



Province: British Columbia
Division No. 04 - Vernon
Court No. VER-S-B-58732
Estate No. 11-3145114

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANNGROUP DEVELOPMENT CORP.**

CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE

FIRST REPORT TO COURT

November 14, 2024

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I. INTRODUCTION

1. On October 25, 2024 (the "**Filing Date**"), CannGroup Development Corp. (the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and the Insolvency Act* R.S.C.1985, c. B-3 (the "**BIA**"). Crowe MacKay and Company Ltd. was appointed as proposal trustee (in such capacity, the "**Proposal Trustee**") in these proceedings (the "**NOI Proceedings**").
2. By virtue of the filing of the NOI, and pursuant to section 50.4(8) of the BIA, the initial stay period in the NOI Proceedings is from October 25, 2024 to November 23, 2024 (the "**Initial Stay Period**").
3. A copy of the Certificate of Filing of the NOI issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix "A"**.

II. PURPOSE OF REPORT

4. The purpose of this report by the Proposal Trustee (the "**First Report**") is to provide this Honourable Court and the Company's stakeholders with:
 - a. information regarding the Company's current operations and certain matters relating thereto;
 - b. the Company's cash flow projection for the 13-week period from October 25, 2024, to January 24, 2025; and,
 - c. the Proposal Trustee's recommendations with respect to the Company's application to this Honourable Court for an order (the "**Sale Approval Order**"), among other things:
 - i. approving the purchase and sale of the Property (as defined below) pursuant to the contract of purchase and sale between the Company and the Purchaser (as defined below), and vesting the Property in the Purchaser (the "**Transaction**").
 - d. the Proposal Trustee's recommendations with respect to the Company's application to this Honourable Court for an order (the "**Ancillary Order**"), among other things:
 - i. granting a charge on the assets, property, and undertakings of the Company in the aggregate amount of \$150,000 (the "**Administration Charge**") as security for the fees of the Proposal Trustee and its counsel, and counsel to the Company;

- ii. extending the Initial Stay Period from November 23, 2024 to January 7, 2025 (the "**Extension**"); and,
- iii. transferring the court proceedings to the Vancouver division.

III. TERMS OF REFERENCE

5. In preparing this First 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 ("**Management**"), namely Ms. Nicole Chetwynd, Ms. Mary Carleen Roth, and Mr. Marlin Kirby Tobias (collectively, the "**Information**").
6. 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 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 used to prepare this First Report.
7. Certain of the information referred to in this First 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.

IV. COMPANY BACKGROUND AND OPERATIONS

8. The information set out below regarding the Company's history and efforts to secure financing or divest its business and assets is based on the Proposal Trustee's discussions with Management.
9. The Company was incorporated in British Columbia in 2017. The Company's only operations are located in British Columbia and there are no active operations or property in other jurisdictions.
10. The Company started in 2017 with an idea to focus solely on bulk cannabis cultivation. The Company purchased 36 acres of land located at 56 Hadow Road, Enderby, BC, V0E 1V3 (the "**Property**"), including a horse barn, and retrofitted the land into a state-of-the-art, indoor, multi-level, LED grow facility. Since 2017, the Company pivoted to a full service cannabis growth and extraction company focused on, among other things, CBD isolate processing, bulk THC extracts and the production of white label and retail products.

11. The Company still owns the Property and facility where it operates as a cannabis cultivation and extraction company.
12. The Company's directors are Ms. Nicole Chetwynd, Ms. Mary Carleen Roth, Mr. Dennis Benedict Roth, and Mr. Marlin Kirby Tobias (collectively, the "**Directors**"). Since the Company was incorporated, each of the Directors has, at some point, been involved in the day-to-day management of the Company.
13. The Company encountered financial challenges almost immediately after acquiring the Property. Health Canada did not issue the necessary cannabis production and sales licenses until July 26, 2019. During this waiting period, the Company faced significant cash flow constraints. This was exacerbated by the fact that cannabis cultivation required several months before becoming ready for sale. The Company relied heavily on an agreement with its primary contracted buyer, SNDL Inc. ("**SNDL**"), which initially committed to purchasing the Company's product for a 20-year term. However, SNDL ultimately withdrew from its commitment, causing severe financial instability for the Company, which the Company was unable to recover from.
14. The acquisition of the Property was originally financed, in part, through mortgage financing provided by Toronto Dominion Bank ("**TD**"). The Company's contract with SNDL was a condition of the mortgage with TD. Consequently, when SNDL withdrew from the agreement, the mortgage fell into default. The Company eventually negotiated a settlement with SNDL receiving around \$1 million in cash plus shares as consideration. These funds were used to partially pay down the TD mortgage. The Company was forced to look for an alternative lender as TD no longer wanted to support the Company. Accordingly, the Company sought refinancing from Builder's Capital Mortgage Corp. ("**Builders**"). Despite this refinancing, the Company remained under financial strain.
15. Due to the above-noted financial difficulties, in April 2021 the Company began looking for equity partners and/or potential buyers to address the Company's straitened circumstances.
16. The Company actively searched for equity partners and buyers between April 2021 and March 2024. Over 20 parties were contacted, including large producers, public companies, and investors. Approximately 10 parties expressed initial interest, with four parties conducting due diligence or engaging in preliminary agreements. However, due to, among other things, a mix of financial constraints, lack of shareholder approval, and unsuccessful negotiations, the Company was unsuccessful in procuring any partners or locating any suitable purchasers for the business. Furthermore, the Company attempted to lease and sell the facility, which resulted in a letter of intent and lease with an option to purchase being formed in or around May 2023; however, this ultimately collapsed, leaving the company without a permanent resolution.
17. Attached hereto as **Appendix "B"** is a table provided by Management summarizing its efforts to find an equity partner or purchaser of the business.

18. In April 2024, the Company shifted its focus from selling the Company as a turn-key operation to simply selling the Property on an 'as is, where is' basis. The Company initiated an email campaign to market the Property for \$4.2 million. More than 12,000 emails were distributed to contacts within the cannabis industry across the US and Canada, utilizing prospect lists from Canadian cannabis shows and US CBD companies. On or around April 24, 2024, a targeted email campaign was sent to 634 industry-specific contacts. In July and August 2024, the Company expanded its outreach to non-cannabis industry contacts, focusing on food production and storage facilities. Despite these efforts, a sale or partnership failed to materialize.
19. While actively searching for a partner or purchaser, the Company simultaneously took steps to significantly scale back operations to preserve cash flow. The Company sustained its operations by leasing its facilities to other cannabis producers, but experienced significant financial distress when tenants vacated the property in April 2023 and April 2024. The April 2024 departure coincided with a significant drop in the price of cannabis isolates.
20. The Company downsized its workforce from April 2023 to April 2024, with sixteen staff members laid off in April 2023, five in May 2023, and ten in April 2024. The only remaining staff as of April 2024 is a production staff member and a part-time bookkeeper. These individuals have since been laid off and the Company currently does not have any employees.
21. Throughout 2024, Management has been working to sell its inventory and some of its assets to fund its operations (largely payroll) and stay current with Canada Revenue Agency ("CRA") remittances along with mortgage payments.
22. In July 2024, the Company listed the Property with William Wright Commercial (the "**Realtor**") at a sale price of \$3,900,000. The Realtor engaged with numerous prospects; however, a primary obstacle was the land's designation as part of the Agricultural Land Reserve, restricting it to agricultural use. Any prospective buyer intending to use the land for non-cannabis cultivation or non-agricultural purposes would require a change-of-use development permit, likely subject to significant operational and usage restrictions.
23. Mr. Henry Peters, a cannabis consultant and principal of Brandt Rock Investments Corporation (the "**Purchaser**"), was introduced to the Company in May 2020 by Mr. John Karroll. Mr. Karroll is the Company's consultant who helped secure the Company's Health Canada cannabis license. Mr. Peters visited the Company's licensed facility in Enderby on a number of occasions: first in 2020, with investment interest, and again in 2021, with a potential business partner for the Company. Most recently, when Mr. Karroll informed Mr. Peters of the Realtor's listing, Mr. Peters visited the facility on October 1, 2024 with a draft offer to purchase the Property, which ultimately formed the basis of the Transaction.

24. On or around November 7, 2024, the Company entered into a Contract of Purchase and Sale (the "PSA") with the Purchaser for a purchase price of \$3,700,000 for the Property and any and all assets included in the building and on the land at the time of the Purchaser's inspection. A copy of the PSA is attached hereto as **Appendix "C"**. The Proposal Trustee understands that the Company is seeking court approval to allow the Transaction to complete.

V. **ACTIVITIES OF THE COMPANY**

25. Since the Filing Date, the Company's Management have engaged in, among other things, the following activities:
- a. attended meetings with the Proposal Trustee to discuss the affairs of the Company, as well as potential paths for a restructuring;
 - b. prepared a projected cashflow statement for the 13-week period from October 25, 2024 to January 24, 2025 which, along with assumptions, was filed with the Office of the Superintendent of Bankruptcy ("OSB") on or around November 1, 2024;
 - c. engaged with various parties to seek interim financing to ensure sufficient liquidity in the event that the Transaction is delayed;
 - d. took steps to negotiate the Transaction, as set out below; and
 - e. worked alongside its legal counsel, Fasken Martineau DuMoulin LLP ("**Fasken**") to prepare an application to court for the Extension, the Administration Charge, and Sale Approval Order (as defined below).

VI. **ACTIVITIES OF THE PROPOSAL TRUSTEE**

26. Since the Filing Date, the Proposal Trustee has engaged in, among other things, the following activities:
- a. attended meetings with Management to discuss the affairs of the Company, as well as potential paths for a restructuring;
 - b. on or about October 28, 2024, mailed out the initial notice to all known creditors and employees with claims of greater than \$250 notifying them of the NOI Proceedings pursuant to section 50.4(6) of the BIA. A copy of the affidavit of proof of mailing is hereto attached as **Appendix "D"**;
 - c. assisted Management in preparing the projected cashflow statement for the 13-week period from October 25, 2024 to January 24, 2025 which, was filed with the OSB on November 1, 2024;

- d. had various discussion with the Company and its legal counsel relating to matters relevant to the possibility of interim financing, the Administration Charge (as defined below), and the Transaction;
- e. established and maintained a public website for these proceedings at: <https://crowemackayco.ca/project/canngroup-development-corp/>; and
- f. prepared this First Report.

VII. ASSETS AND LIABILITIES OF THE COMPANY

ASSETS

27. Below is a summary of the Company's assets based on the trial balance and financial information provided by Management as at October 10, 2024:

Nature of Property	Net Book Value (\$)
Cash	\$3,455.88
Accounts Receivable	\$81,099.30
Fixed Assets	\$5,703,719.79
Total	\$5,707,175.67

Cash

28. The Company's cash balance as of October 10, 2024 was \$3,455.88, but was reduced to \$305.59 as of the Filing Date.

Accounts Receivable

29. The Company liquidated substantially all of its inventory prior to the Filing Date. The Proposal Trustee understands that there is no cannabis inventory located at the Property that would otherwise be subject to Health Canada licensing requirements as at the Filing Date.
30. After the Filing Date, a small amount of inventory was sold to another licenced producer, FNCanna. Management advises that the Company will be entitled to 75% of the net sale proceeds once the aforesaid inventory is sold by FNCanna. Management advises that this was a verbal agreement between the Company and FNCanna and accordingly there is very little to support this arrangement. Management advises that this inventory is no longer in the possession or control of the Company but rather in the hands of another party who is licensed by Health Canada to be in custody and control of cannabis.

Fixed Assets

31. The Company's trial balance as of October 10, 2024 lists the following fixed assets:

Nature of Property	Net Book Value (\$)
Plant and Equipment	\$669,235.53
Tools	44,798.12
LED Grow Lights	718,040.47
Computer and Servers	21,658.03
Building #1 and Improvements	3,705,232.01
Building #2	105,412.89
Greenhouse	332,589
Land	106,753.75
	\$5,703,719.79

32. Management has indicated that the Transaction will include most, if not all, of the assets noted above.
33. Management advises that the Company holds no intangible assets.

LIABILITIES

Deemed Trust Claims and Secured Creditors

34. A *Personal Property Registry* ("PPR") search shows several parties with registrations against the Company's property. Those registrations, along with comments thereon provided by Management, are as follows:

Secured Creditor	Security	Balance (\$)	Notes
Meridian Onecap Credit Corp.	2020 Bobcat S650	-	Paid
Diamond Concentrates Inc.	All Laboratory Equipment Leased	-	Paid
	Mortgage & All Present and After Acquired		
Builders	Personal Property	1,577,355.00	
Salt Capital Inc.	All Present and After Aquired Personal Property	-	Paid
Stoke Canada Finance Corp.	Receivables	-	Paid
	Ford F-350/All Present and After Acquired		
	Personal Property/Uncrystalized Floating Charge		
Marlin Tobias and Carleen Roth	on Land	858,583.61	
Collin Roth	All Present and After Aquired Personal Property	150,400.00	
Ministry of Finance	All Present and After Aquired Personal Property	48,141.26	

35. Attached hereto as **Appendix "E"** is a copy of the PPR search for the Company as at October 11, 2024.

36. Based on available records and according to Management, the Company is indebted to the CRA for unpaid employee source deductions. In the event of a proposal, the Company will need to pay the amounts due for source deductions in full within six-months of Court approval of the proposal. In the event of a bankruptcy, only the employee portion of the CRA's claim ranks as a deemed trust claim, taking priority over all other creditors, including secured creditors, other than Builders, whose mortgage was, according to Management, registered before the deemed trust debt arose. The Proposal Trustee continues to work with Management to identify and determine other potential priority claims.

