

Extension of time to file a Proposal

2. The time for filing the Applicant's proposal under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), be and is hereby extended to 11:59 p.m. on February 21, 2025.

Interim Financing

3. CannGroup is hereby authorized and empowered to obtain and borrow under a credit facility (the "**Interim Lending Facility**") from 5352 Investments Ltd. (the "**Interim Lender**") in order to fund working capital and general corporate needs of CannGroup, including professional costs, provided that borrowings under such credit facility shall not exceed \$100,000, unless permitted by further Order of this Court.
4. The Interim Lending Facility shall be on the terms and subject to the conditions set forth in the Interim Lending Facility Term Sheet made as between CannGroup and the Interim Lender dated as of January 3, 2025 (the "**Interim Financing Term Sheet**"), a copy of which is attached as Appendix "D" to the Second Report.
5. CannGroup is hereby authorized and directed to pay and perform all indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Interim Financing Term Sheet as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
6. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the on the assets, property and undertakings of the Applicant (the "**Property**"). The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraph 9 hereof.
7. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge, if any;

- (b) upon the occurrence of an event of default under the Interim Financing Term Sheet, the Interim Lender, upon 5 days notice to the CannGroup and the Proposal Trustee, may exercise any and all of its rights and remedies against CannGroup or the Property under or pursuant to the Interim Financing Term Sheet and the Interim Lender's Charge, including without limitation, to cease making advances to CannGroup and set off and/or consolidate any amounts owing by the Interim Lender to the CannGroup against the obligations of CannGroup to the Interim Lender under the Interim Financing Term Sheet or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of CannGroup or the Property.
8. The Interim Lender, in such capacity, shall be treated as unaffected in any proposal filed by the Applicant under the BIA (or equivalent regime for the restructuring of debts) with respect to any advances made under the Interim Financing Term Sheet.

Validity and Priority of the Interim Lender's Charge

9. The Interim Lender's Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Interim Lender's Charge shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any person, save and except the Administration Charge granted by this court in these proceedings on November 18, 2024.
10. Any security documentation evidencing, or the filing, registration or perfection of the Interim Lender's Charge shall not be required, and that the Interim Lender's Charge shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to

the Interim Lender's Charge coming into existence, notwithstanding any failure to file, register or perfect the Interim Lender's Charge.

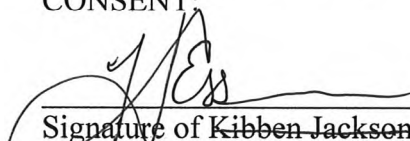
11. Except as otherwise expressly provided herein, or as may be approved by this Court, the Applicant shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Interim Lender's Charge, unless the Applicant obtains the prior written consent of the Proposal Trustee and the Interim Lender.
12. The Interim Financing Term Sheet and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Interim Lender entitled to the benefit of the Interim Lender's Charge and the Interim Lender shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant; and notwithstanding any provision to the contrary in any Agreement:
 - (a) the creation of the Interim Lender's Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
 - (b) the Interim Lender shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Interim Financing Term Sheet or the creation of the Interim Lender's Charge,; and
 - (c) the payments made by the Applicant pursuant to this Order or the Interim Financing Term Sheet, and the granting of the Interim Lender's Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

13. The Interim Lender's Charge created by this Order over leases of real property in Canada shall only be a charge in CannGroup's interest in such real property leases.

Miscellaneous


14. 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.
15. The Applicant, 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.
16. 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~~ Heidi Esslinger
Lawyer for the Applicant

BY THE COURT



REGISTRAR

Schedule A – List of Counsel

Counsel	Party
Lance Williams	Crowe Mackay & Company - the proposal trustee

