

Clerk's Stamp

COURT FILE NUMBER 2403 15089

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE  
*COMPANIES CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985,  
 C. C-36, as amended

AND IN THE MATTER OF A PLAN  
 OF COMPROMISE OR  
 ARRANGEMENT OF FREEDOM  
 CANNABIS INC.

PLAINTIFF/APPLICANT

DEFENDANT/RESPONDENT FREEDOM CANNABIS INC.

**AFFIDAVIT**

DOCUMENT

ADDRESS FOR SERVICE  
 AND CONTACT  
 INFORMATION OF PARTY  
 FILING THIS DOCUMENT

Department of Justice Canada  
 EPCOR Tower  
 300, 10423 – 101 Street NW  
 Edmonton, AB T5H 0E7  
 Attention; Daniel Segal

Tel: 587-335-9341  
 Fax: (780) 495-3319

**AFFIDAVIT OF JASON STERLING****Affirmed on September 12, 2024**

I, JASON STERLING, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY THAT:**

1. I am an Industry Sector Specialist, Cannabis Unit, with the Excise Duty Division of the Excise and Specialty Tax Directorate, Legislative Policy and Regulatory Affairs Branch of the Canada Revenue Agency ("CRA") and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except what is stated to be on information and belief, and where so stated, I verily believe them to be true.

**Regulatory Overview *Excise Act, 2001***

2. Cannabis is jointly regulated by the CRA and Health Canada. The CRA regulates cannabis pursuant to the *Excise Act, 2001*. Health Canada regulates cannabis pursuant to the *Cannabis Act*.
3. In this affidavit I will focus on the regulation of cannabis by the CRA.

***The Excise Act, 2001***

4. Under the *Excise Act, 2001*, the CRA is responsible for the regulation of cannabis products including the production of cannabis (licensing), possession of cannabis, removal of cannabis, sale and distribution of cannabis (stamping requirements), re-work and destruction.
5. The CRA is also responsible for the imposition of excise duties.

**CRA licences under the *Excise Act, 2001***

6. Subsection 158.02(1) of the *Excise Act, 2001* requires a CRA licence in order to cultivate, produce or package cannabis.

7. The CRA's objectives in issuing licences under the *Excise Act, 2001* are to regulate the production of cannabis, the possession of non-duty paid product, ensure the stamping requirements are met and ensure the imposition and payment of excise duties.

### **Applying for a CRA licence**

8. Subsection 2(1) of the *Regulations Respecting Excise Licences and Registrations* ("Regulations") requires every person wishing to obtain a CRA licence to complete Form L300, Cannabis Licence Application (A true copy of Form L300 is attached to this my affidavit and marked as **Exhibit "A"**).
9. An application for a new CRA licence must include:
- A business plan that includes a business overview, sales and marketing plan and a financial plan, which includes documents demonstrating sources of funds;
  - A completed Form L300SCHA, which lists all of the premises where business activities are being carried out (A true copy of Form L300SCHA is attached to this my affidavit and marked as **Exhibit "B"**); and
  - A completed Form L300SCHB is required if the applicant is a corporation, which provides information on individuals or partners, directors, officers or shareholders (A true copy of Form L300SCHB is attached to this my affidavit and marked as **Exhibit "C"**).

### **General Eligibility for a CRA Licence**

10. The general eligibility requirements for a CRA licence are set out in paragraphs 2(2)(a) and (b) of the Regulations.
11. An applicant is not eligible for a CRA licence if they:
- Are subject of a receivership in respect of their debts;

- Have failed in the 5 years immediately before the date of the CRA licence application to comply with any Act of Parliament (other than the *Excise Act, 2001*) or of a provincial or territorial legislature that deals with the taxation or controls of tobacco, alcohol or vaping products, or any regulations made under it; and
  - Have acted to defraud His Majesty in the 5 years immediately before the date of the licence application.
  - With respect to corporations, paragraph 2(2)(e) of the Regulations also states that a licence will be issued only if the corporation has sufficient financial resources to conduct its business in a responsible manner.
12. Subsection 23(1) of the *Excise Act, 2001*, also allows the Minister to refuse to issue a CRA licence if they have reason to believe that access to the person's premises will be denied or impeded by any person or that the refusal is otherwise in the public interest.

### **Security Requirements**

13. In addition to the eligibility requirements, an applicant must provide financial security for a CRA licence pursuant to paragraphs 23(3)(b) of the *Excise Act, 2001* and 5(1)(b) of the Regulations. The security must be an amount of not less than \$5,000 and be sufficient to ensure payment of the total cannabis duty owed in a given reporting period up to a maximum of \$5 million per licence. The security may be in the form of a bank draft, certified cheque, Canada Post money order or surety bond.
14. Financial solvency is important to the integrity of the excise duty framework because the *Excise Act, 2001* regulates the production and possession of non-duty paid cannabis. Licensees who are insolvent or do not have sufficient financial resources to operate their businesses in a responsible manner may be seen as being at risk for diversion to the illicit market.

### **Health Canada Licence Requirement**

15. Subsection 14(1.2) of the *Excise Act, 2001* states that a CRA licence cannot take effect until a licence has been issued by Health Canada pursuant to the *Cannabis Act*.

### **Approval of a CRA Licence**

16. If an applicant demonstrates they meet the eligibility requirements, the application will generally be approved within 30-45 days. There are no limitations on the number of CRA licences that may be approved and, if an applicant meets the application requirements, the application will be approved.
17. There is no fee associated with applying for a CRA cannabis licence. However, there is, as previously mentioned, the requirement to provide financial security representing one reporting period (in the minimum amount of \$5,000 and up to a maximum of \$5 million) based on their forecasted sales for the first twelve months of operations.

