in the Proposal).

14. In all instances, and in respect of all motions and votes, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient in the circumstances.

15. Questions at the Meeting: The Zoom platform includes a chat feature that allows you to submit questions to the Chair electronically. For the purposes of asking questions at the Meeting, please use the chat feature and: (a) include your creditor identification number; and (b) advise that you wish to ask a question. In an effort to mitigate disruptions, the Proposal Trustee or Chair may turn off the video and mute the microphone of any or all participants while the meeting is underway.

16. The Chair will recognize your interest in asking a question in the following priority:

- a) those that have submitted requests via the chat function, and in the order of registration; and
- b) those that are unable to register on the chat or prefer not to do so, via a general call for questions.

17. Once recognized by the Chair, and before asking your question, please: (a) state your creditor identification number; (b) your name; and (c) the creditor you represent. You may then ask your question.

18. For clarity, you will not be permitted to ask a question or to speak at the Meeting unless and until you have been recognized by the Chair.

#### **E. POST-MEETING REPORTING**

19. As mentioned above, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient and advises in the circumstances. The Proposal Trustee or Chair will allot 15 minutes for participants at the meeting to submit their votes electronically. The Chair will adjourn the meeting on a short-term basis to allow time for the Proposal Trustee to compile all votes.

20. Once the votes have been compiled, the Chair will reconvene the meeting and the Proposal Trustee will provide a report that includes:

- (a) A summary of all motions called at the Meeting;
- (b) The result of the votes on each motion; and
- (c) Such further and other information as determined by the Proposal Trustee to be necessary. This report will be available on the Proposal Trustee's website at: <https://crowmackayco.ca/project/good-buds-company-inc/>.

No: 11-3052361  
Province of British Columbia  
Bankruptcy Division  
Vancouver Registry

In the Supreme Court of British Columbia

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, C. B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

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**PROPOSAL TO CREDITORS**

**DECEMBER 20, 2024**

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# PROPOSAL TO CREDITORS

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Proposal, unless otherwise stated or the context otherwise requires:

“**Affected Claims**” means all Claims, other than Unaffected Claims.

“**Affected Creditors**” means any Creditor having an Affected Claim, but only with respect to, and to the extent of, such Affected Claim.

“**Affected Creditors Class**” means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof by Affected Creditors with Proven Claims.

“**Approval Order**” means an Order that, among other things, approves and directs the implementation of the Proposal and all actions and transactions set out herein, effective as at the Implementation Date in accordance with the terms of this Proposal.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

“**Business Day**” means a day, other than a Saturday or Sunday, or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia.

“**Cannabis License**” means the Health Canada license issued to the Company related to the cultivation, processing and sale of cannabis and cannabis related products in Canada.

“**Cash Distribution**” means a cash distribution by the Proposal Trustee from the Cash Distribution Fund to Affected Creditors with a Proven Claim made in accordance with Article 3 and Schedule “A”.

“**Cash Distribution Dates**” means, subject to modifications made in accordance with Article 7, the distribution dates as set out in Schedule “A”.

“**Cash Distribution Fund**” means the fund established by the Company pursuant to and as described in Article 4.

“**Cash Distribution Fund Proceeds**” means the funds contributed to the Cash Distribution Fund in accordance with Article 4.

“**Claim**” means any right or claim of any Person against the Company which constitutes a “*claim provable in bankruptcy*” as that term is defined under the BIA, whether or not asserted in connection with any indebtedness, liability, or obligation was in existence on the Filing Date, as well as interest accrued that may accrue thereon, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including any legal, statutory, or equitable

fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, which claim is based in whole or in part on facts which existed prior to the Filing Date and for clarity, includes Crown Claims.

“**Claims Bar Date**” has the meaning ascribed to it in Article 5.1 of this Proposal.

“**Company**” means Good Buds Company Inc.

“**Conditions Precedent**” means those condition precedents to the implementation of this Proposal as defined and enumerated in Article 6.1 of this Proposal.

“**Court**” means the Supreme Court of British Columbia, in bankruptcy and insolvency.

“**Creditor**” means any Person having a Claim.

“**Crown**” means Her Majesty the Queen in right of Canada or a province.

“**Crown Claims**” means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Affected Creditor Claims, and specifically excludes any other claims of the Crown.

“**Director**” means anyone who is, or is deemed to be, a director of the Company at the Filing Date.

“**Excise License**” means the license issued by the Canada Revenue Agency to the Company pursuant to the *Excise Act, 2001*.

“**Electronic Meeting Protocol**” means the protocol for conducting the Meeting electronically, substantially in the form attached hereto as Schedule “B”.

“**Filing Date**” means March 6, 2024, the date on which the Company filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada.

“**Implementation Date**” means the date on which all Condition Precedents have been satisfied.

“**Meeting**” means the meeting of the Affected Creditors Class held in accordance with Section 51(1) of the BIA and the Electronic Meeting Protocol for the purpose of considering and, if thought fit, voting to approve this Proposal and agreeing to the compromises and arrangements constituted hereby, and includes any subsequent reconvened meeting should any meeting be adjourned.

**“Notice to Prove Claim”** means the notice made pursuant to Section 149 of the BIA to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Proposal Trustee, advising such Creditors that if their Claims are not proven within 30 days after the sending of such notice (i.e. the Claims Bar Date), the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.

**“Officers”** means, anyone who is, or is deemed to be, an officer of the Company at the Filing Date.

**“Order”** means any order of the Court made in the Proposal Proceedings.

**“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), any governmental authority, regulatory board, corporation, unincorporated association or organization, syndicate or other entity, whether or not having legal status.

**“Post-Filing Claim”** means a Claim arising from the supply of goods and services to the Company after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such Claims. Post-Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

**“Post Filing Creditor”** means a Creditor having a Post-Filing Claim.

**“Preferred Claim”** means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims.

**“Proof of Claim”** means the form of document prescribed by the BIA to be filed with the Proposal Trustee to prove the Claim of a Creditor.

**“Proposal”** means this proposal among the Company and the Affected Creditors, as from time to time amended, modified or supplements pursuant to an Order, or pursuant to an agreement among the Company and the Affected Creditors as provided for herein, or at any Meeting.

**“Proposal Proceedings”** means the proceedings under the BIA commenced under the Supreme Court of British Columbia Action No. 11-3052361 (Vancouver Registry).