Review of Builders' Security

37. The Proposal Trustee and its legal counsel are presently reviewing the security of Builders in order to, among other things, confirm that it is valid and enforceable for distribution purposes. In view that this security review has not yet been completed, the Proposal Trustee is unable to comment further at this time.

Preferred Creditors

38. The Proposal Trustee is not aware of any parties who may hold a preferred claim pursuant to section 136 of the BIA.

Unsecured Creditors

39. As at the Filing Date, the Company was indebted to 73 parties with unsecured claims totaling approximately \$4,073,341.96. These parties consist primarily of unsecured lenders, trade suppliers, and various other vendors.

VIII. **13-WEEK CASH FLOW PROJECTION TO JANUARY 24, 2025**

40. The Company, with assistance of the Proposal Trustee, has prepared a 13-week cash flow for the period October 25, 2024 to January 25, 2025. A copy of the cash flow, along with the assumptions, is attached hereto as **Appendix "F"** (the "**13-Week Cash Flow**").
41. The Proposal Trustee's review of the 13-Week Cash Flow consisted of inquiries, analytical procedures, and discussions related to information provided to the Proposal Trustee by Management. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the 13-Week Cash Flow. The Proposal Trustee has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the 13-Week Cash Flow.
42. Nothing arising from the Proposal Trustee's review causes it to believe that, in all material respects:

- a. the probable and hypothetical assumptions are not consistent with the purpose of the 13-Week Cash Flow;
 - b. as at the date of this First Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the 13-Week Cash Flow, given the probable and hypothetical assumptions; or
 - c. the 13-Week Cash Flow does not reflect the probable and hypothetical assumptions.
43. Based on the assumptions above, it is believed that the Company will have sufficient funds to operate during the Stay Period if the Transaction is approved by this Honourable Court.

IX. ADMINISTRATION CHARGE

44. The Company is seeking the Administration Charge over its property up to a maximum of \$150,000 to secure payment of the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and counsel for the Company.
45. The Administration Charge is over all present and after-acquired assets, property, and undertakings of the Company and shall rank in priority to all security interests, trusts, liens, charges, encumbrances, and other claims of secured creditors, statutory or otherwise, including all other court-ordered charges.
46. The Proposal Trustee has worked with the Company, its counsel and other professionals to determine the appropriate amount of the Administration Charge. It is reflective of the limited funds currently available to the Company and the fact that if the NOI Proceedings are unsuccessful, significant obligations will be imposed on the Proposal Trustee, including transitioning the proceedings to a bankruptcy.
47. Presently, the Proposal Trustee holds a retainer of \$35,000 to protect its fees and costs and the fees and costs of its legal counsel. The Company's legal counsel holds a retainer of \$25,000.
48. Given the Company's tight liquidity constraints, there is a heightened risk to the timely funding of the professional fees relating to these NOI Proceedings. These NOI Proceedings require the professionals to guide and/or complete a successful proposal and, as such, it is the Proposal Trustee's respectful view that the Administration Charge is reasonable and appropriate to ensure the continued support of the respective professionals in the Company's efforts to restructure.

X. **PROPOSED SALE TRANSACTION OF PROPERTY**

49. As previously noted, the Company entered into the PSA with the Purchaser for the sale of the Property. The key terms of the Transaction are as follows:
- a. a purchase price of \$3,700,000;
 - b. the Property is being sold on a "as is, where is" basis;
 - c. a \$500,000 deposit is to be paid in trust to the Company's legal counsel, Fasken, within two (2) business days of the Purchaser's receiving notice of the date scheduled for Court approval of the Transaction; and
 - d. court approval is required to complete the Transaction.
50. On November 7, 2024, the Company and the Purchaser executed the PSA, which is unconditional other than court approval.
51. Management believes the Transaction is in the best interests of the Company and its stakeholders, including for the following reasons:
- a. the difficulty the Company has faced in finding a buyer or a partner for the Company, as discussed in detail above;
 - b. no other offers for the Property were received, likely because of the agricultural restrictions on the Property;
 - c. the \$3.7 million offer for the Property is comparable to the listing price of \$3.9 million, which did not produce any offers despite being on the market for 3 months;
 - d. the Purchaser intends to continue operating the Property as a cannabis facility. A sale to another purchaser who does not intend to utilize the Property as a cannabis facility may have limitations in view of the agricultural restrictions; and,
 - e. Management advised that several similar facilities, the same size or larger, have sold in comparable insolvency proceedings for less than the \$3.7 million being offered.
52. The Company obtained two appraisals of the Property. A summary of those appraisals is as follows:
- a. Appraisal completed in June 2022 by Global Capital Partners Fund LLC
 - i. Property valued at \$5.3 million, exclusive of industrial equipment. This assumes the Property is used for its highest and best use.

- ii. It was noted that the Property was unique as it was an industrial use facility specifically designed to function as a CBD and THC distillate.
 - b. Appraisal completed in February 2023 by Metro Appraisal Corporation
 - i. Property valued at \$2.36 million, exclusive of all equipment.
 - ii. It was noted that the Property is located within the Agricultural Land Reserve, which restricts its use to agricultural purposes. Rezoning or subdivision would require approval from the Land Reserve Commission; however, given the provincial government's support for the Agriculture Land Reserve, it is unlikely that the Property will be released from agricultural zoning in the foreseeable future. Therefore, the most viable use remains agricultural.
- 53. In late March 2024, the Company consulted with a realtor from Century 21 who recommended a listing of \$4 million, but advised that a reduction would likely be necessary to facilitate an eventual sale. The Company did not end up listing with Century 21.
- 54. The 2024 BC assessment values the property at \$3.52 million, with \$767,200 allocated to the land and \$2.753 million attributed to the building.
- 55. The Proposal Trustee is of the opinion that the Transaction is reasonable based on the following:
 - a. the Company completed an extensive sales and investment solicitation process from April 2021 to October 2024, with little to no results;
 - b. the Company has a fully executed PSA with the Purchaser;
 - c. the Transaction will close quickly, which is valuable given the Company's limited liquidity and ongoing interest burn rate;
 - d. the Purchaser appears to operate in the same or a similar industry and possesses extensive knowledge of the Company and the Property. This familiarity provides some comfort that the sale is likely to be completed;
 - e. finding a purchaser outside of the cannabis industry may pose challenges in view of the restrictions on the Property with the Agricultural Land Reserve and the specialized nature of the building itself;
 - f. the purchase price of \$3.7 million exceeds the most recent appraisal from February 2023 and the 2024 BC Assessment value; and,

- g. conducting another solicitation process will be costly, particularly during these NOI Proceedings, and may not be feasible in view of the Company's lack of liquidity as it is currently not operating. It is also not expected to yield any offers that would be superior to the offer received from the Purchaser in light of the Company's efforts prior to the Filing Date.

56. The key dates and timeline of the proposed Transaction are outlined in the table below:

Event	Date
Hearing of the Company's Application to the Court for Approval of the Transaction	November 18, 2024
Completion Date of the Transaction	December 16, 2024, or such other date as may be mutually agreed upon in writing by the Purchaser and the Company.

57. Given the Company's previous extensive sale and financing efforts, it is the Proposal Trustee's view that the Transaction is fair and reasonable and the proposed timeframe can be achieved. Accordingly, the Proposal Trustee recommends that this Honourable Court grant the Sale Approval Order approving the sale of the Property to the Purchaser under the PSA.

XI. COMPANY'S REQUEST FOR AN EXTENSION TO STAY OF PROCEEDINGS

58. For the purposes of completing the Transaction and subsequently seeking directions and orders as necessary to distribute the remaining proceeds of sale, the Company is seeking the Extension until January 7, 2025. The Extension will mitigate the risks of an automatic bankruptcy occurring while the Company remains in custody and control of the Property or the proceeds of sale of the Property.

59. The Proposal Trustee supports the Company's request for the Extension for the following reasons:

- a. the Company has acted in good faith and with due diligence;
- b. the Company may require additional time to complete the Transaction and administer the post-sale closing matters; and
- c. no creditor would be materially prejudiced if the extension is granted.

XII. TRANSFER OF PROCEEDINGS

60. Section 187(7) of the BIA provides that the court may order the transfer of proceedings where the affairs of the company can be more economically administered in another bankruptcy division. The Company is seeking an Order authorizing the transfer of the legal proceedings to the Vancouver division.
61. The Proposal Trustee, its legal counsel and the Company's legal counsel are all located in Vancouver, BC.
62. The Proposal Trustee is of the view that transferring the legal proceedings to the Vancouver division will keep costs down which will ultimately be in the best interests of the stakeholders. Accordingly, the Proposal Trustee supports the Company's application to transfer the legal proceedings to the Vancouver division.

XIII. PROPOSAL TRUSTEE'S RECOMMENDATIONS

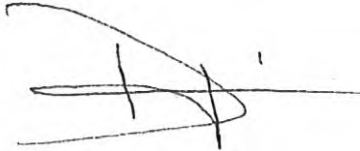
63. Based on the current information made available by Management, the Proposal Trustee supports the relief sought in the Sale Approval Order and the Ancillary Order, including:
- a. the Transaction is fair, commercially reasonable, and appropriate given the constraints experienced by the Company in conducting the sales process;
 - b. the Administration Charge is necessary to ensure the continued support and guidance of the professionals for the benefit of the Company and its stakeholders;
 - c. the Extension is necessary and appropriate as it will provide the Company with an opportunity to complete a sale of the Property for the benefit stakeholders; and,
 - d. the transfer of the legal proceedings to the Vancouver division will save time and expense which will be in the best interests of the stakeholders.
64. For the above reasons, the Proposal Trustee respectfully recommends that this Honourable Court grant the orders sought by the Company.
65. Please note, as mentioned above, the Proposal Trustee and its legal counsel are presently reviewing the security held by Builders. Accordingly, the Proposal Trustee is unable to comment further at this time with respect to same.

DATED AT the City of Vancouver, in the Province of British Columbia, this 14th day of
November 2024.

Crowe MacKay & Company Ltd.

in its capacity as Licensed Insolvency Trustee of the Proposal of
CannGroup Development Corp. and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to be 'Derek Lai', written over a horizontal line.

Mr. Derek Lai, CPA, CMA, CIRP, LIT, CFE
(Chartered Insolvency & Restructuring Professional)



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 04 - Vernon
Court No. 11-3145114
Estate No. 11-3145114

In the Matter of the Notice of Intention to make a proposal of:

CannGroup Development Corp.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

October 24, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 25, 2024, 17:16

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

#	Party/Entity	Date	Proposal/Intent	Reason Deal Did Not Occur
1	Kambeitz Farms	Apr-21	Sale/Equity participation based on \$12M valuation	Efforts did not progress
2	MPXI Canada	Jul-21	Acquisition	MPXI underwent insolvency proceedings, efforts did not progress
3	Avant Brands	Sep-21	Acquisition	Efforts did not progress
4	CanadaBis	Sep-21	Acquisition	Avant Brand's Board declined due to sales history and lack of contracts
5	Avant Brands (Reapproached)	Feb-22	Non-cash deal	No cash offer; deal did not move forward
6	Aleutian Capital Partners	Feb-22	Potential buyer	Efforts did not progress
7	Vibe Cannabis	Feb-22	Sale	Efforts did not progress
8	SNDL	May-22	Equity position	SNDL declined
9	Greentone	Jun-22	Sale	Unable to conclude an acceptable deal
10	Folium Biosciences	Aug-22	Sale	Folium declined to get involved
11	Canaccord Capital Crowdfunding Sites	Aug-22	Go public/financing	No cannabis investment interest at the time
12	(EquityNet)	Sep-22	Listings for sale/investment	Inquiries were dubious, mostly from foreign companies
13	European CBD extractor	Oct-22	Sale	Discussions did not pan out
14	Mike Diamond (Owner/Broker)	Oct-22	Purchase of facility	Discussions did not pan out
15	Hyde Advisory Services	Dec-22	Buyer search, \$6M sale price	No buyer found
16	1606 Hemp Dymond Concentrates	Mar-23	Sale	No deal concluded
17	(tenant of the Company)	Mar-23	Offered facility for \$2M	Declined due to existing debt and moved out of facility
18	Empire of the Sun Century 21 Commercial (Graeme Magee)	Apr-23	Purchase of facility	Unable to come to terms
19		May-23	Proposed listing for \$3.5M	Did not proceed with listing
20	Joint Venture Craft Cannabis	May-23	Lease for \$30K/month, option to purchase at \$3M	Deal collapsed due to anonymous interference and lack of shareholder approval
21	Mitch Helten	May-23	Non-cash takeover offer	Offer would not resolve financial issues
22	Royal Harvest	Aug-23	Lease grow rooms, option to purchase for \$4M	Royal Harvest abandoned the facility in March 2024 due to lack of sales
23	Blue Sky Hemp	Sep-23	Lease or purchase of facility	Efforts did not progress

OFFER TO PURCHASE AND AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is dated for reference November 5, 2024

BETWEEN: BRANDT ROCK INVESTMENTS CORPORATION
(the "**Purchaser**")

AND: CANNGROUP DEVELOPMENT CORP.
(the "**Vendor**")

WHEREAS:

A. The Vendor is the legal and beneficial owner of the lands and premises located at 56 Hadow Road, Enderby, British Columbia, more particularly described in Schedule "A" attached hereto (the "**Lands**") and the buildings, structures and other improvements situated on the Lands (collectively, the "**Buildings**");

B. The Lands, Buildings, Chattels and Equipment are collectively referred to herein as the "**Property**"; and

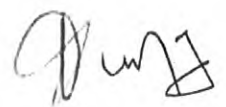
C. Subject to the approval of the Court (the "**Court Approval**"), the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor the Property on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of the various representations, warranties, conditions, terms, provisions and undertakings set out in this Agreement (the adequacy and receipt of which consideration is by each of the parties hereby admitted), the parties agree as follows:

ARTICLE 1 DEFINITIONS

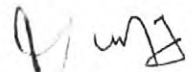
1.1 **Definitions.** The following terms will have the following meanings:

- (a) "**Acceptance Date**" means the date this Agreement is executed and accepted by the Vendor and the Purchaser;
- (b) "**Agreement**" means the binding agreement of purchase and sale of the Property constituted by the acceptance of this Offer to Purchase and Agreement of Purchase and Sale, and every properly executed instrument which by its terms amends, modifies or supplements such agreement;
- (c) "**Approval and Vesting Order**" means an order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and conveying to the Purchaser all of the Vendor's right, title and interest in and to the Property free and clear of all encumbrances other than the Permitted Encumbrances, which order shall be substantially in the form of order attached hereto as Schedule "B" (with only such changes



as the parties to this Agreement shall approve in their reasonable discretion, but in all cases in form and substance acceptable to the Vendor).