### **Cannabis Packaging and Stamps**

18. Any person who intends to package cannabis products subject to duty must also register under the cannabis excise stamping regime by completing and submitting Form L301, Registration for the Cannabis Stamping Regime (A true copy of Form L301 is attached to this my affidavit and marked as **Exhibit “D”**).
19. With a few exceptions, cannabis excise stamps are required for all packaged cannabis products removed from the premises of a CRA licensee to enter the Canadian duty-paid market for retail sale.
20. Cannabis excise stamps have specified colours indicating the province or territory where the product is intended to be sold.
21. The CRA licensee is responsible for determining and applying the appropriate cannabis excise stamp and paying the applicable cannabis excise duties.

### **Expiry of a CRA Licence**

22. Pursuant to section 4 of the Regulations, a CRA cannabis licence is valid for the period specified at the time of approval of the licence to a maximum of five years, expiring either before or when the associated Health Canada licence expires.

### **Renewal of a CRA Licence**

23. In order to renew a CRA licence, section 9 of the Regulations requires that a licensee continue to meet the eligibility requirements discussed above.
24. A licensee must also submit a renewal application to CRA at least thirty days prior to the expiry of the licence.

### **Conditions on a CRA licence**

25. Pursuant to paragraph 23(3)(a) of the *Excise Act, 2001*, on issuing a licence, or at any time after a licence has been issued, the CRA may specify the activities that may be carried on under the licence. Paragraph 23(3)(c) states that the CRA may impose any other conditions that the CRA deems appropriate with respect to the carrying on of activities under the licence.

### **Suspension of a CRA licence**

26. A CRA licence may be suspended pursuant to subsections 23(2) of the *Excise Act, 2001* and 10(1) of the Regulations if, for example:
- The licensee no longer meets the above noted eligibility requirements for a CRA licence, such as being subject of a receivership;
  - The licensee becomes bankrupt;
  - The licensee ceases to carry on the business for which the licence or registration was issued; or

- It is otherwise in the public interest for the licence to be cancelled.

27. Upon suspension, the Minister must immediately give the licensee notice of the suspension and the licensee has 90 days to respond.

### **Cancellation of a CRA licence**

28. A CRA licence may be cancelled pursuant to subsections 23(2.1) of the *Excise Act, 2001* and 12(1) of the Regulations for reasons similar to justifying its suspension, such as:

- The licensee no longer meets the above noted eligibility requirements for a CRA licence, such as being subject of a receivership;
- The licensee becomes bankrupt;
- The licensee ceases to carry on the business for which the licence or registration was issued; or
- It is otherwise in the public interest for the licence to be cancelled.

29. The CRA may also propose cancellation of a corporation's CRA cannabis licence if it can no longer demonstrate that it possesses sufficient financial resources to operate in a responsible manner. For example, there could be significant arrears owing in respect of cannabis duties payable or an inability to meet current monthly obligations in respect of cannabis duties.

30. The CRA will send a written notice to the licensee 90 days before a CRA licence is cancelled that includes all the relevant information concerning the grounds for the cancellation.

31. A CRA licensee who has received a notice of the cancellation may, within 90 days from the date of the notice, make representations to the CRA regarding why the licence should

not be cancelled. During this period, the licensee can continue to conduct activities under the licence.

32. The CRA will review the representations and confirm its decision in writing.
33. When a CRA licence is cancelled, the licensee can no longer carry on any activities under that licence and the licensee can no longer possess stamped or unstamped cannabis products or cannabis excise stamps.
34. Upon cancellation of a CRA licence:
  - Arrangements must be made to dispose of or destroy all cannabis and cannabis excise stamps on site;
  - CRA officials will conduct a final review to ensure all cannabis products and cannabis excise stamps have been disposed of in accordance with the legislation; and
  - Any financial security that has been posted by the licensee that is in excess of any liabilities of the licensee to pay cannabis duty and, where applicable, additional cannabis duty will be returned to the licensee.

**Freedom Cannabis Inc.**

35. Freedom Cannabis Inc. (“Freedom”) was originally granted a CRA licence on May 27, 2019. The licence allows Freedom to cultivate, produce, and package cannabis.
36. It is the CRA’s understanding that Freedom entered into insolvency proceedings on August 8, 2024, and specifically that they had sought an order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “CCAA”). The order appointed KPMG Inc. as the Monitor and provided a 10-day stay period.
37. It is also the CRA’s understanding that on August 15, 2024, an Amended and Restated Initial Order (the “ARIO”) was granted by the Court of King’s Bench of Alberta

extending the stay period to September 18, 2024 and that another application will be heard on September 18, 2024 requesting an additional extension of the stay period to October 18, 2024.

38. Since May 27, 2023, the CRA has been issuing short-term renewals to Freedom, primarily due to the fact that they had excise duty arrears owing to CRA in excess of \$5 million. Freedom also had insufficient financial security posted with CRA. The purpose of short-term renewals is to allow the licensee to address their arrears to the CRA, as well as to increase their financial security to meet the requirements of the Regulations.
39. On May 25, 2023, the CRA issued a 6-month renewal to Freedom, with their licence expiring on November 26, 2023. At the time of this renewal, Freedom was advised of their shortfall in financial security (A true copy of the Licence Renewal letter dated May 25, 2023, is attached to this my affidavit and marked as **Exhibit “E”**).
40. From November 2023 up to the day on which Freedom filed for insolvency under the CCAA (that being August 8, 2024), the CRA has renewed Freedom’s licence on roughly a monthly basis summarized as follows:
  - Renewal letter issued November 20, 2023 with an expiry date of January 26, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “F”**).
  - Renewal letter issued January 24, 2024 with an expiry date of February 26, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “G”**).
  - Renewal letter issued February 19, 2024 with an expiry date of April 10, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “H”**).
  - Renewal letter issued April 8, 2024 with an expiry date of May 10, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “I”**).