**“Proposal Trustee”** means Crowe MacKay & Company Ltd. in its capacity as proposal trustee of the Company.

**“Proposal Trustee’s Costs”** means all proper fees, expenses and legal costs of the Proposal Trustee arising in any way in relation to this Proposal.

**“Proven Claim”** means a Claim which, after delivery of a Proof of Claim to the Proposal Trustee has been: (a) admitted by the Proposal Trustee in whole or in part; or (b) disallowed by the Proposal Trustee and such disallowance has been subsequently (i) resolved by agreement among the Claimant, the Company and the Proposal Trustee; or (ii) set aside in whole or in part by the Court.

Proven Claims shall not include any amounts due to a Post-Filing Creditor in respect of a Post Filing Claim and shall not include any interest for the period subsequent to the Filing Date.

**“Related Creditor”** means any Person who is a “related person” as defined under Section 4 of the BIA having a Proven Claim to the extent of their Proven Claim.

**“Released Parties”** means those persons released by the Affected Creditors, as defined and enumerated in Article 2.7(c) of the Proposal.

**“Required Majority”** means a majority in number and two thirds in value of the Voting Creditors who vote on this Proposal in accordance with the voting procedures established hereby and under the BIA.

**“Rumi Group”** includes the following individuals and entity: Eric Maurice Rumi, Suzanne E. Rumi, Eric Tyler Rumi, Lucas Alexander Rumi, 907282 Ontario Inc., and Good Buds Company International Inc.

**“Secured Claims”** means a Claim that is secured by a Security Interest, which includes Farm Credit Canada and the Rumi Group.

**“Secured Creditor”** means a Person having a Secured Claim.

**“Security Interest”** means a mortgage, hypothec, prior claim, pledge, charge, lien or other security interest on or against the assets and property of the Company or any part thereof as security for a debt due and accruing from the Company, or any negotiable instrument held as collateral security and on which the Company is only indirectly or secondarily liable.

**“Unaffected Claim”** means a Claim of an Unaffected Creditor.

**“Unaffected Creditor”** means: (a) the Post-Filing Creditors; (b) the Secured Creditors; (c) the Crown (to the extent of any Crown Claims).

**“Voting Creditors”** means all Affected Creditors in attendance at the Meeting in person or by proxy and who are entitled to vote at the Meeting. For clarity, this excludes all Related Creditors, Unaffected Creditors (to the extent of their Unaffected Claims).

## **1.2 Interpretation**

For the purposes of this Proposal:

- (a) the division of this Proposal into Articles and Sections and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define or limit the scope, extent or intent of this Proposal;
- (b) the words “hereunder”, “hereof”, and similar expressions, refer to this Proposal and not to any particular Article, Section or Schedule and references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to this Proposal;

- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words “includes” and “including”, and similar terms of inclusion shall not, unless expressly modified by the words only or solely, be construed as terms of limitation, but rather shall mean “includes without limitation”, or “including without limitation”, as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time; and
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

### **1.3 Currency**

All references to amounts of money mean the lawful currency of Canada unless otherwise expressly indicated. For purposes relating to voting on this Proposal and calculating distributions thereunder, any Claims submitted and denominated in a currency other than Canadian dollars shall be converted to Canadian dollars as at the Filing Date based on the applicable daily average exchange rate published by the Bank of Canada on the Filing Date.

### **1.4 Interest**

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

### **1.5 Date for Any Action**

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the following date that is a Business Day.

## **1.6 Schedules**

- Schedule “A”: Cash Distribution Schedule
- Schedule “B”: Electronic Meeting Protocol

## **ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL**

### **2.1 Purpose of Proposal**

The purpose of this Proposal is to enable the Company to preserve and carry on its core business.

In the event of the bankruptcy of the Company and the forced liquidation of its assets, it is very unlikely that there will be any more than nominal recovery by any Creditors other than Secured Creditors. The successful implementation of this Proposal will enable the Company to continue its business operations.

### **2.2 Overview of Proposal**

This Proposal provides for the compromise of the Affected Creditor Claims of the Affected Creditors. The Affected Creditors will receive a cash distribution in accordance with Article 3. The Cash Distribution Fund will be funded by sales revenues and/or the raising of capital by the Company. This Proposal will, as of the Implementation Date, be effective and binding on all Persons affected by the Proposal, and to whom this Proposal is made.

The alternative to this Proposal is the bankruptcy of the Company and the immediate liquidation of its assets. In a bankruptcy scenario, it is expected that it will be difficult, if not impossible, for a bankruptcy trustee to realize on the assets of the Company to such a degree that there will be a distribution to the unsecured creditors. In a bankruptcy, the Secured Creditors will be entitled to a distribution, if any, in priority to the unsecured creditors, thereby reducing the amount available for distribution to any unsecured creditors.

In the event of the bankruptcy of the Company, the Cannabis and Excise Licenses will likely be terminated. In such circumstances, it is unlikely that the Proposal Trustee or any other trustee in bankruptcy in respect of the Company would be legally authorized to realize upon the cannabis inventory held by the Company at the date of bankruptcy. The most likely outcome in such circumstances is the destruction of the cannabis with a corresponding negative impact on the chances of any distribution to unsecured creditors.

In the event that this Proposal is approved by the Required Majority, the Rumi Group has agreed to not file a Proof of Claim and waive its rights to participate in this Proposal with respect to any amount of the Claim of the Rumi Group being an unsecured claim.

Accordingly, and as will be apparent from the foregoing, this Proposal is premised on the expectation that Affected Creditors will derive a materially greater benefit from this Proposal than would result from a bankruptcy and the immediate liquidation of the Company's assets.

### **2.3 Proposal Trustee Under this Proposal**

Subject to the provisions of the BIA, the Proposal Trustee shall act as the administrator for certain purposes connected with this Proposal, including administration of the Proof of Claims process and the Meeting, as well as the distribution of the Proposal Proceeds, all in accordance with this Proposal.

### **2.4 Persons Affected by this Proposal**

This Proposal provides for, among other things, the compromise, discharge, and release of all Affected Claims against the Company. Accordingly, on the Implementation Date, this Proposal will become effective and shall be binding on the Company, the Affected Creditors and all other Persons named or referred to in, or subject to, this Proposal.