- (d) "**Buildings**" has the meaning ascribed thereto in Recital A;
- (c) "**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (f) "**Certified Vesting Order**" has the meaning ascribed thereto in Section 8.1(a);
- (g) "**Chattels and Equipment**" means those certain chattels, tools, equipment, furniture and other personal property as set out in the list of included items to be prepared and delivered by the Vendor to the Purchaser within three (3) Business Days of the Acceptance Date;
- (h) "**Claims**" means any claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis, interest, demands and actions of any nature or any kind whatsoever, and "Claim" means any of the foregoing;
- (i) "**Closing**" means the closing of the purchase and sale of the Property at the time and in the manner provided for in this Agreement;
- (j) "**Completion Date**" means December 16, 2024, or such other date as may be mutually agreed upon in writing by the Purchaser and the Vendor;
- (k) "**Court**" means the Supreme Court of British Columbia;
- (l) "**Court Approval**" has the meaning ascribed thereto in Recital C;
- (m) "**Delivery Materials**" has the meaning ascribed thereto in Section 7.1;
- (n) "**Deposit**" means the amount paid by the Purchaser pursuant to Subsections 2.3(a);
- (o) "**Governmental Authority**" means any federal, provincial, regional, municipal or local government, government authority, office or official having jurisdiction or other political subdivision of any of them, or any entity, authority, agency or court or person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of any such government, government authority, office or official having jurisdiction or other political subdivision thereof;
- (p) "**GST**" means the goods and services tax imposed under the *Excise Tax Act* (Canada);
- (q) "**GST Certificate**" has the meaning ascribed thereto in Section 11.9;
- (r) "**Lands**" has the meaning ascribed thereto in Recital A;
- (s) "**Material Contracts**" means all contracts, leases, agreements, commitments, permits, warranties, guarantees, if any, in connection with the Property, and all maintenance or other service contracts with respect to the Property;
- (t) "**Mutual Condition**" means the mutual condition in Section 6.1;
- (u) "**Mutual Condition Date**" means November 22, 2024, or such other date as may be mutually agreed upon in writing by the Purchaser and the Vendor;



- (v) **"Order"** means any oral advice or warning or any directive, decision, order, notice including a notice of litigation or proceeding, letter or other written communication, that requires the taking of any measures or actions or refraining from taking any measures or actions, issued or made by any Governmental Authority under any Environmental Law;
- (w) **"Permitted Encumbrances"** means the permitted encumbrances described in Schedule A together with any other encumbrances approved in writing by the Purchaser in its sole discretion;
- (x) **"Person"** includes a firm, corporation or other entity;
- (y) **"Property"** has the meaning ascribed thereto in Recital **Error! Reference source not found.**;
- (z) **"Purchase Price"** means the amount described in Section 2.2;
- (aa) **"Purchaser"** has the meaning ascribed in the preamble hereto;
- (bb) **"Purchaser's Solicitors"** means Magnus Law;
- (cc) **"Vendor"** has the meaning ascribed in the preamble hereto; and
- (dd) **"Vendor's Solicitors"** means Fasken Martineau DuMoulin LLP.

ARTICLE 2
OFFER TO PURCHASE, PURCHASE PRICE AND PAYMENT

2.1 **Offer to Purchase.** The Purchaser hereby offers to purchase the Property from the Vendor on the terms and conditions set forth herein and, upon accepting such offer in the manner and within the time provided herein, the Vendor agrees to sell the Property to the Purchaser on the terms and conditions set out herein, free and clear of all liens, charges, encumbrances, easements, encroachments, claims, restrictive covenants, leasehold estates and defects of any nature and kind except the Permitted Encumbrances.

2.2 **Purchase Price.** The purchase price for the Property will be THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$3,700,000.00), subject to adjustment pursuant to Section 3.3 hereof.

2.3 **Payment of Purchase Price.** The Purchase Price will be paid as follows:

- (a) as to FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the **"Deposit"**) by payment of such amount by the Purchaser to the Purchaser's Solicitors in trust within two (2) Business Days following the Purchaser's receipt of notice of the date scheduled for Court Approval; and
- (b) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3), by payment of such amount by the Purchaser to the Vendor on the Completion Date.

2.4 **Deposit.** The Deposit will be held by the Purchaser's Solicitors in a non-interest bearing trust account or certificate of deposit.

2.5 **Application of Deposit.** The Deposit will be:

- (a) paid to the Vendor:



- (i) on the Completion Date on account of the Purchase Price, if the Vendor and the Purchaser complete the sale and purchase of the Property on the Completion Date; or
 - (ii) if, following satisfaction of the Mutual Condition, the Purchaser fails to complete the purchase of the Property in accordance with this Agreement or if the Purchaser repudiates this Agreement, then the Deposit will be absolutely forfeited to the Vendor, without prejudice to any other rights or remedies of the Vendor whether at law or in equity; or
- (b) paid to the Purchaser:
- (i) if, following satisfaction of the Mutual Condition, the Vendor fails to complete the sale of the Property in accordance with this Agreement, then the Deposit will be returned to the Purchaser as the sole remedy of the Purchaser against the Vendor.

2.6 Court Approval. The Vendor and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court Approval. The Purchaser acknowledges it should attend at the Court hearing in person or by agent and be prepared to amend or increase its offer to purchase the Property as the Court may permit or direct. The Purchaser acknowledges that if Court Approval is not obtained in Accordance with the terms of this Agreement, the Vendor will not be liable to the Purchaser or any other person in any way whatsoever.

ARTICLE 3 COMPLETION, POSSESSION AND ADJUSTMENTS

3.1 Completion. The completion of the transactions contemplated by this Agreement will occur on the Completion Date, or such other date as may be agreed to in writing by the Vendor and the Purchaser.

3.2 Possession. Possession shall occur and shall be governed by operation of and pursuant to the terms of the Approval and Vesting Order and any further order of the Court.

3.3 Adjustments. Except as otherwise provided herein, all usual adjustments of taxes, rates, local improvement assessments and other charges and all other costs normally adjusted for on a sale of property similar to the Property, both incoming and outgoing, will be made as of 12:01 a.m. on the Completion Date. The Vendor will receive the benefit of all income and will be responsible for all expenses incurred in operating and maintaining the Property incurred for and attributable up to 11:59 p.m. on the day preceding the Completion Date and the Purchaser will receive the benefit of all income and be responsible for all expenses from and including the Completion Date. Any adjustments which are not capable of being calculated on the Completion Date will be adjusted between the parties as soon as possible after the Completion Date. All claims for readjustments must be made within a twelve month period following the Completion Date and after the expiry of such twelve month period, the adjustments made by the parties prior to the expiry of such period shall be final and binding. Without limiting the generality of the foregoing, the parties will adjust for the following, as of the Completion Date, namely:

- (a) unpaid real property or other taxes, or utilities (if any) due to the Township of Salmon Arm or any other applicable governing authority, provided that if the current year taxes are not known on the Completion Date, such taxes will be adjusted on the basis that current year taxes will be 5% higher than the previous years' taxes but the parties will readjust ten days after determination of the actual current year taxes;
- (b) electric lights and power charges, telephone charges and water rates; and

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- (c) such other adjustments as are usual and properly payable to the Purchaser or the Vendor in respect of such sale.

3.4 **Risk.** The Property will be and remain at the Vendor's risk until completion of closing on the Completion Date. During the period from the date of this Agreement to the Completion Date, the Vendor covenants and agrees to take reasonable care to protect and safeguard the Property in the ordinary and normal course.

In the event of damage to the Property that costs in excess of ten percent (10%) of the Purchase Price to repair occurring before the time of Closing by reason of fire, tempest, lightning, earthquake, flood or other Act of God, explosion, riot, civil commotion, insurrection or war, then the Purchaser may, at its sole option, exercisable by written notice to the Vendor:

- (a) terminate this Agreement, in which case the Deposit paid will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all Delivery Materials delivered to it and to return all copies of such Delivery Materials; or
- (b) complete the purchase of the Property upon the terms of this Agreement and on condition that the Vendor assign to the Purchaser the proceeds of any insurance claim made with respect to the damaged Property.

ARTICLE 4 VENDOR'S COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.1 **Vendor's Representations and Warranties.** The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser subject to the limitations, if any, expressed herein:

- (a) the Vendor has, subject to Court Approval being obtained, the full power, authority, and capacity to enter into this Agreement and to carry out the transactions contemplated herein;
- (b) the Vendor is a "resident" of Canada for the purposes of the *Income Tax Act* (Canada);
- (c) there are no agreements to lease, lease, options to lease, rights of first refusal, tenancy agreements, licences of occupation, purchase agreements, options to purchase, rights of first refusal or rights of first offer, or guarantees or similar agreements with respect to the Property, or amendments, extensions or modifications thereof, whether written or oral, relating to any use or occupation or ownership of the Property;
- (d) the Property will, on the Completion Date, be conveyed to the Purchaser free and clear of any and all easements, rights of way, liens, mortgages, charges, pledges, security interests, leases and other encumbrances of whatsoever a nature or howsoever arising and any rights or privileges capable of becoming any of the foregoing, save and except for the Permitted Encumbrances or as provided in the Approval and Vesting Order.

4.2 **As Is Where Is.** The Purchaser hereby acknowledges that it is purchasing the Property in an "as is" condition on the Completion Date and is relying solely upon its own independent inspections, assessments and evaluations of the Property, including, without limitation, with respect to the environmental condition of the Property and the condition of the Lands, Buildings, Chattels and Equipment, and not in reliance on any representations, warranties, promises, agreements or conditions or indemnities made by the Vendor, or any party representing (or purporting to represent) the Vendor other than as is

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expressly set forth herein in writing, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements. Except in respect of a breach or inaccuracy of the Vendor's representations and warranties in Section 4.1, the Purchaser hereby releases the Vendor from any Claims (including without limitation, legal fees and disbursements on a solicitor and client full indemnity basis) whenever occurring or caused which the Purchaser has, may have or will have arising from or in any way related to the Property. The provisions of this action shall not merge on, but shall survive, the Completion Date.

ARTICLE 5
PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

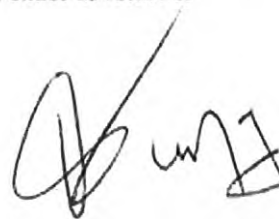
5.1 **Purchaser's Representations and Warranties.** The Purchaser hereby represents and warrants to the Vendor as representations and warranties that are true at the date hereof and will be true at the Completion Date and that are to continue to survive the purchase of the Property by the Purchaser regardless of any independent investigations that the Vendor may cause to be made that:

- (a) the Purchaser is a body corporate duly incorporated and existing under the laws of British Columbia and has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) the Purchaser is in good standing with the Office of the Registrar of Companies for British Columbia as to the filing of annual reports and has never been struck from the register of companies maintained by the Office of the Registrar of Companies for British Columbia;
- (c) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken, or will have been taken as of the Completion Date, to authorize and approve the execution and delivery of this Agreement, the purchase of the Property and the performance and observance of the Purchaser's obligations under this Agreement;
- (d) there is no action or proceeding pending or to the Purchaser's knowledge threatened against the Purchaser before any court, arbiter, arbitrator panel or administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform any of the Purchaser's obligations hereunder;
- (e) no consent or approval or registration, declaration or filing with, any governmental commission, board, court or other regulatory body is required for the execution or delivery of this Agreement by the Purchaser, the validity or enforceability of this Agreement against the Purchaser, or the performance by the Purchaser of any of the Purchaser's obligations hereunder; and
- (f) the Purchaser is a "resident" of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 **Indemnity.** The Purchaser will indemnify the Vendor against, and save each of them harmless from, any and all losses, damages or expenses, suffered by the Vendor, or any one or more of them, resulting from any misrepresentation, breach or inaccuracy of representation or term of this Agreement on the part of the Purchaser, or from any misrepresentation in any certificate, instrument or other document furnished or required to be furnished to the Vendor hereunder.