- Renewal letter issued May 9, 2024 with an expiry date of June 10, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “J”**).
  - Renewal letter issued June 7, 2024 with an expiry date of July 10, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “K”**).
  - Renewal letter issued July 4, 2024 with an expiry date of August 10, 2024 (A true copy of the Licence Renewal letter is attached to this my affidavit and marked as **Exhibit “L”**).
41. In each of the seven aforementioned renewal letters, Freedom was advised of the following conditions required to be met during the term of the licence:
- All monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period);
  - Ensure that the Payment Arrangement (the “PA”) with Collections is mutually agreed to and maintained.
42. These conditions were further elaborated in each renewal letter to explain that honouring the PA with Collections and keeping current with monthly cannabis duty filings and payments is required to demonstrate that Freedom has sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations.
43. The CRA also provided a letter to Freedom on October 12, 2023 reminding them of the eligibility requirements of a cannabis licence, including entering into and honouring a PA with Collections to demonstrate that they have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations. At that time, Freedom’s excise duty arrears to CRA were \$6,358,125.

44. Freedom was also reminded that in the letter of October 12, 2023 that an increase to their financial security of \$383,500 was required to satisfy amount determined by the Regulations (A true copy of the Eligibility for Renewal of a Cannabis Licence letter is attached to this my affidavit and marked as **Exhibit “M”**).
45. Freedom did generally remain current during the period from November 2023 to April 2024; however, no payments were made directly to CRA for the B300 returns for the periods ended May 31, 2024, June 30, 2024, or July 31, 2024. The only amounts received by CRA subsequent to May 2024 were from garnishments seized by Collections, the totals of which would typically cover the monthly duty obligations.
46. The excise duty payable reported by Freedom for the periods ending May 31<sup>st</sup>, June 30<sup>th</sup>, and July 31<sup>st</sup>, 2024 were as follows:

<b>Period ending</b>	<b>Return filed</b>	<b>Excise Duty Reported</b>
May 31, 2024	Aug. 30, 2024	\$337,857.99
June 30, 2024	Aug. 8, 2024	\$335,759.47
July 31, 2024	July 3, 2024	\$140,915.27

47. On January 18, 2024, Freedom entered into a PA with Collections but never fully honoured the payment requirements. The PA to address the arrears to CRA was \$200,000/month and payments were made as follows:

- February 6, 2024      \$100,000
- March 6, 2024        \$25,000
- April 3, 2024         \$25,000
- April 4, 2024         \$25,000
- May 6, 2024           \$75,000
- May 13, 2024          \$25,000
- June 6, 2024          \$25,000

- June 6, 2024 \$125,000
- August 6, 2024 \$4,000

48. In August of 2023, Freedom had outstanding excise duty arrears to CRA totalling around \$5.8M and as of September 11, 2024, their balance has increased to \$9,676,637.24.

*AFFIRMED BEFORE ME* by video )  
conference pursuant to Ontario )  
Regulation 431/20 (Administering Oath )  
or Declaration Remotely) )

With the Oath being administered )  
virtually by Andrew Lawrence, Counsel, )  
at the City of Toronto , Ontario, with the )  
Deponent being located in the City of )  
London, Ontario, this 12<sup>th</sup> day of )  
September, 2024. )

\_\_\_\_\_  
Counsel )  
Province of Ontario )

LSO:83524 )



**JASON STERLING**

This is Exhibit A mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

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Counsel LSO:83524



# Cannabis Licence Application

under the Excise Act, 2001

To cultivate, produce, or package cannabis, you must hold a cannabis licence. To apply for, or to renew, a cannabis licence under the Excise Act, 2001, use this form.

Licences remain effective for the period specified in the licence to a maximum of 2 years, provided that the licence is not suspended or cancelled prior to its expiration. The licences will **not** be automatically renewed. You must send in your application to renew your cannabis licence at least 30 days before the licence expires. For more information, see Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence.

Do not use this area.

## 1. Before you start

### Eligibility for a licence

Do you meet the eligibility criteria stated in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence?

- ☐ Yes (continue)
- ☐ No. You are **not** eligible to apply for a cannabis licence.

### Mandatory documents

Tick the box to confirm that the mandatory documents are attached:

- ☐ Business plan (including a business overview, sales and marketing plan, and a financial plan including documents for sources of funds).

## 2. Licence information

### Type of application

What is the type of application?

- ☐ New
- ☐ Renewal

Do you have a Health Canada licence?

- ☐ No
- ☐ Yes. Enter your licence number:

### Type of activity

What type(s) of activity do you wish to carry out?

- ☐ Cultivating
- ☐ Producing
- ☐ Packaging

### 3. Business information

#### Type of business

What is the type of business?

- ☐ Corporation – Certificate of incorporation or amalgamation is attached
- ☐ Partnership
- ☐ Sole proprietorship

#### Name

Legal name:

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Operating, trading, or partnership name  
(if different from legal name):

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#### Business number

Do you have a business number?

- ☐ No. Before your application can be processed, you need a business number (BN). To set up a BN, go to [canada.ca/en/services/taxes/business-number](https://canada.ca/en/services/taxes/business-number).
- ☐ Yes. Enter the first 9 digits of your business number:

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#### Physical business location

Unit No. – Street No. Street name, RR:

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City:

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Province/Territory:

---

Postal code:

---

Telephone number:

---

Extension:

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#### Mailing address

- ☐ Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

---

City:

---

Province/Territory/State:

---

Postal or ZIP code:

---

Country:

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Do you have more than **one** business location?

- ☐ No
- ☐ Yes. A completed Form L300 SCHA, Schedule A – Other Business Location(s) is attached.
- ☐ Yes. Schedule A was sent. No change is needed.

Enter your email address if you are registered for My Business Account and you want to register to receive your Canada Revenue Agency mail online:

By providing an email address, you are agreeing to the terms of use. For the terms of use, go to **[canada.ca/cra-business-email-notifications-terms](https://www.canada.ca/cra-business-email-notifications-terms)**.