### **2.5 Unaffected Claims**

This Proposal does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under this Proposal in respect of such Claims. Nothing in this Proposal shall affect any of the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

### **2.6 Equity Claims**

Persons having equity claims or equity interests (such as those terms are defined in the BIA), shall not be entitled to receive a distribution under this Proposal or otherwise receive anything in respect of their shares or interest or be entitled to vote on this Proposal on its equity claim.

### **2.7 Release of Company, Directors and Officers and Proposal Trustee by Affected Creditors**

Upon the Company meeting its obligations to the Affected Creditors under this Proposal, each Affected Creditor hereby, and without the need for any further action, releases:

- (a) the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims; and
- (b) the Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA.

Once the Company has met its obligations to the Affected Creditors under this Proposal, no Affected Creditor shall have any right, remedy or claim against the Proposal Trustee or the Company, and each of their respective past and present Directors and Officers, employees,

financial advisors, legal counsel, representatives and agents, (each a “Released Party”, and collectively, the “Released Parties”) for anything arising in connection with this Proposal or these Proposal Proceedings. The Released Parties shall then be fully and irrevocably released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with the Claims, as applicable, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other wilful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits.

### **ARTICLE 3 TREATMENT OF CREDITORS**

#### **3.1 Classes of Creditors**

For the purposes of considering and voting on this Proposal, there shall only be one class of creditors, being the Affected Creditors Class.

#### **3.2 Affected Creditors**

The Proposal Trustee shall pay from the Cash Distribution Fund to each Affected Creditor with a Proven Claim a Cash Distribution equal to:

- i. 100% of its Proven Claim up to a maximum of \$2,500; and
- ii. 10% of the remaining balance of its Proven Claim.

The Cash Distributions calculated under section 3.2(i) will be funded over the first three months following the Implementation Date and paid to Affected Creditors by the end of the fourth month following the Implementation Date.

The Cash Distributions calculated under section 3.2(ii) will be funded over the remaining 57-month period in the Proposal term, and paid to Affected Creditors in five instalments issued on or before the anniversary of the Implementation Date for the following five years.

#### **3.3 Unaffected Claims**

Unaffected Claims are not included under or in any way affected by this Proposal. Unaffected Claims that are not Post-Filing Claims will be paid in accordance with existing agreements between the Unaffected Creditors and the Company or in accordance with alternative arrangements to be negotiated concurrently with the filing and implementation of this Proposal.



Unaffected Claims that are Post-Filing Claims will be unaffected by this Proposal and will be paid by the Company in the ordinary course of business.

### **3.4 Crown Claims and Preferred Claims**

Crown Claims that are Proven Claims (if any) shall be paid in their entirety, without interest, within six months after the granting of the Approval Order in accordance with the scheme of distribution set forth in the BIA.

Preferred Claims that are Proven Claims (if any) shall be paid in full on or after the date that is immediately upon the Approval Order, in accordance with the scheme of distribution set forth in the BIA.

### **3.5 Proposal Trustee's Costs**

The Proposal Trustee's Costs in respect of this Proposal shall be paid by the Company in the ordinary course of business and in accordance with the agreements between the Company and the Proposal Trustee.

### **3.6 Full Satisfaction of All Affected Creditor Claims and No Other Entitlements**

All Affected Creditors shall accept the consideration set out in Article 3 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Company, or other assets and undertaking of the Company. When implementation of the Proposal is complete, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors.

## **ARTICLE 4 CASH DISTRIBUTION FUND & CASH DISTRIBUTION**

### **4.1 Cash Distribution Fund**

The Company will fund the Cash Distribution Fund by way of making monthly payments to the Proposal Trustee in respect of each of the Cash Distributions set out in Schedule "A".

The Company shall make such payments to the Proposal Trustee on dates and in a manner to be reasonably determined by the Proposal Trustee so as to enable the Proposal Trustee to facilitate Cash Distributions from the Cash Distribution Fund in accordance with this Proposal.

All amounts comprising the Cash Distribution Fund will be delivered to the Proposal Trustee, and will be held by the Proposal Trustee, in trust, pending distribution to Affected Creditors in the time and manner set out in Article 3 and Schedule "A".

## 4.2 Cash Distribution

In accordance with Article 3, the Cash Distribution Fund Proceeds shall be distributed by the Proposal Trustee as soon as practicably possible, but in any event within thirty (30) days of the Cash Distribution Dates in accordance with Article 3 and Schedule “A”.

## 4.3 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Cash Distributions made by the Proposal Trustee from the Cash Distribution Fund pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice.

# ARTICLE 5 MEETING OF CREDITORS

## 5.1 Proving Claims

The procedure for dealing with the allowance, disallowance, and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with Article 3, Creditors must have filed a Proof of Claim in accordance with the BIA such that it is actually received by the Proposal Trustee in accordance with the BIA and by no later than the date that is 30 days from the date on which the Proposal Trustee delivers the Notice to Prove Claim (the “**Claims Bar Date**”) pursuant to Section 149 of the BIA. The Proposal Trustee may issue the Notice to Prove Claim at its discretion anytime following the Implementation Date.

**Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before the Claims Bar Date will not be eligible for participation in the proposed distribution under this Proposal and their claims will be forever barred as against the Company.**

## 5.2 Meeting

Unless otherwise ordered by the Court, the Meeting shall be held at 10:00 a.m. (Vancouver time) on January 14, 2025, virtually, in accordance with the Electronic Meeting Protocol. For an invitation to join the meeting, please contact the Proposal Trustee at: [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca)

## 5.3 Conduct of Meeting

Unless otherwise ordered by the Court, the Meeting shall be chaired by a representative of the Office of the Superintendent in Bankruptcy, or the nominee thereof. The Meeting shall be conducted in accordance with Part III, Division I of the BIA.

The only Persons entitled to attend the Meeting are the Affected Creditors with Proven Claims, including the holders of proxies, and their legal counsel, if any, and the Directors and Officers of

the Company, auditors, advisors and legal counsel of the Company, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, legal counsel for the Proposal Trustee and such scrutineers as may be duly appointed by the chair of the Meeting. Any other person may be admitted only on invitation of the chair of the Meeting.

#### **5.4 Voting at the Meeting**

Each Voting Creditor will be entitled to vote the full amount of its Proven Claim at the Meeting. Each Voting Creditor shall have one vote for the purposes of determining a majority in number, and each Voting Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

#### **5.5 Parties Not Entitled to Vote**

Related Creditors and Unaffected Creditors, to the extent of their Unaffected Claims, shall not be entitled to vote at the Meeting.