5.3 **Purchaser's Covenants.** The Purchaser covenants with and in favour of the Vendor as follows:

- (a) the Purchaser, in connection with its access to the Property, will:

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- (i) not commit the Vendor to any obligation or expense, take any action, make any statements or release any information which may result in the cancellation of or imposition of any restriction on the permits, licenses and contractual rights presently held by the Vendor or prejudice the ability of the Vendor to continue therewith or obtain a renewal thereof if this purchase transaction does not complete;
- (ii) be responsible for and will indemnify the Vendor for all damages, costs, expenses and other adverse consequences of the Purchaser's actions in connection with its access to and/or due diligence investigations regarding the Property;
- (iii) not remove, delete or alter any of the Vendor's information or records;
- (iv) coordinate its visits to the Lands with the Vendor so as to minimize disruption to the Property and to avoid undue publicity or disclosure regarding this Agreement; and
- (v) to bear all risk of injury or loss suffered by the Purchaser, its representatives and consultants in visiting the Lands and conducting an evaluation thereof.

5.4 **Survival of Purchaser's Representations, Warranties and Covenants.** The Purchaser agrees that all representations, warranties and covenants set forth in this Agreement shall be true and correct on and as at the Completion Date as though made or given on such date, and that all such representations and warranties and all covenants, agreements and obligations of the Purchaser hereunder shall not be discharged by nor merged in the closing of the transactions required and contemplated herein but shall survive such closing for a period of one year and, notwithstanding such closing, shall remain in full force and effect for the benefit of the Vendor for a period of one year from the Completion Date.

ARTICLE 6 CONDITIONS

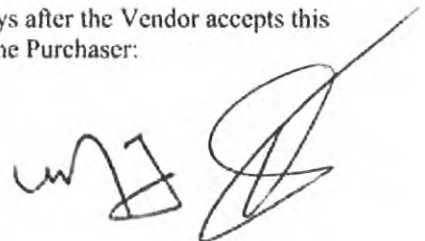
6.1 **Mutual Condition.** The obligation of the Vendor and the Purchaser to complete the sale and purchase of the Property on the Completion Date is subject to the mutual condition (the "**Mutual Condition**") for the benefit of both the Vendor and the Purchaser that on or before the Mutual Condition Date, the Vendor will have obtained Court Approval and the Approval and Vesting Order.

The Mutual Condition is for the mutual benefit of the parties and may not be waived unilaterally by either party. Both parties agree that they will use reasonable commercial efforts to satisfy the Mutual Condition. If the Mutual Condition has not been satisfied on or before the Mutual Condition Date, then the Purchaser's obligation to purchase, and the Vendor's obligation to sell, the Property will be at an end.

Each of the Vendor and the Purchaser acknowledges receipt of \$10.00 and other good and valuable consideration in consideration of the other party not revoking its acceptance of the offer hereunder while this Agreement remains subject to the foregoing conditions precedent and the parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon the satisfaction or waiver of such conditions precedent.

ARTICLE 7 DUE DILIGENCE

7.1 **Delivery Materials.** The Vendor will, within five (5) Business Days after the Vendor accepts this Agreement, provide the following information concerning the Property to the Purchaser:



- (a) copies of any studies, tests, surveys, investigations, reports, plans specifications, drawings, surveys, application and permits concerning the Property which are in the possession or control of the Specified Principals, and if assignable, assigned to the Purchaser on the Completion Date and included in the Purchase Price; and
- (b) copies of any Material Contracts within the possession and control of the Specified Principals,

(collectively, the "**Delivery Materials**"). The Purchaser agrees to maintain the confidentiality of all such Delivery Materials so delivered, and to return all copies of the same to the Vendor forthwith if the Purchaser fails to complete its purchase of the Lands.

7.2 Access for Investigations. The Vendor will permit the Purchaser and the Purchaser's employees, engineers, agents and advisors to enter onto the Lands and carry out such inspections, tests, studies, surveys and investigations of the Property as the Purchaser may reasonably require, subject to obtaining the Vendor's prior written approval, such approval not to be unreasonably withheld or delayed, provided that the Purchaser's access to the Property for such purposes will be at the Purchaser's sole risk and expense. The Purchaser will be responsible for and will indemnify the Vendor for all damages, costs, expenses and other adverse consequences of the Purchaser's actions.

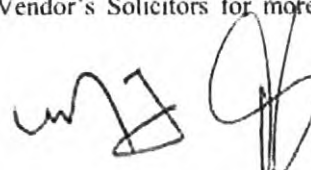
7.3 Authorization. The Vendor will execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches or cause inspections or tests to be made with respect to the purchase of the Property as the Purchaser determines to be necessary and will immediately forward to the Purchaser any search results which are directed to the Vendor in response to any due diligence inquiries made by or at the request of the Purchaser.

7.4 Condition of Property. From and after the date of this Agreement, the Vendor will cause the Property to be properly kept, repaired, maintained and insured at the Vendor's cost and expense so that on the Completion Date the Purchaser will acquire the Property in substantially the same condition and state of repair as of the date of this Agreement.

ARTICLE 8 PREPARATION OF CLOSING DOCUMENTS

8.1 Delivery of Vendor's Closing Documents. The Vendor will, subject to the Vendor's approval of such documents, cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors the following items, duly executed by the Vendor and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) a Court-certified copy of the Approval and Vesting Order and any other orders of the Court as are necessary, all in a form registerable in all necessary offices required to effect the transfer of the Property to the Purchaser subject only to the Permitted Encumbrances (the "**Certified Vesting Order**"), together with a solicitor's letter to the Land Title Survey Authority of British Columbia authorizing its registration;
- (b) a Statement of Adjustments prepared in accordance with section 3.3;
- (c) the Vendor's certificate(s) setting out that the Vendor is not a non-resident of Canada within the meaning and for the purpose of Section 116 of the *Income Tax Act* (Canada);
- (d) such further deeds, acts, things, certificates and assurances as may be requisite in the reasonable opinion of the Purchaser's Solicitors and the Vendor's Solicitors for more



perfectly and absolutely assigning, transferring, conveying and assuring to and vesting in the Purchaser, title to the Lands free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances as contemplated herein.

8.2 Delivery of Purchaser's Closing Documents. The Purchaser will, subject to the Purchaser's approval of such documents, cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) the GST Certificate contemplated by Section 11.9;
- (b) the Purchaser's certificate that each of the Purchaser's representations and warranties contained in this Agreement are true as of the Completion Date in all materials respects; and
- (c) all documents contemplated by Section 8.1 which require execution by the Purchaser, executed by the Purchaser.

8.3 Preparation of Closing Documents. The closing documents contemplated in Sections 8.1 and 8.2 other than the Approval and Vesting Order, will be prepared by the Purchaser's Solicitors (to the extent that preparation is required) and delivered to the Vendor's Solicitors for approval at least five Business Days prior to the Completion Date. All such documents shall be in form and substances satisfactory to the solicitors for the party entitled to delivery thereof, acting reasonably.

ARTICLE 9 CLOSING PROCEDURE

9.1 Payment in Trust. On or before the Completion Date the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to Subsection 2.3(b), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

9.2 Registration. Forthwith following the payment in Section 9.1 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 8.1 and receipt by the Vendor's Solicitors of the documents referred to in Section 8.2, the Purchaser will cause the Purchaser's solicitors to file the Certified Vesting Order in the Land Title Office (together with such other documents as are required to be filed) in the Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

9.3 Closing. Forthwith following the filing referred to in Section 9.2 and upon the Purchaser's Solicitors being satisfied as to the Purchaser's title to the Lands after conducting a post filing for registration check of the property index disclosing only the following:

- (a) the existing title number(s) of the Lands;
- (b) Permitted Encumbrances;
- (c) pending number assigned to the Certified Vesting Order: and
- (d) pending numbers assigned to any charges granted by the Purchaser including any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, if any,

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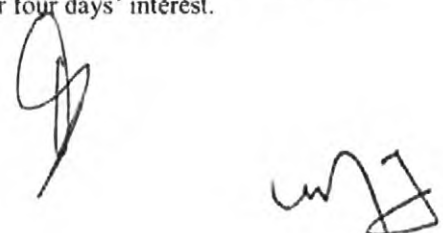
the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the sale and purchase of the Lands, to deliver to the Vendor's Solicitors on the Completion Date any document referred to in Section 8.2 that has not previously been provided to the Vendor in a form executed by the Purchaser and a wire transfer or certified trust cheque in the aggregate amount of the Deposit and the balance due to the Vendor pursuant to subsection 2.3(b).

9.4 Concurrent Requirements. It is a condition of this Agreement that all requirements of this Article 9 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date until everything required to be paid, executed and delivered on the Completion Date has been so paid, executed and delivered and until the Purchaser's Solicitors have conducted a satisfactory post-filing for registration check pursuant to section 9.3.

9.5 Discharge of Vendor's Encumbrances. The Purchaser acknowledges and agrees that if the Vendor's title to the Lands is subject to any financial encumbrance which the Vendor is required to discharge pursuant to this Offer to Purchase, the Vendor will not be required to clear title prior to the receipt of the amount referred to in Section 9.3 but will be obligated to do so within a reasonable time following closing and the Purchaser will pay, or cause the Purchaser's Solicitors to pay, the amount referred to in subsection 9.3 to the Vendor's Solicitors in trust on their undertakings to forthwith pay and discharge such financial encumbrance from the title to the Lands.

9.6 Fees and Expenses. All documents as are necessary to complete the sale and purchase of the Lands including the Transfer will be prepared at the expense of, and registered at the expense of, the Purchaser and all documents required to clear title to the Lands of any of the Vendor's financial and other encumbrances will be prepared and registered by and at the expense of the Vendor. The Purchaser will pay the expense of registering the Certified Vesting Order and any property transfer tax due in respect of the transfer of the Lands to the Purchaser.

9.7 Payment by Wire Transfer. Notwithstanding anything else contained herein, the Purchaser will make all commercially reasonable efforts to ensure that the net sale proceeds will be paid to and received by the Vendor's Solicitors on or before 5:00 p.m. (Vancouver time) on the Completion Date. Notwithstanding any provision of this Agreement, the Parties agree that if the Purchaser is paying the Purchase Price by way of wire transfer, and if the Purchaser and the Purchaser's Solicitors have: (i) used commercially reasonable efforts to ensure that the Vendor's Solicitors will receive the such funds on or before 5:00 p.m. on the Completion Date and provided evidence that such wire transfer was initiated prior to such time to the Vendor's Solicitors, but for any reason outside of the Purchaser's control (excluding any event which is a default by the Purchaser under this Agreement) the Vendor's Solicitors do not receive the funds by such time, then the time and date on which the funds must be received by the Vendor's Solicitors will be extended to 5:00 p.m. on the next Business Day following the Completion Date, so long as the Purchaser also pays to the Vendor or the Vendor's Solicitors on such next Business Day following the Completion Date interest at a rate equal to the Prime Rate plus two percent per annum for each day from and including the Completion Date to but not including the day such payment is made. In this paragraph, "Prime Rate" means that variable annual rate of interest quoted by the main branch of Bank of Nova Scotia, Vancouver, British Columbia, from time to time as the rate of interest used by it as a reference rate for setting rates of interest on Canadian dollar loans in Canada repayable on demand and commonly referred to by such bank as its "prime rate". For example, if the Completion Date occurs on a Friday, the funds are wired on the following Monday and the funds are received by the Vendor's Solicitors at 6:00 p.m. (Vancouver time) the day after wiring, the Purchaser will pay the Vendor four days' interest.

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**ARTICLE 10
INTERPRETATION**

10.1 **This Agreement.** The phrase "this Agreement" means the agreement between the Vendor and the Purchaser resulting from the acceptance of the Purchaser's offer herein by the Vendor in the manner and within the time provided.

10.2 **Headings.** The headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way in the interpretation hereof to be part of this Agreement.

10.3 **Non-limiting.** The word "including", when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

10.4 **Gender and Number.** Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

10.5 **Governing Law.** This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

10.6 **Dates for Performance.** If the date for the performance of any act or thing (including, without limitation, the date for the payment of any portion of the Deposit, the date for the removal or waiver of any condition precedent or the Completion Date) falls on a day which is not a Business Day, then the date for the performance of such act or thing will be extended to the next Business Day.

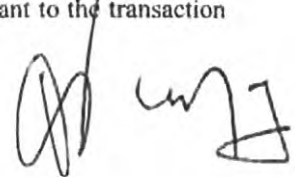
10.7 **Further Assurances.** Each of the Vendor and the Purchaser covenant and agree to execute any further and other documents and instruments, and to do any further and other things that may be necessary to implement and carry out the intent of this Offer and the agreement result from acceptance thereof by the Vendor.

**ARTICLE 11
MISCELLANEOUS**

11.1 **Time.** Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of the dates hereunder.

11.2 **No Waiver.** No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

11.3 **Commission.** Ken Heppner, as salesperson licensed with EXP Realty (the "**Purchaser's Realtor**") is acting on behalf of the Purchaser. Nick Renton, as salesperson licensed with William Right (the "**Vendor's Realtor**") is acting on behalf of the Vendor. The Vendor shall be responsible for and shall pay the commission due to both the Purchaser's Realtor and the Vendor's Realtor pursuant to the transaction



described in this Agreement. The payment to the Purchaser's Realtor shall be made in accordance with the attached Fee Agreement Addendum.

11.4 Entire Agreement. This Agreement and the agreements, instruments and other documents entered into pursuant to this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement. All representations, warranties, guarantees, promises and agreements made by the parties in this Agreement will survive the Completion Date and the transfer of the Property to the Purchaser.

11.5 Amendment. This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

11.6 Notices. Any notices, requests or demands which may or are required to be given or made hereunder will be in writing and served personally, transmitted by fax or electronic mail or sent by postage prepaid mail addressed as follows:

To the Purchaser:

BRANDT ROCK INVESTMENTS CORPORATION
Attention: Henry Peters
Email: henrywzander@gmail.com

With a copy to the Purchaser's Solicitors at:

Magnus Law
20426 Douglas Cres
Langley, British Columbia
V3A 4B4

Attention: Sanjeev Patro
Email: sanjeev@magnuslaw.ca

To the Vendor:

CANNGROUP DEVELOPMENT CORP.