Last name:

---

First name:

Position or title:

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Date of birth:

Year      Month    Day

Telephone number:

Extension:

## Unit No. – Street No. Street name, PO Box, RR:

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City:

Province/Territory/State:

---

Postal or ZIP code:

---

Country:

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Do you have more than **one** individual,  
partner, director, officer or shareholder?

- ☐ No. There is only one individual, partner, director, officer or shareholder.
- ☐ Yes. A completed Form L300 SCHB, Schedule B – Information Relating to Individuals, Partners, Directors, Officers or Shareholders is attached.
- ☐ Yes. Schedule B was sent. No change is needed.

**4. Financial security amount** (a minimum of \$5,000 and a maximum of \$5,000,000)

A sufficient amount of financial security is required to ensure payment of the total amount of duty payable by a person for a reporting period. Each month, when you complete Form B300, Cannabis Duty and Information Return, you will calculate the duty you owe for that month. To help calculate your financial security amount, see Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence.

What type of financial security will you provide? ☐ Cash  
☐ Certified cheque  
☐ Surety bond  
☐ Transferable bond issued by the Government of Canada

What is the amount of financial security you will provide? \$ \_\_\_\_\_

**5. Registration for the cannabis stamping regime**

Are you a person who packages cannabis products? (If yes, you are required to be registered for the cannabis stamping regime.) ☐ Yes. A completed Form L301, Registration for Cannabis Stamping Regime is attached.  
☐ No

**6. Certification**

As an authorized person, I certify that the information given on this form and any document(s) attached is correct and complete. It is a serious offence to make a false statement. Incomplete or incorrect information may delay the processing of your application.

Name (print)	Title				
Telephone number	Extension	Signature	Year	Month	Day

Personal information is collected for purposes of the administration or enforcement of the Excise Act, 2001 ("the Act"), and its Regulations. All information provided is subject to verification and may include criminal record, financial checks and compliance. The information collected may be used or disclosed for any purposes related to the administration or the enforcement of the Act including audit, compliance and collection activities. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 062 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).

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## What to do once your form is completed

- Print and sign this form.
- Make a copy of this form for your records.
- Send this form with **all** the mandatory documents to your regional excise duty office.

A cannabis licensee can only perform activities related to cannabis products as specified in the licence. You or the person you have designated can only start to produce cannabis products once you have been notified that a cannabis licence has been issued and you also hold a valid licence or permit issued by the Minister of Health under the Cannabis Act.

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## What happens after you get your licence

- Each month, you have to send a completed Form B300, Cannabis Duty and Information Return, to the CRA.
- You must tell us immediately if any information you provided in your licence application is inaccurate or incomplete.

For more information, go to **[canada.ca/cannabis-excise](https://canada.ca/cannabis-excise)** or call **1-866-330-3304**.

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## Most requested services

- **My Business Account:** Use this service for online access to your accounts for GST/HST, payroll, corporation income tax, excise tax, excise duty, fuel charge, and other levies. If you are not registered for My Business Account, you can register at **[canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account)**.
- **Receiving your CRA mail online:** Sign up for email notifications to get most of your CRA mail, like your notice of assessment, online. For more information, go to **[canada.ca/cra-business-email-notifications](https://canada.ca/cra-business-email-notifications)**.
- **Represent a Client:** This service lets an authorized representative access tax information for an individual or a business, including your employer. If you want to give a representative online access to your business account(s), go to **[canada.ca/taxes-representative-authorization](https://canada.ca/taxes-representative-authorization)**.

**CRA online services make it faster and easier to handle your company's tax matters.**

This is Exhibit B mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line and a small flourish.

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Counsel LSO:83524



## Schedule A – Other Business Location(s)

(to support a cannabis licence application)

Do not use this area.

### Business information

Legal name:

\_\_\_\_\_

Business number (first 9 digits):

| | | | | | | | |

### Location 2

Health Canada licence number:

\_\_\_\_\_

### Physical business location

Unit No. – Street No. Street name, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory:

\_\_\_\_\_

Postal code:

\_\_\_\_\_

Telephone number:

\_\_\_\_\_

Extension:

\_\_\_\_\_

### Mailing address

☐ Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory/State:

\_\_\_\_\_

Postal or ZIP code:

\_\_\_\_\_

Country:

\_\_\_\_\_

**Location 2** (continued)**Email notification**

Enter your email address if you are registered for My Business Account and you want to register to receive your Canada Revenue Agency mail online:

By providing an email address, you are agreeing to the terms of use. For the terms of use, go to [canada.ca/cra-business-email-notifications-terms](https://canada.ca/cra-business-email-notifications-terms).

**Type of activity**

What type(s) of activity do you wish to carry out? ☐ Cultivating  
☐ Producing  
☐ Packaging

**Filing requirements**

How will you file your returns? ☐ Separate return for this location  
☐ Another location will file the returns. Enter the location address:

Unit No. – Street No.

Street name, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory: \_\_\_\_\_

Postal code: \_\_\_\_\_

**Location 3**

Health Canada licence number: \_\_\_\_\_

**Physical business location**

Unit No. – Street No. Street name, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory: \_\_\_\_\_

Postal code: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Extension: \_\_\_\_\_

**Location 3** (continued)**Mailing address**☐ Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

City:

Province/Territory/State:

Postal or ZIP code:

Country:

**Email notification**

Enter your email address if you are registered for My Business Account and you want to register to receive your Canada Revenue Agency mail online:

By providing an email address, you are agreeing to the terms of use. For the terms of use, go to [canada.ca/cra-business-email-notifications-terms](https://canada.ca/cra-business-email-notifications-terms).