#### **5.6 Adjournment of the Meeting**

The Meeting may be adjourned in accordance with Section 52 of the BIA. If the Meeting is adjourned, no further Proof of Claims nor proxies shall be filed with or accepted by the Proposal Trustee or the Company for the purpose of voting at any reconvening of the Meeting.

#### **5.7 Proxies and Voting Letters**

Affected Creditors with Proven Claims will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim package and will be binding upon all Affected Creditors.

### **ARTICLE 6 CONDITIONS PRECEDENT**

#### **6.1 Conditions Precedent**

The implementation of this Proposal by the Company on the Implementation Date is subject to the satisfaction by the Company of the following conditions precedent (collectively, the “**Conditions Precedent**”):

- (a) this Proposal shall have been approved by the Affected Creditors Class by the Required Majority in accordance with the provisions of the BIA;
- (b) the Approval Order sanctioning this Proposal shall have been made, and the effect of the Approval Order shall not have been stayed, revised, modified, reversed or amended, and the Approval Order shall, among other things:
  - i. declare that: (1) this Proposal has been approved by the Required Majority of the Affected Creditors Class in conformity with the BIA; and (2) this Proposal and the transactions contemplated hereby, are fair and reasonable, and in the

best interests of the Company, the Affected Creditors, and the other stakeholders;

- ii. order that this Proposal is sanctioned and approved pursuant to the BIA; and
- iii. authorize and direct the Company and the Proposal Trustee to execute and deliver the agreements, documents, and instruments contemplated by this Proposal in order to effect all actions contemplated by this Proposal.

(c) all other actions, documents and agreements necessary to implement this Proposal as required herein shall have been effected and executed.

The non-fulfillment or non-satisfaction of any of the Conditions Precedent set forth in this Article 6.1(a) through (c) shall constitute a default under this Proposal for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

## **ARTICLE 7 AMENDMENT AND MODIFICATIONS**

### **7.1 Modification to Proposal before or at Meeting**

The Company reserves the right, with the consent of the Proposal Trustee and/or inspectors (if any), to amend, modify, supplement or restate this Proposal at any time prior to the Meeting, or at the Meeting, in which case the amended, modified, supplemented or restated proposal will be put before the Affected Creditors Class for approval at the Meeting.

### **7.2 Modification of Proposal after Meeting**

After the Meeting, this Proposal may be modified from time to time:

- (a) by the Company, if the amendment is considered by the Proposal Trustee and the inspectors (if any) to be non-substantive in nature, and, with the approval of the Proposal Trustee; and
- (b) by the Court on application of the Company or the Proposal Trustee and upon notice to those determined by the applicant to be directly affected by the proposed modification.

## **ARTICLE 8 APPLICATION FOR COURT APPROVAL & EFFECT OF PROPOSAL**

### **8.1 Application for Court Approval**

Upon the conclusion of the Meeting, if this Proposal has been approved by the Affected Creditors Class by the Required Majority, the Proposal Trustee shall apply to the Court for the Approval Order. Subject only to the Approval Order being granted and the satisfaction of those Conditions Precedent enumerated in Article 6.1, this Proposal will be implemented by the Company and will

be binding upon all the Affected Creditors and all other Persons affected by this Proposal in accordance with its terms.

## **8.2 Binding Effect of Proposal**

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

## **ARTICLE 9 NOTICE, UNDELIVERABLE DISTRIBUTIONS AND THE LEVY**

### **9.1 Notices and Payments to Affected Creditors**

Any notices, correspondence and distributions to Affected Creditors under or in relation to this Proposal shall be delivered to the address provided by each Affected Creditor unless the Company and the Proposal Trustee are notified by an Affected Creditor in writing of an alternative address for delivery.

### **9.2 Undeliverable Distributions**

If any distribution, delivery or correspondence to an Affected Creditor under this Proposal is returned to the sender as undeliverable, no further distributions, deliveries or correspondence shall be made to that Affected Creditor unless and until the sender is notified by such Affected Creditor, in writing, of their current address, at which time any missed deliveries, distributions (without interest) and correspondence shall be delivered to such Affected Creditor.

Undeliverable distributions shall be retained by the sender until they are claimed or until six months after the date of such distribution, after which they shall revert to the Company, free of any restrictions or claims thereon.

### **9.3 Withholding Taxes and Superintendent's Levy**

All distributions to the Affected Creditors under this Proposal shall be made net of the levy imposed by the Superintendent of Bankruptcy under the BIA. This includes any distribution of equity. Notwithstanding any other provision of this Proposal, each Affected Creditor that receives a distribution pursuant to this Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

## **ARTICLE 10 ADDITIONAL TERMS**

### **10.1 Excise License**

The failure of the Company to satisfy the financial security requirements of the Excise License, by way of cash held by the Canada Revenue Agency as security or by way of surety bond, and/or any fee requirements under the Cannabis Fees Order, shall constitute a default under the Proposal. The Company shall notify the Proposal Trustee of any such failure, or any material change in the status of its surety bond or with respect to the Cannabis License and/or Cannabis Fees Order. The Company shall have 30 days to remedy the default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act* and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act*.

### **10.2 Federal Tax Remittances**

The failure of the Company to remit any amounts when due to the federal Crown, including any and all amounts due and owing under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, *Canada Pension Plan*, and/or the *Excise Act, 2001*, and the Cannabis Fees Order shall constitute a default under the proposal and entitle the federal Crown to notify the Proposal Trustee of such default. Upon notice of such default being provided to the Proposal Trustee and the Company, the Company shall have 30 days to remedy the default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act* and if the default is not remedied in such time then the Proposal Trustee shall notify the creditors and the official receiver of such default in accordance with section 62.1 of the *Bankruptcy and Insolvency Act*.

### **10.3 Tax Return Filings**

The Company shall file all appropriate tax returns, when due, and as required under the relevant tax legislation, specifically the *Income Tax Act*, *Excise Tax Act*, *Employment Insurance Act*, and *Canada Pension Plan*.

### **10.4 Statement of Cannabis Revenue**

The Company shall file the Statement of Cannabis Revenue with Health Canada when due as required under the Cannabis Fees Order.

### **10.5 Proposal Trustee's Fees**

The Company shall pay all of the Proposal Trustee's reasonable fees when due until the Proposal has been successfully implemented and shall maintain the \$50,000 retainer held by the Proposal Trustee until the Cash Distribution Fund has been fully satisfied in accordance with section 4.1 herein.