Attention: Marlin Tobias
Email: marlin@canngroupcorp.com

With a copy to the Vendor's Solicitors at:

Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, British Columbia
V6C 0A3

Attention: Kibben Jackson and Heidi Esslinger
Email: kjackson@fasken.com hesslinger@fasken.com



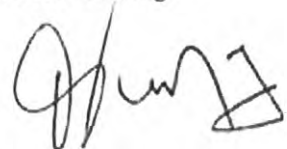
or at such other address or fax number or email address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by fax or electronic mail (so long as such delivery or transmittal was carried out prior to 5:00 p.m. (Vancouver time) on a Business Day, failing which such notice will be deemed to have been given and received on the next succeeding Business Day), or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be delivered or sent by fax or electronic mail rather than mailed.

11.7 Assignment. The Purchaser shall not be permitted to assign this Agreement without the prior written consent of the Vendor, which consent may be withheld in the Vendor's sole discretion. Notwithstanding the foregoing, the Purchaser will have the right to assign its rights under this Agreement, without the consent of the Vendor, to any entity which is an "affiliate" (which has the meaning ascribed to it in the *Business Corporations Act* (British Columbia)) of the Purchaser, provided that: (a) the Purchaser will deliver written notice to the Vendor of any such assignment; and (b) the Purchaser will remain fully liable to the Vendor for the performance by any such affiliate of the obligations of the Purchaser under this Agreement and will not be released from the performance hereof. For greater certainty, the parties agree and acknowledge that the Purchaser (or a permitted assignee) may direct the Vendor to transfer legal title to a bare trustee and nominee for the Purchaser (or a permitted assignee), provided that the Purchaser will deliver written notice to the Vendor of such bare trustee and nominee at least two (2) days prior to Court Approval. The Vendor shall be entitled to any profit resulting from an assignment of this Agreement by the Purchaser.

11.8 Confidentiality. Each of the Purchaser and the Vendor and their respective principals, agents and affiliates shall not disclose any information regarding this transaction, including, without limitation, the existence of the Agreement, or the price and terms of the sale contemplated hereby, or other property information, except to its respective accountants, solicitors, lenders and advisors

11.9 GST. The Purchaser represents and warrants to the Vendor that it is and will be, as of the Completion Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "ETA") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for and report any GST payable under the ETA in connection with the transactions contemplated by this Agreement. The Purchase Price does not include GST and the Purchaser will pay any GST payable with respect to the acquisition of the Property in accordance with the ETA. On the Completion Date, the Purchaser will deliver to the Vendor a certificate (the "GST Certificate") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Property in accordance with the ETA. The Purchaser will indemnify and hold the Vendor and their directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of the ETA with respect to GST payable in respect of the Property, the GST Certificate or any declaration made therein and such indemnity will survive Closing.

11.10 Provincial Sales Tax. The Purchaser acknowledges that it may be liable to pay British Columbia provincial sales tax ("PST") in respect of its purchase of some or all of the Chattels and Equipment. To the extent permitted under the Provincial Sales Tax Act (British Columbia), the Purchaser will report and remit as required by Applicable Law any such PST that is due directly to the applicable taxing authority, and otherwise will pay to the Vendor an amount equal, to the PST (if any) payable by the Purchaser and collectible by the Vendor in connection with the acquisition of the Property on Closing together with the balance of the Purchase Price. The Purchaser will indemnify and hold the Vendor and their directors, officers, employees, advisors and agents harmless from any liability related to the Purchaser's or the Vendor's failure to account for, or report and remit such PST and such indemnity will survive Closing.

A handwritten signature in black ink, appearing to be a stylized name, located in the bottom right corner of the page.

11.11 Property Disclosure Statement. No property condition disclosure statement concerning the Property forms part of this Agreement, regardless of whether or not such a statement is attached to it.

11.12 Costs & Expenses. Each party will pay its own legal fees. The Purchaser will be responsible for all registration fees, goods and services tax, general sales tax and property transfer tax payable, in connection with the sale of the Property.

11.13 Counterparts. This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the date first above written, and only one of which need be produced for any purpose.

11.14 Binding Effect. This Agreement will enure to the benefit of and be binding upon the heirs, executors, administrators, legal and personal representatives, successors and permitted assigns of the parties, as applicable.

11.15 Execution by Electronic Means. This Agreement may be executed by the parties and transmitted by fax or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

ARTICLE 12 DURATION OF OFFER AND BINDING EFFECT

12.1 Offer. The Purchaser's offer contained herein may be accepted by the Vendor by delivery by the Vendor of a copy of this Agreement with the Vendor's acceptance completed thereon to the Purchaser or to the Purchaser's Solicitors not later than 5:00 pm (Vancouver time) on October 28, 2024 and upon acceptance this Agreement will become a binding agreement for the purchase and sale of the Property in accordance with the terms hereof. If the Purchaser's offer herein is not accepted by the Vendor in the manner and within the time provided herein or if such offer is revoked by the Purchaser before it is accepted by the Vendor in the manner and within the time provided herein, then the Purchaser's offer will be extinguished and will no longer be binding on the Purchaser.

A handwritten signature in black ink, appearing to be a stylized name, located in the bottom right corner of the page.

IN WITNESS WHEREOF the Purchaser has executed this Agreement on the 5 of November, 2024.

BRANDT ROCK INVESTMENTS CORPORATION

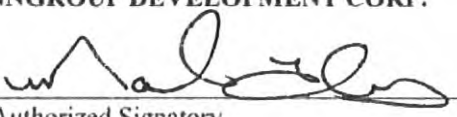
Per: 

Authorized Signatory

**ARTICLE 13
VENDOR'S ACCEPTANCE OF OFFER**

IN WITNESS WHEREOF the Vendor has executed its acceptance of the Purchaser's offer herein this 7 day of November, 2024.

CANGROUP DEVELOPMENT CORP.

Per: 

Authorized Signatory

SCHEDULE A

**DESCRIPTION OF THE LANDS
AND PERMITTED ENCUMBRANCES**

Civic Address: 56 Haddow Road, Enderby, British Columbia

Legal Description:

PID: 012-818-526
THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE
6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968,
KAP45121 AND KAP53741

Permitted Encumbrances:

1. The subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant, or in any grant or disposition from the Crown or imposed or implied by statute.
2. Statutory exceptions to title.
3. Legal Notations:
 - (i) THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT
4. Charges, Liens and Interests:
 - (i) EASEMENT E1453
APPURTENANT TO LOT 2, PLAN 10866
 - (ii) COVENANT KH118202
 - (iii) COVENANT KH118218
 - (iv) EASEMENT CA5033293
PART SHOWN ON PLAN EPP56220 APPURTENANT TO THAT PART SE 1/4, SEC
22 SHOWN ON PLAN B4968, TWP 19, RGE 9, KDYD, EXCEPT PLAN
KAP53741

SCHEDULE B

APPROVAL AND VESTING ORDER

District of British Columbia
Division No.: 04-Vernon
Court No.: VER-S-B-58732
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNGROUP DEVELOPMENT CORP.

ORDER MADE AFTER APPLICATION

BEFORE)
)
) THE HONOURABLE JUSTICE [●])
))
))
))
))
))
))

___/NOV/2024

THIS COURT ORDERS AND DECLARES that:

1. The time for service of the Notice of Application for this order and the supporting materials is hereby abridged and this application is returnable today and hereby dispenses with further service thereof.
2. The sale transaction (the "Transaction") contemplated by the Contract of Purchase and Sale dated [●], 2024 (the "Sale Agreement") between the Applicant, as vendor, and Brandt Rock Investments Corporation, as purchaser, a copy of which is attached as Schedule [●] to the First Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the lands described in the Sale Agreement and identified in Schedule "B" hereto (the "Lands")
3. Upon payment of the purchase price under the Sale Agreement, all of the Applicant's right, title and interest in and to the Lands shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated [Date]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property

Security Act of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Lands are hereby expunged and discharged as against the Lands.

4. Upon presentation for registration in the Land Title Office for the Land Title District of Kamloops of a certified copy of this Order, together with a letter from Fasken Martineau DuMoulin LLP, solicitors for the Applicant, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:

(a) enter the Purchaser as the owner of the Lands, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

(b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "D".

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Lands shall stand in the place and stead of the Lands, and from and after the payment of the purchase price by the Purchaser, all Claims shall attach to the net proceeds from the sale of the Lands with the same priority as they had with respect to the Lands immediately prior to the sale, as if the Lands had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. Subject to the terms of the Sale Agreement, vacant possession of the Lands shall be delivered by the Applicant to the Purchaser at 12:00 noon on the [●], or such earlier date as the Applicant and the Purchaser may agree (the "Closing Date"), subject to the Permitted Encumbrances.

7. The Applicant, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

8. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Applicant now or hereafter made pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Applicant,

the vesting of the Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this order and to assist the Applicant and the Proposal Trustee, and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Proposal Trustee, as an officer of this court, as may be necessary or desirable to give effect to this order. to assist the Applicant and the Proposal Trustee and their respective agents in carrying out the terms of this order.

10. The Applicant, the Purchaser, the Proposal Trustee or any other party affected by this Order have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

11. Endorsement of this Order by counsel appearing on this application other than counsel for the Applicant is hereby 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 Kibben Jackson
Lawyer for the Applicant

BY THE COURT

REGISTRAR

Division No.: 04-Vernon
Court No.: _____
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNING GROUP
DEVELOPMENT CORP.

**ORDER MADE AFTER APPLICATION
(SALE APPROVAL)**

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Kibben Jackson
E-mail: kjackson@fasken.com
Matter No: 339917.00001

APPENDUM



FEE AGREEMENT SELLER PAYS (BUYER REPRESENTED SELLER NOT REPRESENTED)

BETWEEN: EXP Realty (BROKERAGE) 115 7565-132 Street UNIT ADDRESS Surrey V3W1K5

AND: Canngroup Development Corp. (SELLER) Fraser Hwy 15635 3104 UNIT ADDRESS 30 Avenue VIT9M9

PROPERTY: 56 Hadow UNIT NO. ADDRESS OF PROPERTY Salmon Arm BC VOE1V3 012-818-526 CITY/TOWN/MUNICIPALITY POSTAL CODE PID

Part SE 1/4, Section 22, Township 19, Range 9, Meridian W6, Kamloops Division of Yale Land District, Except Plan, B4968, KAP45121, KAP5371

LEGAL DESCRIPTION

In consideration of the Buyer's Brokerage introducing the Buyer to the Seller or showing the Property to the Buyer through its licensee Ken Heppner ("Designated Agent") the Seller covenants and agrees with the Buyer's Brokerage as follows:

- 1. The Seller is the owner of the Property.
2. The Designated Agent is the agent for Brandt Rock Investments Corporation (the "Buyer"), who may be interested in purchasing the Property.
3. The Seller will pay to the Buyer's Brokerage a fee of 3.5% plus applicable Goods and Services Tax and any other applicable tax in respect of the fee (fee + tax = remuneration) if:
(i) a legally enforceable contract of sale between the Seller and the Buyer in respect of the Property is entered into between the date hereof and December 31 2024 (the "Expiry Date"); or
(ii) a legally enforceable contract of sale between the Seller and the Buyer is entered into:
a. within sixty (60 days) after the Expiry Date; or
b. any time after the period described in (a) where the efforts of the Buyer's Brokerage or the Designated Agent were an effective cause;
provided, however, that no such fee is payable if the Property is listed, or subject to another fee agreement, with another licensed brokerage after the Expiry Date and sold during the term of that listing contract or fee agreement;
except, in each case, if the Property is "residential real property" (as defined in the Home Buyer Rescission Period Regulation) that is not exempt and the Buyer has exercised their right of rescission set out in Section 42 of the Property Law Act within the prescribed period and prescribed manner for doing so in which case no fee will be payable by the Seller.
4. The remuneration due to the Buyer's Brokerage will be payable on the earlier of the date the purchase and sale is completed or the completion date set out in the Contract of Purchase and Sale.
5. Despite Clause 3 the remuneration will not be payable if the Buyer defaults and fails to complete the purchase of the Property but will be payable if the Seller defaults and fails to complete the sale of the Property.
6. The Seller acknowledges and agrees that:
A. the Buyer's Brokerage and the Designated Agent are acting for the Buyer throughout the transaction and

BUYER'S INITIALS

SELLER'S INITIALS

BC2051 REV. NOV 2023

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ADDENDUM

FEE AGREEMENT SELLER PAYS (BUYER REPRESENTED SELLER NOT REPRESENTED)

- do not owe any agency duties to the Seller;
- B. no advice concerning the Property, including price or terms of sale, has been given by the Buyer's Brokerage or the Designated Agent to the Seller;
 - C. nothing in this Agreement, including the obligation of the Seller to pay the remuneration set out in Clause 3, shall be construed as creating an agency relationship between the Buyer's Brokerage or the Designated Agent and the Seller.
 - D. the remuneration set out in Clause 3 shall be payable by the Seller to the Buyer's Brokerage in addition to any fee or commission payable to the Buyer's Brokerage by a third party including the Buyer and the Seller's listing brokerage, if any;
7. The Seller hereby irrevocably:
- A. assigns to the Buyer's Brokerage from the proceeds of sale of the Property the amount of remuneration due to the Buyer's Brokerage and authorizes the Buyer's Brokerage to retain from the deposit monies the amount of the Buyer's Brokerage's remuneration;
 - B. agrees to sign either in the Contract of Purchase and Sale or in a separate document, an irrevocable authority directing the Buyer and the Lawyer or Notary Public acting for the Buyer or Seller to pay to the Buyer's Brokerage the remuneration due to the Buyer's Brokerage or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Buyer's Brokerage.
8. In this Agreement "sale" includes an exchange and "sale price" includes the value of property exchanged.
9. The Seller hereby consents to the collection, use and disclosure by the Buyer's Brokerage, and by the managing broker(s), associate broker(s) and representative(s) of the Buyer's Brokerage (collectively the "Licensee") noted below, and the real estate board in whose jurisdiction the Property is located and/or of which the Buyer's Brokerage or Licensee is a member, of personal information about the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - C. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled Privacy Notice and Consent.
- The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.
10. The interpretation of this Agreement and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
11. The parties acknowledge that this Agreement fully sets out the terms of the agreement between them.
12. The parties agree that this Agreement and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.
13. This Agreement shall be binding upon and benefit not only the parties but their respective heirs, executors, administrators, successors and assigns.