**Type of activity**What type(s) of activity do you wish to carry out? ☐ Cultivating☐ Producing☐ Packaging**Filing requirements**

How will you file your returns?

☐ Separate return for this location☐ Another location will file the returns. Enter the location address:

Unit No. – Street No.  
Street name, RR:

City:

Province/Territory:

Postal code:

**If you have more than 3 locations, use a separate sheet of paper to give the information for them. Attach the sheet to the form.**

Personal information is collected for purposes of the administration or enforcement of the Excise Act, 2001 ("the Act"), and its Regulations. All information provided is subject to verification and may include criminal record, financial checks and compliance. The information collected may be used or disclosed for any purposes related to the administration or the enforcement of the Act including audit, compliance and collection activities. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 062 on Info Source at [canada.ca/cra-info-source](https://canada.ca/cra-info-source).

This is Exhibit C mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

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Counsel LSO:83524



## Schedule B – Information Relating to Individuals, Partners, Directors, Officers or Shareholders

(to support a cannabis licence application)

Do not use this area.

### Business information

Legal name:

\_\_\_\_\_

Business number (first 9 digits):

|\_|\_|\_|\_|\_|\_|\_|\_|\_|

### Individual, partner, director, officer or shareholder

Last name:

\_\_\_\_\_

First name:

\_\_\_\_\_

Position or title:

\_\_\_\_\_

Date of birth:

Year      Month      Day  
|\_|\_|\_|\_|\_|\_|\_|\_|\_|

Telephone number:

\_\_\_\_\_

Extension:

\_\_\_\_\_

### Home address

Unit No. – Street No. Street name, PO Box, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory/State:

\_\_\_\_\_

Postal or ZIP code:

\_\_\_\_\_

Country:

\_\_\_\_\_

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**Individual, partner, director, officer or shareholder**

Last name:

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First name:

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Position or title:

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Date of birth:

Year				Month		Day	

Telephone number:

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Extension:

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**Home address**

Unit No. – Street No. Street name, PO Box, RR:

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City:

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Province/Territory/State:

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Postal or ZIP code:

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Country:

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**Individual, partner, director, officer or shareholder**

Last name:

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First name:

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Position or title:

---

Date of birth:

Year				Month		Day	

Telephone number:

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Extension:

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**Home address**

Unit No. – Street No. Street name, PO Box, RR:

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City:

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Province/Territory/State:

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Postal or ZIP code:

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Country:

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**Individual, partner, director, officer or shareholder**

Last name:

First name:

Position or title:

Date of birth:

Year				Month		Day	

Telephone number:

Extension:

**Home address**

Unit No. – Street No. Street name, PO Box, RR:

City:

Province/Territory/State:

Postal or ZIP code:

Country:

**If you have more than 5 individuals, partners, directors, officers or shareholders, use a separate sheet of paper to give the information for each one. Attach the sheet to this form.**

Personal information is collected for purposes of the administration or enforcement of the Excise Act, 2001 ("the Act"), and its Regulations. All information provided is subject to verification and may include criminal record, financial checks and compliance. The information collected may be used or disclosed for any purposes related to the administration or the enforcement of the Act including audit, compliance and collection activities. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 062 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).

This is Exhibit D mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



## Registration for Cannabis Stamping Regime

under the Excise Act, 2001

Use this form to register or change your registration to the cannabis stamping regime for the purpose of ordering excise stamps in accordance with the Excise Act, 2001. For more information, see Excise Duty Notice EDN54, General Overview of the Cannabis Excise Stamps.

Do not use this area.

### 1. Registration information

#### Eligibility for registration

Do you have a cannabis licence under the Excise Act, 2001?

☐ Yes (continue)

☐ No (attach a completed Form L300, Cannabis Licence Application)

#### Type of registration

What is the type of registration?

☐ New

☐ Change

### 2. Business information

Legal name:

\_\_\_\_\_

Operating, trading, or partnership name  
(if different from legal name):

\_\_\_\_\_

Business number (first 9 digits):

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#### Physical business location

Unit No. – Street No. Street name, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory:

\_\_\_\_\_

Postal code:

\_\_\_\_\_

Telephone number:

\_\_\_\_\_

Extension:

\_\_\_\_\_

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**2. Business information** (continued)**Invoice address**☐ Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

City:

Province/Territory/State:

Postal or ZIP code:

Country:

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**3. Type of stamps**

Packaged cannabis products that are entered into the Canadian duty paid market for retail sale must be stamped with a cannabis excise stamp of the province or territory where the cannabis product will be sold at the retail level.

Select the jurisdictions for which you will be ordering cannabis excise stamps:

☐ Alberta☐ Nunavut☐ British Columbia☐ Ontario☐ Manitoba☐ Prince Edward Island☐ New Brunswick☐ Quebec☐ Newfoundland and Labrador☐ Saskatchewan☐ Northwest Territories☐ Yukon☐ Nova Scotia

---

**4. Persons authorized to order stamps** (if you have more than one user, complete page 4)**User 1**

Full name:

Position or title:

Telephone number:

Extension:

Email Address:

Should email notification be sent for approved orders?

☐ Yes☐ No

**5. Stamps shipped to authorized locations** (if you have more than one location, complete pages 5 and 6)**Shipping information for site 1**

Name of site: \_\_\_\_\_

**Business address**

Unit No. – Street No. Street name, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory: \_\_\_\_\_

Postal code: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Extension: \_\_\_\_\_

Name of contact person: \_\_\_\_\_

Telephone number for contact person: \_\_\_\_\_

Extension: \_\_\_\_\_

**Invoice address for site 1**☐ Same as business address

Unit No. – Street No. Street name, PO Box, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory/State: \_\_\_\_\_

Postal or ZIP code: \_\_\_\_\_

Country: \_\_\_\_\_

**6. Certification**

As an authorized person, I certify that the information given on this form and any document(s) attached is correct and complete. It is a serious offence to make a false statement. Incomplete or incorrect information may delay the processing of your registration.