## **ARTICLE 11 GENERAL**

### **11.1 Capacity of Proposal Trustee**

Crowe MacKay & Company Ltd. is acting in its capacity as Proposal Trustee and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto and no Person shall have any Claim against Crowe MacKay & Company Ltd. in respect thereof. The foregoing is in addition to, and not substitution for, and in no way affects any protections afforded Crowe MacKay & Company Ltd. under the BIA or elsewhere.

### **11.2 Certificate of Completion**

Upon the Proposal Trustee making the last distributions to the Affected Creditors as contemplated by this Proposal, the terms of this Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Official Receiver a certificate pursuant to Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged.

### **11.3 No Default**

Each Affected Creditor will be deemed to have waived any default by the Company in any provision, expressed or implied or in any agreement existing between the Affected Creditor and the Company that occurred on or prior to the Implementation Date. Each Affected Creditor will be deemed to have agreed that, to the extent there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and the provisions of any such agreement are amended accordingly.

### **11.4 Conflict Between this Proposal and Other Agreements**

From and after the Implementation Date, any conflict between: (a) this Proposal; and (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Company as at the Implementation Date, will be deemed to be governed by the provisions of this Proposal and the Approval Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Proposal.

### **11.5 Severability**

If, subsequent to the Implementation Date, any term or provision of this Proposal is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Company or Proposal Trustee, shall have the power to alter and interpret such term or provision to make it valid or

enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Proposal shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **11.6 Further Assurances**

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

### **11.7 Governing Law**

This Proposal will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

### **11.8 Notices to Company or Proposal Trustee**

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Company or the Proposal Trustee shall be in writing and shall be delivered either personally, by email, by regular mail, by registered mail or by certified mail, return receipt requested, at the following address:

To the Company

1867 North End Road  
Salt Spring Island, BC V8K 1C9

With a copy to:

McMillan LLP  
1500 - 1055 West Georgia Street  
Vancouver, BC V6E 4N7  
Attention: Daniel Shouldice  
Email: daniel.shouldice@mcmillan.ca

To the Proposal Trustee

Crowe MacKay & Company Ltd., in its capacity as  
Proposal Trustee of Good Buds Company Inc.  
1100 - 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
Attention: Jonathan McNair / Tetsu Takagaki  
Email: jonathan.mcnair@crowemackay.ca / tetsu.takagaki@crowemackay.ca



With a copy to:

Dentons Canada LLP  
20<sup>th</sup> Floor – 250 Howe Street  
Vancouver, BC V6C 3R8  
Attention: Jordan Schultz  
Email: Jordan.schultz@dentons.com

## **11.9 Successors and Assigns**

This Proposal is binding upon the Company, the Creditors and their respective heirs, executors, administrators, successors and assigns.

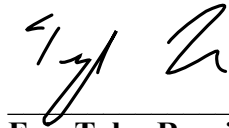
## **11.10 Date and Reference**

This Proposal may be referred to as being the Proposal of the Company dated for reference December 20, 2024.

DATED at Salt Spring Island, in the Province of British Columbia on this 20<sup>th</sup> day of December, 2024.

GOOD BUDS COMPANY INC.

Per:



\_\_\_\_\_  
**Eric Tyler Rumi**  
Authorized Signatory

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE "A" TO THE PROPOSAL**

**CASH DISTRIBUTION SCHEDULE**

1. In accordance with Article 3 of the Proposal, Cash Distributions will be paid to Affected Creditors with Proven Claims as outlined in the following schedule, subject to the paragraph below:

<b>Tranche</b>	<b>Cash Distribution Dates</b>
1	120 days from the Implementation Date
2	1 year from the Implementation Date
3	2 years from the Implementation Date
4	3 years from the Implementation Date
5	4 years from the Implementation Date
6	5 years from the Implementation Date

2. Note: in accordance with Article 3 of the Proposal, the Company may, at its sole discretion, accelerate the payment of Cash Distributions.

In the Supreme Court of British Columbia

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C.  
B-3, AS AMENDED**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
GOOD BUDS COMPANY INC.**

**SCHEDULE "B" TO THE PROPOSAL**

**ELECTRONIC MEETING PROTOCOL**

On March 6, 2024, Good Buds Company Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "**BIA**"), and Crowe MacKay & Company Ltd. was appointed proposal trustee (in such capacity, the "**Proposal Trustee**") in relation to the Company's proposal proceedings under the BIA.

By order of the Honourable Justice Ahmad granted May 17, 2024, among other things, the time for filing the Company's proposal under Part III of the BIA was extended to 11:59 pm Vancouver time on July 4, 2024.

On June 28, 2024, the Company filed a proposal dated June 28, 2024 (the "**June Proposal**") with the official receiver pursuant to Division I of Part III of the BIA. The June Proposal was not approved pursuant to a vote at a meeting of the Company's creditors on July 17, 2024. By order of the Honourable Madam Justice Sharma granted July 18, 2024, the deemed assignment in bankruptcy of the Company was stayed.

The Proposal Trustee is authorized to convene, hold, and conduct a meeting of the Company's creditors (the "**Meeting**") to consider and vote on the Company's Proposal to Creditors dated December 20, 2024, as may be amended (the "**Proposal**").

## **A. MEETING DETAILS**

1. date of the Meeting: January 14, 2025;
2. time of the Meeting: 10:00 a.m. (Vancouver time);
3. Meeting Platform: Zoom.

## **B. TECHNOLOGY AND MEETING ETIQUETTE**

4. The Meeting will be conducted using the Zoom virtual meeting platform. The Zoom virtual meeting platform can be downloaded at <https://zoom.us/download> or accessed through your web browser.
5. Prior to the Meeting, you are required to learn the software as the Proposal Trustee will not have the capacity to answer questions concerning the technology during the Meeting.
6. During the Meeting:
  - (a) leave your microphone device on “mute” until recognized by the Proposal Trustee to prevent background noise; and
  - (b) turn your video feed off within the program, to prevent unnecessary use of bandwidth.