BUYER'S INITIALS

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SELLER'S INITIALS

COPYRIGHT BC REAL ESTATE ASSOCIATION

ADDENDUM

FEE AGREEMENT SELLER PAYS (BUYER REPRESENTED SELLER NOT REPRESENTED)

PAGE 3 of 3 PAGES

SIGNED, SEALED AND DELIVERED THIS 2nd OF October, YR. 2024

The Seller declares their residency:

RESIDENT OF CANADA NON-RESIDENT OF CANADA as defined under the *Income Tax Act*.


SELLER'S SIGNATURE

Canngroup Development Corp.

WITNESS

SELLER'S SIGNATURE

WITNESS

SELLER'S SIGNATURE

WITNESS


Per: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY

EXP Realty
BROKERAGE (PRINT)

REALTOR'S SIGNATURE

Ken Heppner
REALTOR'S NAME (PRINT NAME)

The Buyer acknowledges that the Seller and the Buyer's Brokerage have entered into this Agreement. The Buyer further acknowledges an agency relationship with the Designated Agent.


BUYER'S SIGNATURE

WITNESS

BUYER'S SIGNATURE

WITNESS

BUYER'S SIGNATURE

WITNESS

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CREA WEBForms

- Creditor Mailing List -

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

This is Exhibit A referred to in the
affidavit of Joseph Forz
sworn before me at Vancouver
this 29 day of October 2024

Creditor Type	Name	Attention	Address	A Commissioner for taking Affidavits For British Columbia
Director	Marlin Kirby Tobias		152 N Aberdeen Road Coldstream BC V1B 3B6	JONATHAN McNAIR A Commissioner for Oaths in and for the Province of British Columbia Expiry date: June 30, 2027
Official Receiver	Office of the Superintendent of Bankruptcy		#1900 - 300 West Georgia Street Vancouver BC V6B 6E1	
Preferred	Carleen Roth		509 Holly Ave Sicamous BC V0E 2V1	
	Marlin Tobias		509 Holly Ave Sicamous BC V0E 2V1	
	Nicole Chetwynd		604 - 233 Kingsway Vancouver BC V5T 3J5	
Secured	Builders Capital Mortgage Corp.		#260, 1414 - 8th Street SW Calgary AB T2R 1J6	
	Canada Revenue Agency - Payroll		9755 King George Blvd Surrey BC V3T 5E1	
	Carleen Roth		510 Holly Ave Sicamous BC V0E 2V1	
	Colin Roth		2201 - 1050 Burrard Street Vancouver BC V6Z 2S3	
	Marlin Tobias		509 Holly Ave Sicamous BC V0E 2V1	
	Minister of Finance - EHT		PO Box9446 Stn Prov Govt Victoria BC V8W 9V6	
Unsecured	1211174 BC Ltd dba Higher Economic.Marketd Price		233 - 67 Street Delta BC V4L 1M2	
	1233397 BC Ltd.		4114 - 184 Street Surrey BC V3Z 1B7	
	1253486 BC Ltd		733 Finns Road Kelowna BC V1X 5B7	
	A&L Canada Laboratories Inc		2136 Jetstream Road London ON N5V 3P5	
	A&L Canada Laboratories Inc (Dymond)		2136 Jetstream Rd London ON N5V 3P5	
	Air Liquide Canada Inc		23231 Fraserwood Way Richmond BC V6V 3B3	
	Air Liquide Canada Inc (Dymond)		23231 Fraserwood Way Richmond BC V6V 3B3	
	Allan Chabon		932 McNicoll Avenue Vancouver BC V6J 1A6	
	Ample Organics Inc.		Unit 2015A, 290 Caldari Rd. Vaughan ON L4K 4J4	
	B. A Power & Machinery Ltd.		9650 Bottom Lake Rd Lake Country BC V4V 1S7	
	BC Liquor Distribution Branch		3383 Gilmore Wy, Burnaby BC V5G 4S1	
	BC Scale Co Ltd		5920-200 A Street Langley BC V3A 5X8	

- Creditor Mailing List -

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	BlueSky Organics		1600 Kosmina Road Vernon BC V1T 8T2
	Bourcet Holdings Ltd.		821 Fairweather Road Vernon BC V1T 8T9
	Cambria Technology LLC		161 Peninsula Road Medicine Lake MN 55441
	Cambria/John Braun		161 Peninsula Road Medicine Lake MN 55441
	Canada Revenue Agency - Excise		9755 King George Blvd Surrey BC V3T 5E1
	Canada Revenue Agency - GST		9755 King George Blvd Surrey BC V3T 5E1
	Canadian Bank Note Company, Limited		145 Richmond Road Ottawa ON K1Z 1A1
	Canadian Cannabis Exchange Ltd.		4008B Stanley Rd Calgary AB T2S 2P4
	Cannabis at Work		PO Box 163 Whistler BC V0N 1B0
	Canvas Labs Ltd.		2D, 138 West 6th Avenue, Vancouver BC V5Y 1K6
	Carleen Roth		509 Holly Ave Sicamous BC V0E 2V1
	Carmen Tobias		8271 Silver Star Road, Vernon, BC, V1B 3M8 Vernon BC V1B 3M8
	Caro Analytical Services (Dymond)		#110 4011 Viking Way Richmond BC V6V 2K9
	Chapman Mechanical Ltd.		901 Waddington Drive Vernon BC V1T 9E2
	Cintas Canada Limited		PO Box 4372 Station A Toronto ON M5W 0J2
	CTC Logistics (Canada) Inc		130 - 14351 Burrows Road Richmond BC V6V 1K9
	Derek Fink		PO Box 99 Vibank SK S0G 4Y0
	Dynamic Local		#201 - 18810 72nd Ave Surrey BC V4N 1M9
	Dynamic Local (Dymond)		#201 - 18810 72nd Ave Surrey BC V4N 1M9
	Endless Sky Inc.		103 - 4511 Glenmore Trail SE Calgary AB T2C 2R9
	Greenway Greenhouse Cannabis Corporation		1478 Seacliff Drive Kingsville ON N9Y 2M2
	GS1 Canada		Postal Station A, Toronto ON M5W 5W6
	Health Canada		1 61 Goldenrod Drwy Ottawa ON K1A 0K9
	Hempsana Inc		3080 Young Street, Suite 6060 Toronto ON M4N 3N1
	Hewberry Alarm Ltd		1011 Kalamalka Lake Road Vernon BC V1T 6V4

- Creditor Mailing List -

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	High North Laboratories (Dymond)		241 Hanlan Rd, Unit 7 Vaughan ON L4L 3R7
	HighDeal Solutions (Dymond)		119 - 19055 Airport Way Pitt Meadows BC V3Y 0G4
	Hygiena Canada Limited		Unit 14, 2650 Meadowval Boulevard Mississauga ON L5N 6M5
	Jeff Silzer		150 Highview Place Lions Bay BC V0N 2E0
	Kal Tire		606 Old Vernon Rd Enderby BC V0E 1V0
	Kimco Controls Ltd.		104 - 171 Commercial Drive, Kelowna BC V1X 7W2
	Kooteney Outdoor Producer		6160 Rotter Spur Road Salmo BC V0G 1M0
	LBS Consulting (Larry Silzer)		4 Brunswick Beach Lions Bay BC V0N 2E0
	Linde Canada Inc.		PO BOX 2531 STN M Calgary AB T2P 0S6
	Linde Canada Inc. (Dymond)		PO BOX 2531 STN M Calgary AB T2P 0S6
	Marlin Tobias		509 Holly Ave Sicamous BC V0E 2V1
	Mettler-Toledo Inc.		POON Box 1518 Station A Toronto ON M5W 3N9
	Minister of Finance		PO Box9446 Stn Prov Govt Victoria BC V8W 9V6
	Ministry of Water, Land & Resource Stewardship		PO Box 9348 Stn Prov Govt Victoria BC V8W 9W8
	MNP LLP		Suite# 100, 2903 35th Ave Vernon BC V1T 2S7
	Nicole Chetwynd		604 - 233 Kingsway Vancouver BC V5T 3J5
	Nicole Chetwynd		8348 Needles Drive Whistler BC V8E 1G0
	NSLC - NOVA SCOTIA LIQUOR CORPORATION		93 Chain Lake Drive Halifax NS B3S 1A3
	Purolator Inc.		PO BOX 4800 STN MAIN CONCORD ON L4K 0K1
	Pushor Mitchell LLP - in trust for Trugro Limited		3rd Floor, 1665 Ellis Street Kelowna BC V1Y 2B3
	Quality Analytical Services Ltd.		Unit A43 - 64089 393 Ave Okotoks AB T1S 0L1
	Saini Logistic Solutions (Dymond)		5266 General Road Unit 18-19 Mississauga ON L4W 1Z8
	Salmon Arm Drycleaners		430 7th St S.W. Salmon Arm BC V1E 1S9
	SCV Waste Solutions		Box 549 Armstrong BC V0E 1B0
	SESS Holdings (Dymond)		3845 Nashua Drive Mississauga ON L4V 1R3
	Shaw Business		PO Box 1607, Stn M Calgary AB T2P 2L7

- Creditor Mailing List -

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	Shumac Refrigeration & HVAC Ltd.		2005 Waterwheel St Enderby BC V0E 1V2
	Sterling Backcheck Canada Corp		P.O. Box 12051, Station A Toronto ON M5W 0K5
	The Safety Man		1250 - 13 Ave. S.E., Salmon Arm BC V1E 2G7
	Tip-it Waste Solutions Inc		PO Box 392 Armstrong BC V0E 1B0
	Trugro Limited		c/o Eric C.H. Ledding - Pushor Mitchell LLP 301 - 1665 Ellis Street Kelowna BC V1Y 2B3
	Valens Labs Ltd.		230 Carion Road Kelowna BC V4V 2K5
	Wallace & Carey Inc.		5445 - 8th Street NE Calgary AB T2K 5R9
	Wellington Supply Chain		7419 McLean Road West Puslinch ON N0B 2J0
	Whister Reception Services - Chery Waters & Nicole Chetwynd		8348 Needles Drive Whistler BC V8E1G0
	WorkSafeBC - Collections Department		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5
	Zenalytic Laboratories Ltd		116 High Rd Kelowna BC V1Y 7B1



Government
of Canada

Gouvernement
du Canada

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Update filing - update is confirmed

Welcome [josephine, fong](#) | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

Estate Information

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

- **Estate Number:** 11-3145114
- **Estate Name:** CannGroup Development Corp.

Document(s) submitted

The following document(s) have been successfully submitted

- Notice to Creditors - NOI

Reference

- The Reference Number for this transaction is: **23029054**.
- Submitted by josephine fong.
- 2024-10-29 17:47 EDT

[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: 2024-10-18



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

October 25, 2024

To: The Creditors of CannGroup Development Corp. (the "Company")

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 October 25, 2024 and Crowe MacKay & Company Ltd. (the "Trustee") was named Proposal Trustee for the Company. Enclosed for your records is a copy of the NOI and the List of Creditors. As the Trustee, we would like to take this opportunity to address some issues and perhaps answer some questions that you may have.

The Company has NOT filed for Bankruptcy nor is the Company in Receivership.

The Company remains under the control of management. The NOI creates a stay of proceedings and allows the Company a period of up to thirty days to prepare and file a Proposal to its creditors unless the period is extended by the Court upon application by the Company. During this period, the Trustee will monitor the business of the Company and assist the Company in preparing its Proposal.

All amounts owed by the Company as at the date of the NOI will be dealt with as part of the Proposal to be filed by the Company. The Company is continuing to operate as usual during the NOI period. Pursuant to Section 65.1 of the BIA, no person may terminate or amend any agreement, including a security agreement, with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement, including a security agreement, with the Company by reason only that the insolvent person is insolvent or a NOI or Proposal has been filed.

Filing a Claim

At this time, you do NOT need to file a Proof of Claim or report any discrepancies concerning the amount reported as owing to you by the Company as stated on the List of Creditors enclosed. You will receive a Proof of Claim form to complete and file with the Trustee after the Company has filed its Proposal or if the Company is deemed bankrupt. All proven creditors will have the opportunity to vote on the Proposal in person or by mail at a creditor's meeting to be held approximately three weeks after the Proposal is filed.

The Trustee will be providing updates with respect to the status of this proceeding on its website (www.crowemackayco.ca) under 'Corporate Engagements'.

If you have any questions, please contact Mr. Tetsu Takagaki at 604-697-5298 / tetsu.takagaki@crowemackay.ca.

Yours very truly,

CROWE MACKAY & COMPANY LTD.

in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal for CannGroup Development Corp. and not in its personal capacity

per:

Encl.