\_\_\_\_\_  
Name (print)\_\_\_\_\_  
Title\_\_\_\_\_  
Telephone number\_\_\_\_\_  
Extension\_\_\_\_\_  
Signature\_\_\_\_\_  
Year\_\_\_\_\_  
Month\_\_\_\_\_  
Day

Personal information is collected for purposes of the administration or enforcement of the Excise Act, 2001 ("the Act"), and its Regulations. The information collected may be used or disclosed for any purposes related to the administration or the enforcement of the Act including audit, compliance and collection activities. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 062 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).

---

**What to do once your form is completed**

- Print and sign this form.
- Make a copy of this form for your records.
- Send this form to your regional excise duty office.

For more information, go to **canada.ca/cannabis-excise** or call **1-866-330-3304**.

To be printed if needed only.

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**4. Persons authorized to order stamps** (continued)**User 2**

Full name:

---

Position or title:

---

Telephone number:

---

Extension:

---

Email Address:

---

Should email notification be sent  
for approved orders?

☐ Yes

☐ No

---

**User 3**

Full name:

---

Position or title:

---

Telephone number:

---

Extension:

---

Email Address:

---

Should email notification be sent  
for approved orders?

☐ Yes

☐ No

**If you have more than 3 users, use a separate sheet of paper to give the information requested for each other user.  
Sign the sheet and attach it to this form.**

To be printed if needed only.

---

**5. Stamps shipped to authorized locations** (continued)**Shipping information for site 2**

Name of site:

---

**Business address**

Unit No. – Street No. Street name, RR:

---

City:

---

Province/Territory:

---

Postal code:

---

Telephone number:

---

Extension:

---

Name of contact person:

---

Telephone number for contact person:

---

Extension:

---

---

**Invoice address for site 2**

☐ Same as business address

Unit No. – Street No. Street name, PO Box, RR:

---

City:

---

Province/Territory/State:

---

Postal or ZIP code:

---

Country:

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To be printed if needed only.

**5. Stamps shipped to authorized locations** (continued)**Shipping information for site 3**

Name of site: \_\_\_\_\_

**Business address**

Unit No. – Street No. Street name, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory: \_\_\_\_\_

Postal code: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Extension: \_\_\_\_\_

Name of contact person: \_\_\_\_\_

Telephone number for contact person: \_\_\_\_\_

Extension: \_\_\_\_\_

**Invoice address for site 3**☐ Same as business address

Unit No. – Street No. Street name, PO Box, RR: \_\_\_\_\_

City: \_\_\_\_\_

Province/Territory/State: \_\_\_\_\_

Postal or ZIP code: \_\_\_\_\_

Country: \_\_\_\_\_

**If you have more than 3 shipment locations, use a separate sheet of paper to give the information requested for each of the other locations. Sign the sheet and attach it to this form.**

This is Exhibit E mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



May 25, 2023

Enrico Potestio  
Project Manager  
Freedom Cannabis Inc.  
9827 279<sup>th</sup> Street  
Acheson AB T7X 6J4

Case Number: 12781351

Dear Enrico Potestio:

**Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and are writing to inform you that your cannabis licence under the Excise Act, 2001 has been renewed effective May 27, 2023.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the Canada Revenue Agency (CRA):

**73115 8929 RD0001  
9827 279<sup>th</sup> Street  
Acheson AB T7X 6J4**

**Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. At this time, we have determined that your financial security is insufficient, and amount held will become invalid by July 8, 2023. If you do not have a replacement financial security when the surety is cancelled, it would render you ineligible for a cannabis license. Please ensure your posted security remains valid and is sufficient to ensure payment of the total amount of duty payable for each reporting period as required in paragraph 160(b) of the Act. If you have questions regarding the security requirement, please contact our office.

**Renewal of Cannabis Licence**

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

The expiry date for your licence will be November 26, 2023. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

## **Obligations of a Cannabis Licensee**

### **Changes to Information**

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### **Books and Records**

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### **Filing of Returns**

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account). Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account) or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise) so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

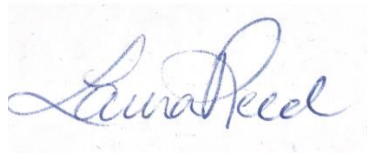
## **Methods of Destruction and Analysis**

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Olafolahan Babalola at 306-216-0501. For general information regarding the excise duty on cannabis products please go to [canada.ca/cannabis-excise](http://canada.ca/cannabis-excise). To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email [cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca).

Sincerely,



Laura Reed  
Regional Manager, Western Region  
Excise Duties and Taxes Division

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit F mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line.

---

Counsel LSO:83524



November 20, 2023

Enrico Potestio  
Project Manager  
Freedom Cannabis Inc.  
9827 279<sup>th</sup> Street  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application and are pleased to inform you that your cannabis licence (73115 8929 RD0001) under the Excise Act, 2001 has been renewed effective November 27, 2023 with the following conditions:

1. Monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period)
2. Enter and maintain a payment arrangement in relation to the arrears balance owing.

**Sufficient Financial Resources**

A holder of a licence issued under the Excise Act, 2001 who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

In order to demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met:

1. Monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period)
2. Enter and maintain a payment arrangement in relation to the arrears balance owing.

Please contact Marie-France Levoie at 1-833-780-2703 to make payment arrangements.

**Failure to meet the above-mentioned payment arrangement may render your licence not eligible for renewal, as you would not meet the requirements per the Regulations.**



## **Cannabis Licence Number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**  
9827 279 St.  
Acheson AB T7X 6J4

## **Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act. If you have questions in regards to the security requirement, please contact our office.

## **Renewal of Cannabis Licence**

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

The expiry date for your licence will be **January 26, 2024**. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.