## **C. PRE-MEETING REQUIREMENTS**

7. Proxy/ Voting Letter cut-off: All proxies or voting letters to be delivered to the Proposal Trustee in accordance with the Proof of Claim package must be received by the Proposal Trustee by no later than noon on January 10, 2025. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on January 10, 2025, please follow up with the Proposal Trustee by email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca).
8. Attendance Notice: Parties intending to attend the Meeting through Zoom shall notify the Proposal Trustee by email to [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca) by no later than noon on January 13, 2025. The Proposal Trustee will provide you with confirmation of receipt. If you have not received confirmation of receipt by 12:30 p.m. on January 13, 2025, please follow up with the Proposal Trustee by sending an email to: [jonathan.mcnair@crowemackay.ca](mailto:jonathan.mcnair@crowemackay.ca) / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca).
9. Prior to the Meeting, the Proposal Trustee will provide information by email to parties that have delivered proxies, voting letters, or notices of attendance. The information to be provided in advance of the Meeting is:
  - (a) a proposed agenda for the Meeting;

- (b) a unique creditor identification number;
- (c) confirmation as to the status of your Claim (i.e. whether it is admitted or contested for voting purposes); and
- (d) the meeting ID and password.

#### **D. CONDUCT OF MEETING**

10. Registration: The Zoom Meeting will be open at 9:00 a.m. on January 14, 2025, to provide sufficient time for registration. You are encouraged to call in early, and no later than 9:30 a.m. so that the registration process can be completed in a timely fashion and not delay the commencement of the Meeting. The Meeting will begin promptly, and the Proposal Trustee may not have capacity to admit late registrations.

11. During the registration process, you will be required to:

- (a) identify yourself by your unique creditor identification number and/or whether you hold a proxy or voting letter;
- (b) identify any additional individuals in attendance with you, including their capacity (legal counsel and firm as applicable); and
- (c) confirm your contact details and Claim amount.

12. Calling the Meeting to Order: A representative of the Office of the Superintendent of Bankruptcy or its nominee will act as “chair” of the Meeting (in that capacity, the “**Chair**”). The Chair will call the Meeting to order at 10:00 a.m. Vancouver time on January 14, 2025, and will adjourn the Meeting if the Chair determines that such is necessary to permit completion of the registration process. The time of the adjournment will be estimated by the Chair at the time the adjournment is declared.

13. Motions and Voting at the Meeting: The Proposal Trustee will maintain a roster of all participants compiled during the registration process. When a motion is called for by the Chair, either as a standard protocol motion for such meetings or based on a request for a motion generally, the Chair will request from the general population of Affected Creditors (as defined in the Proposal) in attendance at the Meeting for:

- (a) a second of the motion; and
- (b) a call for a vote on the motion, by the Required Majority (as defined in the Proposal).

14. In all instances, and in respect of all motions and votes, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient in the circumstances.

15. Questions at the Meeting: The Zoom platform includes a chat feature that allows you to submit questions to the Chair electronically. For the purposes of asking questions at the Meeting, please use the chat feature and: (a) include your creditor identification number; and (b) advise that you wish to ask a question. In an effort to mitigate disruptions, the Proposal Trustee or Chair may turn off the video and mute the microphone of any or all participants while the meeting is underway.

16. The Chair will recognize your interest in asking a question in the following priority:

- a) those that have submitted requests via the chat function, and in the order of registration; and
- b) those that are unable to register on the chat or prefer not to do so, via a general call for questions.

17. Once recognized by the Chair, and before asking your question, please: (a) state your creditor identification number; (b) your name; and (c) the creditor you represent. You may then ask your question.

18. For clarity, you will not be permitted to ask a question or to speak at the Meeting unless and until you have been recognized by the Chair.

#### **E. POST-MEETING REPORTING**

19. As mentioned above, the Proposal Trustee shall accept votes electronically, by email or by such other means as the Proposal Trustee deems sufficient and advises in the circumstances. The Proposal Trustee or Chair will allot 15 minutes for participants at the meeting to submit their votes electronically. The Chair will adjourn the meeting on a short-term basis to allow time for the Proposal Trustee to compile all votes.

20. Once the votes have been compiled, the Chair will reconvene the meeting and the Proposal Trustee will provide a report that includes:

- (a) A summary of all motions called at the Meeting;
- (b) The result of the votes on each motion; and
- (c) Such further and other information as determined by the Proposal Trustee to be necessary. This report will be available on the Proposal Trustee's website at: <https://crowmackayco.ca/project/good-buds-company-inc/>.

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

Original

Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 27th day of June 2024. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	3,834,629.21	1. Inventory .....	0.00
Balance of secured claims as per list "B" .....	8,892,116.61	2. Trade fixtures, etc. ....	0.00
Total unsecured creditors .....	12,726,745.82	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" .....	3,868,346.00	Good .....	145,000.00
3. Preferred creditors as per list "C" .....	0.00	Doubtful .....	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	Bad .....	100,015.00
estimated to be reclaimable for .....		Estimated to produce .....	145,000.00
Total liabilities .....	16,595,091.82	4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
Surplus .....	NIL	5. Deposits in financial institutions .....	0.00
		6. Cash .....	326,346.00
		7. Livestock .....	0.00
		8. Machinery, equipment and plant .....	0.00
		9. Real property or immovable as per list "G" .....	0.00
		10. Furniture .....	0.00
		11. RRSPs, RRIFs, life insurance, etc. ....	0.00
		12. Securities (shares, bonds, debentures, etc.) .....	0.00
		13. Interests under wills .....	0.00
		14. Vehicles .....	0.00
		15. Other property, as per list "H" .....	3,397,000.00
		If debtor is a corporation, add:	
		Amount of subscribed capital .....	0.00
		Amount paid on capital .....	0.00
		Balance subscribed and unpaid .....	0.00
		Estimated to produce .....	0.00
		Total assets .....	3,868,346.00
		Deficiency .....	12,726,745.82

I, Tyler Rumi, of the City of Salt Spring Island in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 27th day of June 2024 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Tyler Rumi stated as being located in the City of Salt Spring Island in the Province of British Columbia before me at the City of Vancouver in the Province of British Columbia, on this 28th day of June 2024 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.