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

Vancouver Resident Office
 1100 - 1177 West Hastings Street
 Vancouver, BC V6E 4T5

Surrey Non-Resident Office
 200, 5455 152 Street
 Surrey, BC V3S 5A5

This is Exhibit B referred to in the
 affidavit of Josephine Fong
 sworn before me at Vancouver
 this 29 day of October 2024

A Commissioner for taking Affidavits
 For British Columbia



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 04 - Vernon
Court No. 11-3145114
Estate No. 11-3145114

In the Matter of the Notice of Intention to make a proposal of:

CannGroup Development Corp.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

October 24, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 25, 2024, 17:16

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

District of: British Columbia
Division No. 04 - Vernon
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

Take notice that:

1. I, CannGroup Development Corp., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Crowe MacKay & Company Ltd. of 1100 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 17th day of October 2024.



CannGroup Development Corp.
Insolvent Person (Marlin Tobias)

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1211174 BC Ltd dba Higher Economic.Marked Price	233 - 67 Street Delta BC V4L 1M2		43,147.22
1233397 BC Ltd.	4114 - 184 Street Surrey BC V3Z 1B7		213,000.00
1253486 BC Ltd	733 Finns Road Kelowna BC V1X 5B7		78,530.55
A&L Canada Laboratories Inc	2136 Jetstream Road London ON N5V 3P5		17,722.69
A&L Canada Laboratories Inc (Dymond)	2136 Jetstream Rd London ON N5V 3P5		25,090.59
Air Liquide Canada Inc	23231 Fraserwood Way Richmond BC V6V 3B3		2,074.32
Air Liquide Canada Inc (Dymond)	23231 Fraserwood Way Richmond BC V6V 3B3		12,962.10
Allan Chabon	932 McNicoll Avenue Vancouver BC V6J 1A6		644,521.15
Ample Organics Inc.	Unit 2015A, 290 Caldari Rd. Vaughan ON L4K 4J4		13,439.51
B. A Power & Machinery Ltd.	9650 Bottom Lake Rd Lake Country BC V4V 1S7		705.60
BC Scale Co Ltd	5920-200 A Street Langley BC V3A 5X8		2,667.96
BlueSky Organics	1600 Kosmina Road Vernon BC V1T 8T2		15,176.16
Bourcet Holdings Ltd.	821 Fairweather Road Vernon BC V1T 8T9		4,000.00
Builders Capital Mortgage Corp.	#260, 1414 - 8th Street SW Calgary AB T2R 1J6		1,577,355.00
Cambria Technology LLC	161 Peninsula Road Medicine Lake MN 55441		29,958.27

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Cambria/John Braun	161 Peninsula Road Medicine Lake MN 55441		68,142.18
Canada Revenue Agency - Excise	9755 King George Blvd Surrey BC V3T 5E1		1,352,188.14
Canada Revenue Agency - GST	9755 King George Blvd Surrey BC V3T 5E1		291,978.56
Canada Revenue Agency - Payroll	9755 King George Blvd Surrey BC V3T 5E1		279,402.89
Canadian Bank Note Company, Limited	145 Richmond Road Ottawa ON K1Z 1A1		6,619.20
Canadian Cannabis Exchange Ltd.	4008B Stanley Rd Calgary AB T2S 2P4		1,345.17
Cannabis at Work	PO Box 163 Whistler BC V0N 1B0		15,120.00
Canvas Labs Ltd.	2D, 138 West 6th Avenue, Vancouver BC V5Y 1K6		1,827.00
Carleen Roth	510 Holly Ave Sicamous BC V0E 2V1		326,732.42
Carleen Roth	509 Holly Ave Sicamous BC V0E 2V1		7,266.23
Carmen Tobias	8271 Silver Star Road, Vernon, BC, V1B 3M8 Vernon BC V1B 3M8		23,307.00
Caro Analytical Services (Dymond)	#110 4011 Viking Way Richmond BC V6V 2K9		1,904.70
Chapman Mechanical Ltd.	901 Waddington Drive Vernon BC V1T 9E2		1,999.90
Cintas Canada Limited	PO Box 4372 Station A Toronto ON M5W 0J2		17,943.54
Colin Roth	2201 - 1050 Burrard Street Vancouver BC V6Z 2S3		150,400.00

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CTC Logistics (Canada) Inc	130 - 14351 Burrows Road Richmond BC V6V 1K9		3,592.35
Derek Fink	PO Box 99 Vibank SK S0G 4Y0		19,552.00
Diamond Concentrates Inc.	#209 - 15292 Croydon Drive Surrey BC V3S 0Z5		250.00
Dynamic Local	#201 - 18810 72nd Ave Surrey BC V4N 1M9		26,252.67
Dynamic Local (Dymond)	#201 - 18810 72nd Ave Surrey BC V4N 1M9		12,346.28
Endless Sky Inc.	103 - 4511 Glenmore Trail SE Calgary AB T2C 2R9		91,703.13
Greenway Greenhouse Cannabis Corporation	1478 Seacliff Drive Kingsville ON N9Y 2M2		41,518.57
GS1 Canada	Postal Station A, Toronto ON M5W 5W6		4,504.30
Health Canada	1 61 Goldenrod Drwy Ottawa ON K1A 0K9		39,133.19
Hempsana Inc	3080 Younge Street, Suite 6060 Toronto ON M4N 3N1		31,921.86
Hewberry Alarm Ltd	1011 Kalamalka Lake Road Vernon BC V1T 6V4		3,201.25
High North Laboratories (Dymond)	241 Hanlan Rd, Unit 7 Vaughan ON L4L 3R7		17,299.83
HighDeal Solutions (Dymond)	119 - 19055 Airport Way Pitt Meadows BC V3Y 0G4		5,635.27
Hygiena Canada Limited	Unit 14, 2650 Meadowval Boulevard Mississauga ON L5N 6M5		949.39
Jeff Silzer	150 Highview Place Lions Bay BC V0N 2E0		16,847.95

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Kimco Controls Ltd.	104 - 171 Commercial Drive, Kelowna BC V1X 7W2		1,916.30
Kooteney Outdoor Producer	6160 Rotter Spur Road Salmo BC V0G 1M0		43,232.50
LBS Consulting (Larry Silzer)	4 Brunswick Beach Lions Bay BC V0N 2E0		19,725.00
Linde Canada Inc.	PO BOX 2531 STN M Calgary AB T2P 0S6		10,940.01
Linde Canada Inc. (Dymond)	PO BOX 2531 STN M Calgary AB T2P 0S6		10,799.21
Marlin Tobias	509 Holly Ave Sicamous BC V0E 2V1		12,153.92
Marlin Tobias	509 Holly Ave Sicamous BC V0E 2V1		512,431.04
Meridian Onecap Credit Corp.	1500 - 4710 Kingsway Burnaby BC V5H 4M2		250.00
Mettler-Toledo Inc.	POON Box 1518 Station A Toronto ON M5W 3N9		2,085.30
Minister of Finance	PO Box9446 Stn Prov Govt Victoria BC V8W 9V6		50,454.22
Minister of Finance - EHT	PO Box9446 Stn Prov Govt Victoria BC V8W 9V6		48,141.26
MNP LLP	Suite# 100, 2903 35th Ave Vernon BC V1T 2S7		17,093.69
Nicole Chetwynd	604 - 233 Kingsway Vancouver BC V5T 3J5		4,778.77
Nicole Chetwynd	8348 Needles Drive Whistler BC V8E 1G0		51,170.01
NSLC - NOVA SCOTIA LIQUOR CORPORATION	93 Chain Lake Drive Halifax NS B3S 1A3		441.09

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Purolator Inc.	PO BOX 4800 STN MAIN CONCORD ON L4K 0K1		14,585.62
Pushor Mitchell LLP - in trust for Trugro Limited	3rd Floor, 1665 Ellis Street Kelowna BC V1Y 2B3		240,301.00
Quality Analytical Services Ltd.	Unit A43 - 64089 393 Ave Okotoks AB T1S 0L1		4,804.50
Saini Logistic Solutions (Dymond)	5266 General Road Unit 18-19 Mississauga ON L4W 1Z8		437.50
Salmon Arm Drycleaners	430 7th St S.W. Salmon Arm BC V1E 1S9		1,350.83
Salt Capital Inc. o/a Capital Now Cannabisc	#121, 234 - 5149 Country Hills BV Calgary AB T3A 5K8		250.00
SCV Waste Solutions	Box 549 Armstrong BC V0E 1B0		1,907.85
SESS Holdings (Dymond)	3845 Nashua Drive Mississauga ON L4V 1R3		9,915.75
Shaw Business	PO Box 1607, Stn M Calgary AB T2P 2L7		20,076.43
Shumac Refrigeration & HVAC Ltd.	2005 Waterwheel St Enderby BC V0E 1V2		103,733.02
Stoke Canada Finance Corp.	700, 1816 Crowchild Trail SW Calgary AB T2M 3Y7		250.00
The Safety Man	1250 - 13 Ave. S.E., Salmon Arm BC V1E 2G7		381.87
Tip-it Waste Solutions Inc	PO Box 392 Armstrong BC V0E 1B0		1,449.00
Valens Labs Ltd.	230 Carion Road Kelowna BC V4V 2K5		8,190.00
Wallace & Carey Inc.	5445 - 8th Street NE Calgary AB T2K 5R9		9,928.20

District of: British Columbia
Division No. 04 - Vernon
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
CannGroup Development Corp.
of the City of Vernon, in the Province of British Columbia
Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Whister Reception Services - Chery Waters & Nicole Chetwynd	8348 Needles Drive Whistler BC V8E1G0		44,435.07
WorkSafeBC - Collections Department	PO Box 5350 Str. Terminal Vancouver BC V6B 5L5		19,204.81
Zenalytic Laboratories Ltd	116 High Rd Kelowna BC V1Y 7B1		3,675.00
Total			6,811,724.86



CannGroup Development Corp.
Insolvent Person (Marlin Tobias)

- Proposal Consent -

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of CannGroup Development Corp..

Dated at the City of Vancouver in the Province of British Columbia, this 24th day of October 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee



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

Business Debtor - "CANNGROUP DEVELOPMENT CORP."

Search Date and Time: October 11, 2024 at 11:15:29 am Pacific time
Account Name: CROWE MACKAY & COMPANY LTD.
Folio Number: CANNGROUP DEV

TABLE OF CONTENTS

11 Matches in 11 Registrations in Report Exact Matches: 11 (*) Total Search Report Pages: 27

	Base Registration	Base Registration Date	Debtor Name	Page
1	011228M	January 17, 2020	* CANNGROUP DEVELOPMENT CORP.	2
2	276601M	June 15, 2020	* CANNGROUP DEVELOPMENT CORP.	5
3	927502M	April 27, 2021	* CANNGROUP DEVELOPMENT CORP.	7
4	673471N	April 19, 2022	* CANNGROUP DEVELOPMENT CORP.	9
5	202693P	November 16, 2022	* CANNGROUP DEVELOPMENT CORP.	11
6	280952P	January 3, 2023	* CANNGROUP DEVELOPMENT CORP.	13
7	402713P	March 9, 2023	* CANNGROUP DEVELOPMENT CORP.	16
8	625958P	June 26, 2023	* CANNGROUP DEVELOPMENT CORP.	18
9	270820Q	March 25, 2024	* CANNGROUP DEVELOPMENT CORP.	20
10	288204Q	April 2, 2024	* CANNGROUP DEVELOPMENT CORP.	23
11	400236Q	May 24, 2024	* CANNGROUP DEVELOPMENT CORP.	26

Base Registration Number: 011228M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: January 17, 2020 at 4:26:20 pm Pacific time
Current Expiry Date and Time: January 17, 2025 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

MERIDIAN ONECAP CREDIT CORP. **Address**
 SUITE 1500, 4710 KINGSWAY
 BURNABY BC
 V5H 4M2 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP. **Address**
 56 HADOW ROAD
 ENDERBY BC
 V0E 1V3 Canada

CHETWYND, NICOLE S **Address** **Birthdate**
 56 HADOW ROAD December 16, 1964
 ENDERBY BC
 V0E 1V3 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	BOBCAT / S650	ALJ828289

General Collateral

Base Registration General Collateral:

LOADER(S), SKID STEER LOADER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR ,COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: March 11, 2020 at 2:22:37 pm Pacific time
Registration Number: 113821M
Description: DELETED DEBTOR: CARLEEN LAY (56 HADOW ROAD)
ADDED DEBTOR: NICOLE S CHETWYND (56 HADOW ROAD)
AMENDMENT DEBTORS, ADDING NICOLE CHETWYND
AND REMOVING CARLEEN LAY

Debtor Information

CHETWYND, NICOLE S

NAME CHANGED

Address

56 HADOW ROAD
ENDERBY BC
V0E 1V3 Canada

Birthdate

December 16,
1964

CHANGED

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

Base Registration Number: 276601M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 15, 2020 at 1:00:26 pm Pacific time
Current Expiry Date and Time:	June 15, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

DIAMOND CONCENTRATES INC.	Address
	#209 - 15292 CROYDON DRIVE SURREY BC V3S 0Z5 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.	Address
	480, 3104 - 30TH AVENUE VERNON BC V1T 9M9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL LABORATORY EQUIPMENT LEASED BY THE SECURED PARTY TO THE DEBTOR INCLUDING 50L ROTARY EVAPORATORS, CHILLERS, ETHANOL EXTRACTOR, ETHENOL RECOVERY SYSTEM, JACKETED ETHANOL STORAGE TANKS, SHORT PATH DISTILLATION EQUIPMENT, BIZZY BEE EXTRACTOR, INDUSTRIAL VACUUM PUMP, GLASS REACTORS, VACUUM OVEN, MAGNETIC STIRS, TABLETOP LABORATORY ,EQUIPMENT, MOBILE LABORATORY CONTAINER, STAINLESS STEEL TABLES, FILTRATION EQUIPMENT, RECOVERY PUMPS, AND ALL PROCEEDS OF THE FOREGOING INCLUDING ALL GOODS, INTANGIBLES, INVESTMENT PROPERTIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, CROPS, LICENCES AND INSURANCE PROCEEDS LOCATED UPON THE LANDS LOCATED AT ,56 HADOW ROAD, ENDERBY, BRITISH COLUMBIA, V0E 1V3, LEGALLY DESCRIBED AS PID: 012-818-526, THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741 (THE \LANDS\) (AS SUCH LEGAL DESCRIPTION MAY BE MODIFIED AS A CONSEQUENCE OF SUBDIVISION, CONSOLIDATION, STRATIFICATION OR OTHER MODIFICATION TO THE WHOLE OR ANY PORTION OF THE LANDS).