### Filing of Returns

A form B300, Cannabis Duty and Information Return, for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported. It should be noted that a licensee who fails to file a return for a reporting period as and when required will be subject to penalty. Similarly, if payment is not made as and when required, a licensee will be subject to interest on the late payment.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account). Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account) or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise) so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

### **Methods of Destruction and Analysis**

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.



Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please go to [canada.ca/cannabis-excise](http://canada.ca/cannabis-excise) or call 1-866-330-3304 to make an enquiry. To request a ruling or technical interpretation on cannabis excise duty, please email [cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca).

Sincerely,

Laura Reed  
A/Regional Manager, Excise Duties and Taxes  
Western Region - Prairie Office  
Canada Revenue Agency

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit G mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line.

---

Counsel LSO:83524



January 24, 2024

Enrico Potestio  
Project Manager  
Freedom Cannabis Inc.  
9827 279<sup>th</sup> Street  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application and are pleased to inform you that your cannabis licence (73115 8929 RD0001) under the Excise Act, 2001 has been renewed effective **January 27, 2023** with the following conditions:

1. All monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period)
2. Maintain the payment arrangement in relation to the arrears balance owing.

**Sufficient Financial Resources**

A holder of a licence issued under the Excise Act, 2001 who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

In order to demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met:

1. The excise duty filings and duty payable for December 2023 are paid by the due date (last day of the calendar month following your reporting period)
2. Effective February 2023, maintain the payment arrangement agreed to with Collections in relation to the arrears balance owing.

Please contact Marie-France Levoie at 1-833-780-2703 about your payment arrangements.

**Failure to meet the above-mentioned payment arrangement may render your licence not eligible for renewal, as you would not meet the requirements per the Regulations.**



## **Cannabis Licence Number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**

9827 279 St.

Acheson AB T7X 6J4

## **Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act. If you have questions in regard to the security requirement, please contact our office.

## **Renewal of Cannabis Licence**

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

The expiry date for your licence will be **February 26, 2024**. In order to renew the cannabis licence, a completed Form L300, Cannabis Licence Application must be submitted to your regional office not later than 30 days before the expiry date.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.



### Filing of Returns

A form B300, Cannabis Duty and Information Return, for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported. It should be noted that a licensee who fails to file a return for a reporting period as and when required will be subject to penalty. Similarly, if payment is not made as and when required, a licensee will be subject to interest on the late payment.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account). Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account) or by phone at 1-800-959-5525.

Monthly excise cannabis returns may also be printed from our website at [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise) so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

### **Methods of Destruction and Analysis**

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.



Canada Revenue  
Agency

Agence du revenu  
du Canada

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please go to [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise) or call 1-866-330-3304 to make an enquiry. To request a ruling or technical interpretation on cannabis excise duty, please email [cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca).

Sincerely,

Laura Reed  
A/Regional Manager, Excise Duties and Taxes  
Western Region - Prairie Office  
Canada Revenue Agency

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit H mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



February 19, 2024

Enrico Potestio  
Freedom Cannabis Inc.  
9827 279<sup>th</sup> Street  
Acheson, AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective **February 27, 2024** for a period of forty-three days and will expire effective **April 10, 2024**.

The following conditions apply:

1. Monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period).
2. Maintain a payment arrangement in relation to the arrears balance owing.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**  
**9827 279<sup>th</sup> Street, Acheson, AB T7X 6J4**

Each of the physical business locations included in the licence application has been provided with a separate account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	9827 279 <sup>th</sup> Street, Acheson, AB T7X 6J4



## Sufficient Financial Resources

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before the short-term renewal expires:

1. Excise duty filings each month must be current, and payments are required to be remitted within the reporting period (before the last day of the calendar month).
  - a. January 2024 Return and Duty Payable
    - i. Must file and pay in full by February 29, 2024
  - b. February 2024 Return and Duty Payable
    - i. Must file and pay in full by March 31, 2024
2. A payment arrangement is established and maintained for any arrears balances as agreed upon. As of February 19, 2024, the following accounts require attention. The amounts on account must not increase. Please continue to address the balance outstanding:
  - RD = \$7,622,097

The new current payment arrangement with collections as agreed upon is as follows:

- Remit \$200,000 by the end of each month towards arrears, starting February 2024.
  - February 2024: Must pay the full amount agreed to towards arrears
  - March 2024: Must pay in full the amount agreed to towards arrears

Please contact Marie-France Levoie at 1-833-780-2703 about the payment arrangement.

**Failure to meet the above mentioned payment requirements may render you ineligible for renewal of your cannabis licence, as you will not meet the requirements of the Regulations as previously noted.**

Failure to keep current with the payment requirements may affect your ability to order stamps.



## Obligations of a Cannabis Licensee

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account). Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account) or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise) so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

## Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a



purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to [canada.ca/cannabis-excise](https://canada.ca/cannabis-excise). To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email [cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca).

Sincerely,

Laura Reed  
A/Regional Manager, Excise Duties and Taxes  
Western Region - Prairie Office  
Canada Revenue Agency

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit I mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



April 8, 2024

Enrico Potestio  
Freedom Cannabis Inc.  
9827 279 Street  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective **April 11, 2024** for a period of one month and will expire effective **May 10, 2024**.

The following conditions apply:

1. Monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period), and
2. Maintain a payment arrangement in relation to the arrears balance owing.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**  
9827 279 Street  
Acheson AB T7X 6J4

The physical business location included in the licence application has been provided with the account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	9827 279 Street Acheson AB T7X 6J4

**Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting



Excise Licences and Registrations. Please ensure your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regards to the security requirement, please contact our office.