Jonathan McNair, Commissioner for Taking Affidavits  
 For the Province of British Columbia  
 Expires June 30, 2024



Tyler Rumi

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

List "A"  
 Unsecured Creditors

Good Buds Company Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	420 Premium Markets Ltd.	#1400 - 1100 1 Street SE Calgary AB T2G 1B1	2,979.20	0.00	2,979.20
2	907282 Ontario Inc.	c/o 3 Atkins Avenue Toronto ON M6K 1V9	0.00	1,524,597.00	1,524,597.00
3	A. Jane Albo	1755 Fulford-Ganges Road Salt Spring Island BC V8K 2A5	2,016.00	0.00	2,016.00
4	Aelius LED	2601 Belisle Drive, Unit 4 Val Caron ON P3N 0A7	178,796.01	0.00	178,796.01
5	AirMed Canada Systems Inc	Box 53574 RPO Broadmead Victoria BC V8X 5K2	3,251.61	0.00	3,251.61
6	Bank of Montreal	116 Fulford-Ganges Rd Salt Spring Island BC V8K 2S4	60,532.90	0.00	60,532.90
7	BC Cannabis Inc.	6799 West Coast Road Sooke BC V9Z 1H5	116,671.40	0.00	116,671.40
8	BC Hydro (Acct #000010296873)	P.O. Box 9501 STN Terminal Vancouver BC V6B 4N1	8,625.69	0.00	8,625.69
9	Canadian Linen	947 North Park Street Victoria BC V8T 1C5	2,749.55	0.00	2,749.55
10	CBN/SICPA JV - Canadian Bank Note Company	145 Richmond Road Ottawa ON K1Z 1A1	342.85	0.00	342.85
11	CRA - GST/HST - Vancouver Attn: Pacific Insolvency Intake Centre	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	6,224.41	0.00	6,224.41
12	Fairlead Consulting	2711 Goldstream Crescent Coquitlam BC V3C 5G6	1.00	0.00	1.00
13	Gideon Plumbing Ltd.	6111 Denali Dr Duncan BC V9L 5N4	556.50	0.00	556.50
14	Good Buds Company International Inc.	1867 North End Road Salt Spring Island BC V8K 1C9	0.00	3,365,812.00	3,365,812.00
15	Great Little Box Company	748 Market Street Victoria BC V8T 5K5	8,063.26	0.00	8,063.26
16	GS1 Canada	800 - 1500 Don Mills Rd North York ON M3B 3K4	1.61	0.00	1.61
17	Health Canada-Receiver General	161 Goldenrod Drwy Ottawa ON K1A 0K9	27,468.03	0.00	27,468.03
18	Hifyre Inc.	2 Bloor Street W. Suite 2006 Toronto ON M4W 3E2	1,013.64	0.00	1,013.64
19	Independent Retail Cannabis Collective Inc.	#360 - 440 West Hastings Street Vancouver BC V6B 1L1	2,601.52	0.00	2,601.52
20	Mercari Agency Limited	300 - 192 Spadina Avenue Toronto ON M5T 2C2	23,834.99	0.00	23,834.99
21	Mikus Transport	1003 Herring Gull Way Parksville BC V9P 2N1	342.51	0.00	342.51

28-Jun-2024

Date



Tyler Rumi



District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

List "A"  
 Unsecured Creditors

Good Buds Company Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	Ministry of Finance - EHT - British Columbia	Station Provincial Government PO Box 9445 Vancouver BC V8W 9V5	11,248.74	0.00	11,248.74
23	Net2phone - (versature)	5424 Canotek Rd ON K1J 1E9	27.99	0.00	27.99
24	Pest Control Services	221 Donore Road Salt Spring Island BC V8K 2H4	254.10	0.00	254.10
25	Purolator Inc. Attn: Kelly Sullivan	PO Box 1100, Post Stn A Etobicoke ON M9C 5K2	280.28	0.00	280.28
26	Quality Analytical Services	Unit A43, 64089 393 Avenue East Okotoks AB T1S 0L1	1,859.65	0.00	1,859.65
27	RB Engineering Ltd.	1850 Northfield Rd Nanaimo BC V9S 3B3	4,171.34	0.00	4,171.34
28	Receiver General for Canada- Excise	PO Box 3800 Stn. A Sudbury ON P3A 0C3	3,357,947.42	0.00	3,357,947.42
29	Rumi, Alex	41 Melbourne Street Hamilton ON L8P 2A5	0.00	485,515.00	485,515.00
30	Rumi, Eric and Suzanne	c/o 3 Atkins Avenue Toronto ON M6K 1V9	0.00	3,516,192.61	3,516,192.61
31	Salt Spring Garbage Services Ltd	360 Blackburn Salt Spring Island BC V8K 2B8	92.41	0.00	92.41
32	Salt Spring Water Co	P.O. Box 767 Salt Spring Island BC V8K 2W3	400.00	0.00	400.00
33	Security Response Center	506 Christina Street North Sarnia ON N7T 5W4	12.69	0.00	12.69
34	Still Creek Engineering Ltd.	3991 Henning Dr #205 Burnaby BC V5C 6N5	5,696.25	0.00	5,696.25
35	ULINE	Box 3500, RPO Streetsville Mississauga ON L5M 0S8	3,872.45	0.00	3,872.45
36	WorkSafe BC	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5	2,617.11	0.00	2,617.11
37	Zip Courier	103-1588 Derwent Way Delta BC V3M 6Z7	76.10	0.00	76.10
<b>Total:</b>			<b>3,834,629.21</b>	<b>8,892,116.61</b>	<b>12,726,745.82</b>

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee  
 List "B"  
 Secured Creditors

Good Buds Company Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	907282 Ontario Inc.	c/o 3 Atkins Avenue Toronto ON M6K 1V9	1,524,597.00	Cash on Hand - Cash - Bank of Montreal Debts Due - Business - Accounts Receivable - NA Other - Inventory Other - Property, plant & equipment	24-Mar-2022 24-Mar-2022 24-Mar-2022 24-Mar-2022	0.00 0.00 0.00 0.00		1,524,597.00
2	Farm Credit Canada	C/o Gowlings WLG (Canada) LLP - 1600 - 1 First Canadian Place, 100 King Street West Toronto ON M5X 1G5	2,260,391.61	Other - Property, plant & equipment  Other - Inventory Debts Due - Business - Accounts Receivable - NA Cash on Hand - Cash - Bank of Montreal	12-Apr-2021  12-Apr-2021 12-Apr-2021 12-Apr-2021	1,730,391.61  385,000.00 145,000.00 0.00		
3	Good Buds Company International Inc.	1867 North End Road Salt Spring Island BC V8K 1C9	3,365,812.00	Cash on Hand - Cash - Bank of Montreal  Debts Due - Business - Accounts Receivable - NA Other - Inventory Other - Property, plant & equipment		0.00  0.00 0.00		3,365,812.00
4	Rumi, Alex	41 Melbourne Street Hamilton ON L8P 2A5	485,515.00	Cash on Hand - Cash - Bank of Montreal Debts Due - Business - Accounts Receivable - NA Other - Inventory Other - Property, plant & equipment		0.00 0.00 0.00 0.00		485,515.00