Original Registering Party

RICHARDS BUELL SUTTON LLP

Address

700 - 401 WEST GEORGIA STREET
VANCOUVER BC
V6B 5A1 Canada

Base Registration Number: 927502M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: April 27, 2021 at 9:12:43 am Pacific time
Current Expiry Date and Time: April 27, 2026 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

**BUILDERS CAPITAL MORTGAGE
CORP.**

Address

#260, 1414 8TH STREET SW
CALGARY AB
T2R 1J6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 3104 30TH AVENUE
VERNON BC
V1T 9M9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND OTHER ASSETS AND UNDERTAKINGS OF EVERY NATURE AND KIND, TANGIBLE AND INTANGIBLE, LEGAL AND EQUITABLE, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY ,OR INDIRECTLY THEREFROM, INCLUDING WITHOUT LIMITATION ALL RIGHT, TITLE, OR INTEREST OF THE DEBTOR IN OR TO: (1) ALL OF THE DEBTOR'S MATERIALS, EQUIPMENT, SUPPLIES, LETTERS OF CREDIT, INSURANCE POLICIES, AGREEMENTS, CONTRACTS, AND WARRANTIES; (2) THE BENEFIT OF ALL MONIES PAID BY THE DEBTOR TO ANY GOVERNMENTAL ,AUTHORITY; (3) THE INTERESTS OF THE DEBTOR IN ALL FIXTURES AND CROPS LOCATED ON, DERIVED FROM, USED IN CONNECTION WITH, OR OTHERWISE IN ANY MANNER REALTED TO THE LANDS LEGALLY DESCRIBED AS PARCEL IDENTIFIER 012-818-526, BEING THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 19, RANGE 9, WEST OF THE 6TH MERIDIAN, KAMLOOPS DIVISION, YALE DISTRICT, EXCEPT PLANS B4968, KAP45121 AND KAP53741; (4) ANY INTEREST OF THE DEBTOR IN OR TO ANY LICENCES, PERMITS, EXEMPTIONS, OR APPROVALS ISSUED BY ANY GOVERNMENT, STATUTORY OR OTHER AUTHORITY HAVING JURISDICTION, INCLUDING LICENCES ISSUED IN ,ACCORDANCE WITH THE CANNABIS ACT AND CANNABIS REGULATIONS UNDER NUMBERS LIC-27IQXDEL3B-2019 AND LIC-27IQXDEL3B-2019-2; AND (5) AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.

Original Registering Party

COX, TAYLOR

Address

3RD FLOOR, 26 BASTION SQUARE
VICTORIA BC
V8W 1H9 Canada

Base Registration Number: 673471N

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: April 19, 2022 at 2:15:48 pm Pacific time
Current Expiry Date and Time: April 19, 2025 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

**SALT CAPITAL INC. O/A CAPITAL
NOW CANNABISC**

Address

121 234 5149 COUNTRY HILLS BV
CALGARY AB
T3A 5K8 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

301 - 2706 30 AVENUE
VERNON BC
V1T 2B6 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AS DEFINED BY THE PPSA INCLUDING
ACCOUNTS RECEIVABLE.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

Base Registration Number: 202693P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: November 16, 2022 at 11:41:04 am Pacific time
Current Expiry Date and Time: November 16, 2025 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

STOKE CANADA FINANCE CORP. **Address**
700, 1816 CROWCHILD TRAIL NW
CALGARY AB
T2M 3Y7 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP. **Address**
480, 3104-30TH AVENUE
VERNON BC
V1T 9M9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

RECEIVABLES PURCHASE AGREEMENT DATED SEPT 7TH, 2022. SECTION 6.1.(1) AS GENERAL AND CONTINUING COLLATERAL SECURITY FOR THE DUE PAYMENT AND PERFORMANCE OF ALL PRESENT AND FUTURE OBLIGATIONS (WHETHER DIRECT OR INDIRECT, JOINT OR SEVERAL, ABSOLUTE OR CONTINGENT, LIQUIDATED OR UNLIQUIDATED DAMAGES, MATURED OR UNMATURED) WHICH THE SELLER HAS FROM TIME TO TIME INCURRED OR MAY INCUR OR BE LIABLE TO THE PURCHASER UNDER, IN CONNECTION WITH OR WITH RESPECT TO THIS AGREEMENT AND ANY OTHER TRANSACTION DOCUMENTS AND ANY UNPAID BALANCE THEREOF, THE SELLER HEREBY GRANTS, ASSIGNS, TRANSFERS, SETS OVER, MORTGAGES, CHARGES, AND PLEDGES TO THE PURCHASER, AND GRANTS TO THE PURCHASER A FIRST PRIORITY SECURITY INTEREST IN, ALL OF THE SELLER'S RIGHT, TITLE AND INTEREST IN AND TO THE FOLLOWING, WHEREVER LOCATED, WHETHER NOW EXISTING OR HEREAFTER FROM TIME TO TIME ARISING OR ACQUIRED (COLLECTIVELY, THE "COLLATERAL"):

- (I) THE RESERVE AMOUNT AND THE DILUTION RESERVE PROCEEDS RELATING THERETO;
- (II) ALL BOOKS AND RECORDS RELATING TO THE FOREGOING, INCLUDING IN ANY FORM OR MEDIUM;
- (III) ALL ADDITIONS, SUBSTITUTIONS AND REPLACEMENTS FOR EACH OF THE FOREGOING.

Original Registering Party

STOKE INVENTORY PARTNERS INC.

Address

700 - 1816 CROWCHILD TR NW
CALGARY AB
T2M 3Y7 Canada

Base Registration Number: 280952P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: January 3, 2023 at 4:10:21 pm Pacific time
Current Expiry Date and Time: January 3, 2028 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

TOBIAS, MARLIN

Address

152 NORTH ABERDEEN ROAD
 COLDSTREAM BC
 V1B 3B6 Canada

ROTH, CARLEEN

Address

152 NORTH ABERDEEN ROAD
 COLDSTREAM BC
 V1B 3B6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 116 - 5100 ANDERSON WAY
 VERNON BC
 V1T 0C4 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	Ford / Super Duty F-350 S	1FT8W3B66KEF62432

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND AN
UNCRYSTALLIZED FLOATING CHARGE ON LAND.

Original Registering Party

**NIXON WENGER BARRISTERS AND
SOLICITORS**

Address

#301 - 2706 30TH AVENUE
VERNON BC
V1T 2B6 Canada

HISTORY

(Showing most recent first)

AMENDMENT - COLLATERAL ADDED

Registration Date and Time: March 27, 2023 at 12:07:18 pm Pacific time
Registration Number: 436521P
Description:

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) ADDED	2019	Ford / Super Duty F-350 S	1FT8W3B66KEF62432

Registering Party Information

DAVIDSON LAWYERS LLP **Address**
301-3126 31 AVE
VERNON BC
V1T 2H1 Canada

Base Registration Number: 402713P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: March 9, 2023 at 9:50:50 am Pacific time
Current Expiry Date and Time: March 9, 2028 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

ROTH, COLLIN

Address

2201-1050 BURRARD ST
VANCOUVER BC
V6Z 2S3 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 116-5100 ANDERSON WAY
VERNON BC
V1T 0C4 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

All the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held personal property, of whatever nature or kind and wheresoever situate, and all proceeds thereof and therefrom.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**WINRIGHT CONNORS LAW
CORPORATION**

Address

621-550 BROADWAY W
VANCOUVER BC
V5Z 0E9 Canada

Base Registration Number: 625958P

Registration Description: CROWN CHARGE - OTHER - FILED PURSUANT TO EMPLOYMENT HEALTH TAX
Act: MISCELLANEOUS REGISTRATIONS ACT
Base Registration Date and Time: June 26, 2023 at 10:28:26 am Pacific time
Current Expiry Date and Time: Never

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

**RECEIVABLES MANAGEMENT
OFFICE - CINDY CATHCART**

Address

6TH FLOOR - 1802 DOUGLAS ST
VICTORIA BC
V8T 4K6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP

Address

56 HADOW RD
ENDERBY BC
VOE 1V3 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

MINISTRY OF FINANCE

Address

1802 DOUGLAS ST
PO BOX 9445
VICTORIA BC
V8T 4K6 Canada

Base Registration Number: 270820Q

DISCHARGED

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: March 25, 2024 at 2:03:36 pm Pacific time
Discharge Date and Time: September 13, 2024 at 3:18:28 pm Pacific time
Current Expiry Date and Time: March 25, 2027 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

CHETWYND, NICOLE

Address

8348 NEEDLES DRIVE
 WHISTLER BC
 V8E 0G1 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

56 HADOW RD
 ENDERBY BC
 V0E 1V3 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	Bobcat / 5650	ALJ828289



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

Skid Steer Bob Cat Model 5650 - serial number ALJ828289

Original Registering Party

NICOLE CHETWYND

Address

8348 NEEDLES DRIVE
ALPINE
WHISTLER BC
V8E 0G1 Canada

HISTORY

(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: September 13, 2024 at 3:18:28 pm Pacific time
Registration Number: 636298Q

Registering Party Information

NICOLE CHETWYND

Address

8348 NEEDLES DRIVE
ALPINE
WHISTLER BC
V8E 0G1 Canada

Base Registration Number: 288204Q

DISCHARGED

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: April 2, 2024 at 1:17:13 pm Pacific time
Discharge Date and Time: September 13, 2024 at 3:09:05 pm Pacific time
Current Expiry Date and Time: April 2, 2027 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

**WHISTLER RECEPTION SERVICES
LTD.**

Address
4314 MAIN ST
WHISTLER BC
V8E 1A8 Canada

CHETWYND, NICOLE

Address
8348 NEEDLES DR
WHISTLER BC
V8E 0G1 Canada

WATERS, CHERYL

Address
9167 EMERALD DR
WHISTLER BC
V8E 0G5 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address
56 HADOW RD
ENDERBY BC
V0E 1V3 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	Bobcat / 5650	ALJ828289

General Collateral

Base Registration General Collateral:

General assignment against equipment and property

Original Registering Party

NICOLE CHETWYND

Address

8348 NEEDLES DRIVE
ALPINE
WHISTLER BC
V8E 0G1 Canada

HISTORY

(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: September 13, 2024 at 3:09:05 pm Pacific time
Registration Number: 636279Q

Registering Party Information

NICOLE CHETWYND

Address

8348 NEEDLES DRIVE
ALPINE
WHISTLER BC
V8E 0G1 Canada

Base Registration Number: 400236Q

Registration Description: CROWN CHARGE - OTHER - FILED PURSUANT TO
EMPLOYER HEALTH TAX ACT
Act: MISCELLANEOUS REGISTRATIONS ACT
Base Registration Date and Time: May 24, 2024 at 3:59:30 pm Pacific time
Current Expiry Date and Time: Never

CURRENT REGISTRATION INFORMATION
(as of October 11, 2024 at 11:15:29 am Pacific time)

Secured Party Information

**RECEIVABLES MANAGAMENT
OFFICE - HEATHER KURBATOFF**

Address

1802 DOUGLAS STREET, 6TH FLOOR
VICTORIA BC
V8T 4K6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

56 HADOW RD
ENDERBY BC
V0E 1V3 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT
RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.

Original Registering Party

MINISTRY OF FINANCE

Address

1802 DOUGLAS ST
PO BOX 9445
VICTORIA BC
V8T 4K6 Canada

In the Matter of the Notice of Intention to File a Proposal of CannGroup Development Corp.
For the period of October 25, 2024 to January 24, 2024
Cash Flow Projections

Periods	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL
Week Ending	1-Nov-24	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	
RECEIPTS														
Sale of Asset	2	-	3,700,000	-	-	-	-	-	-	-	-	-	-	3,700,000
Sales from Operations	3	7,196	-	-	-	-	-	-	-	-	-	-	-	7,196
Other receipts	4	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
DIP Loan	5	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		7,196	3,701,500	-	-	-	-	-	-	-	-	-	-	3,708,696
DISBURSEMENTS														
DIP Loan Fees & Expenses	5	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Loan Interest	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll and Contractors	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Tax	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposal/NOI costs	9	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	4	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Operating Costs	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS		-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
NET CHANGE		7,196	3,700,000	-	-	-	-	-	-	-	-	-	-	3,707,196
Cash, beginning		306	7,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	306
Cash, ending		7,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502	3,707,502

This statement of projected cash flow of CannGroup Development Corp. 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.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of CannGroup Development Corp. and not in its personal capacity