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee  
 List "B"  
 Secured Creditors

Good Buds Company Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
5	Rumi, Eric and Suzanne	c/o 3 Atkins Avenue Toronto ON M6K 1V9	4,975,334.00	Other - Property, plant & equipment	24-Mar-2022	1,132,795.39		3,516,192.61
				Cash on Hand - Cash - Bank of Montreal	24-Mar-2022	326,346.00		
				Debts Due - Business - Accounts Receivable - NA	24-Mar-2022	0.00		
				Other - Inventory	24-Mar-2022	0.00		
6	Rumi, Tyler	c/o 3 Atkins Avenue Toronto ON M6K 1V9	148,813.00	Other - Property, plant & equipment	24-Mar-2022	148,813.00		
				Cash on Hand - Cash - Bank of Montreal	24-Mar-2022	0.00		
				Debts Due - Business - Accounts Receivable - NA	24-Mar-2022	0.00		
				Other - Inventory	24-Mar-2022	0.00		
<b>Total:</b>			<b>12,760,462.61</b>			<b>3,868,346.00</b>	<b>0.00</b>	<b>8,892,116.61</b>

28-Jun-2024

Date

Tyler Rumi

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee  
List "C"  
Preferred Creditors for Wages, Rent, etc.

Good Buds Company Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee  
List "D"  
Contingent or Other Liabilities

Good Buds Company Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee  
 List "E"  
 Debts Due to the Debtor  
 Good Buds Company Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	NA NA NA NA NA	NA	145,000.00 0.00 100,015.00		14-Jun-2024	145,000.00	NA
Total:				145,000.00 0.00 100,015.00			145,000.00	

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee  
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

Good Buds Company Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 78 -- Continued

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee  
List "G"  
Real Property or Immovables Owned by Debtor  
Good Buds Company Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

28-Jun-2024

Date



Tyler Rumi



District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No. B-240183  
 Estate No. 11-3052361

FORM 78 -- Concluded

In the Matter of the Proposal of  
 Good Buds Company Inc.  
 of the Community of Salt Spring Island, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee  
 List "H"  
 Property

Good Buds Company Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	326,346.00	326,346.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Inventory	809,986.00	385,000.00
		Biological Assets	346,355.00	0.00
		Income Tax Recoverable	95,950.00	0.00
		Prepaid expenses	148,404.00	0.00
		Property, plant & equipment	4,841,190.00	3,012,000.00
			<b>Total:</b>	<b>3,723,346.00</b>

28-Jun-2024

Date



Tyler Rumi

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of Good Buds Company Inc. of the Community of Salt Spring Island in the Province of British Columbia and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 6th day of March 2024, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_

(Attach a copy of sales agreement and delivery receipts.)

District of British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 31 --- Concluded  
In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

- E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

Phone Number: \_\_\_\_\_  
Fax Number : \_\_\_\_\_  
E-mail Address : \_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

\_\_\_\_\_  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Fax: (604) 687-5617  
E-mail: trustee@crowemackay.ca

## **CHECKLIST FOR PROOFS OF CLAIM**

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

### **PROOF OF CLAIM**

- ▶ The signature of a witness is required;
- ▶ The claim must be signed personally by the individuals;
- ▶ If the creditor is a corporation, the full and complete legal name of the company or firm must be stated;
- ▶ Give the complete address, including postal code, where all notices or correspondence is to be forwarded, the name of the person to contact, the phone number and fax number.

### **PARAGRAPH 1**

- ▶ Please state your name, city of residence, and if you are completing the declaration for a corporation or another person, your position or title.

### **PARAGRAPH 3**

- ▶ State the date of bankruptcy, proposal of receivership and the amount of your claim;
- ▶ A detailed statement of account must be attached and must show the date, number and amount of all the invoices, charged credits or payments;
- ▶ A statement of account is not complete if it begins with an amount brought forward;
- ▶ The amount of the statement of account must agree with the amount claimed on the proof of claim.

### **PARAGRAPH 4**

- ▶ An ordinary creditor must check subparagraph A. A preferred creditor must set out on an attached schedule the particulars of your priority;
- ▶ A secured creditor must check subparagraph C. You must insert the value at which you assess each of your securities and provide a certified true copy of the security documents as registered.

### **PARAGRAPH 5**

Strike out “are” or “are not” as applicable to you. You would be considered a related person if:

- ▶ You are related to blood or marriage to the debtor;
- ▶ If the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

### **PARAGRAPH 6**

All creditors must attach a detailed list of all payments or credits received or granted, as follows:

- ▶ Within the 3 months preceding the bankruptcy or proposal, if the creditor and the debtor are not related;
- ▶ Within 12 months preceding the bankruptcy or proposal, if the creditor and debtor are related.

In the case of an individual’s bankruptcy only, you may request some or all of the items stated after paragraph 6.

### **GENERAL PROXY**

A creditor may appoint a proxy by completing the proxy form, if the creditor is a corporation, the proxy form must be completed in the corporate name and signature witness.

### **NOTES**

- ▶ Only creditors who have filed claims in the proper manner before the time appointed for the meeting of creditors are entitled to vote;
- ▶ A creditor may vote either in person or by proxy;
- ▶ A debtor may not be appointed a proxy at any meeting of his creditors;
- ▶ The trustee may be appointed as a proxy to for any creditors;
- ▶ A corporation may vote by an authorized agent at the meeting of creditors;
- ▶ In order to have the right to vote, a person must himself be a creditor or be the holder of a property executed proxy showing the name of the creditor;
- ▶ Only creditors who filed claims in the proper form with the trustee are entitled to share in any distribution that may be made.

District of: British Columbia  
Division No. 03 - Vancouver  
Court No. B-240183  
Estate No. 11-3052361

FORM 37

Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of  
Good Buds Company Inc.  
of the Community of Salt Spring Island, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of Good  
Buds Company Inc., to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as  
made on the 20th day of December 2024.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness Individual Creditor

\_\_\_\_\_  
Witness Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Jonathan McNair - Licensed Insolvency Trustee  
1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Fax: (604) 687-5617  
E-mail: trustee@crowemackay.ca