### **Sufficient Financial Resources**

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before the short-term renewal expires:

1. Excise duty filings each month must be current, and payments are required to be remitted within the reporting period (before the last day of the calendar month).
  - a. March 2024 Return and Duty Payable
    - i. Must file and pay in full by April 30, 2024
2. The conditions of the mutually agreed payment arrangement with Collections must be maintained and the outstanding arrears balances must be addressed. Payments must not be late.

The details of the applicable payment arrangement with collections is as follows:

**Remit \$200,000 by the end of each month for six months towards arrears, starting February 2024.**

- April 2024: Must pay the full \$200,000 amount as agreed to towards arrears.
- The following months of May, June and July will require the remittance of \$200,000 each month towards arrears.

**Continue to address the outstanding balance on your account. The amount must not increase.**

Please contact Marie-France Levoie at 1-833-780-2703 about the payment arrangement.

Failure to meet the above-mentioned payment requirements may render you ineligible for renewal of your cannabis licence, as you will not meet the requirements of the Regulations as previously noted.



Failure to keep current with the payment requirements may affect your ability to order stamps.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at **canada.ca/my-cra-business-account**. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at **canada.ca/my-cra-business-account** or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at **canada.ca/cannabis-excise** so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

## **Methods of Destruction and Analysis**

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.



Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to **[canada.ca/cannabis-excise](https://canada.ca/cannabis-excise)**. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email **[cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca)**.

Sincerely,

Laura Reed  
A/Regional Manager, Excise Duties and Taxes  
Western Region - Prairie Office  
Canada Revenue Agency

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit J mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



May 9, 2024

Enrico Potestio  
Freedom Cannabis Inc.  
9827 279 Street  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective **May 11, 2024** for a period of one month and will expire effective **June 10, 2024**.

The following conditions apply:

1. Monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period), and
2. Maintain a payment arrangement in relation to the arrears balance owing.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**  
9827 279 Street  
Acheson AB T7X 6J4

The physical business location included in the licence application has been provided with the account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	9827 279 Street Acheson AB T7X 6J4

**Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting



Excise Licences and Registrations. Please ensure your posted security remains valid and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regard to the security requirement, please contact our office.

### **Sufficient Financial Resources**

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before the short-term renewal expires:

1. Excise duty filings each month must be current, and payments are required to be remitted within the reporting period (before the last day of the calendar month).
  - a. April 2024 Return and Duty Payable
    - i. Must file and pay in full by May 31, 2024
2. The conditions of the mutually agreed payment arrangement with Collections must be maintained and the outstanding arrears balances must be addressed. Payments must not be late.

The details of the applicable payment arrangement with collections are as follows:

**Remit \$200,000 by the end of each month for six months towards arrears, starting February 2024.**

- May 2024: Must pay the full \$200,000 amount as agreed to towards arrears.
- The following months will require the remittance of \$200,000 each month towards arrears.

**Continue to address the outstanding balance on your account. The amount must not increase.**

Please contact Marie-France Levoie at 1-833-780-2703 about the payment arrangement.

Failure to meet the above-mentioned payment requirements may render you ineligible for renewal of your cannabis licence, as you will not meet the requirements of the Regulations as previously noted.



Failure to keep current with the payment requirements may affect your ability to order stamps.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at **canada.ca/my-cra-business-account**. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at **canada.ca/my-cra-business-account** or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at **canada.ca/cannabis-excise** so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

## **Methods of Destruction and Analysis**

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.



Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to **[canada.ca/cannabis-excise](https://canada.ca/cannabis-excise)**. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email **[cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca)**.

Sincerely,

Laura Reed  
A/Regional Manager, Excise Duties and Taxes  
Western Region - Prairie Office  
Canada Revenue Agency

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
800 – 360 Main Street  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit K mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



June 7, 2024

Reference Number: 35953261

Enrico Potestio  
Freedom Cannabis Inc.  
9827 279 Street  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective **June 11, 2024** for a period of one month and will expire effective **July 10, 2024**.

The following conditions apply:

1. All monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period);
2. Ensure that the Payment Arrangement (PA) with Collections is mutually agreed to and maintained.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**  
9827 279 Street  
Acheson AB T7X 6J4

The physical business location included in the licence application has been provided with the account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	9827 279 Street Acheson AB T7X 6J4



## Acknowledgement of Security

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regard to the security requirement, please contact our office.

## Sufficient Financial Resources

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before the short-term renewal expires:

1. Excise duty filings each month must be current, and payments are required to be remitted within the reporting period (before the last day of the calendar month).
  - a. May 2024 Return and Duty Payable
    - i. Must file and pay in full by June 30, 2024
2. The conditions of the mutually agreed payment arrangement with Collections must be maintained and the outstanding arrears balances must be addressed. Payments must not be late.

The details of the applicable payment arrangement with collections are as follows:

**Remit \$200,000 by the end of each month for six months towards arrears, starting February 2024.**

- June 2024: Must pay the full \$200,000 amount as agreed to towards arrears.

**Continue to address the outstanding balance on your account. The amount must not increase.**



Please contact Marie-France Levoie at 1-833-780-2703 about the payment arrangement.

Failure to meet the above-mentioned payment requirements may render you ineligible for renewal of your cannabis licence, as you will not meet the requirements of the Regulations as previously noted.

Failure to keep current with the payment requirements may affect your ability to order stamps.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at **canada.ca/my-cra-business-account**. Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at **canada.ca/my-cra-business-account** or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at **canada.ca/cannabis-excise** so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.



## Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to **[canada.ca/cannabis-excise](http://canada.ca/cannabis-excise)**. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email **[cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca)**.

Sincerely,

Laura Reed  
Regional Manager, Western Region  
Excise Duties and Taxes Division

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
800 – 360 Main Street  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit L mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

---

Counsel LSO:83524



July 4, 2024

Enrico Potestio  
Freedom Cannabis Inc.  
9827 279 St  
Acheson AB T7X 6J4

Dear Enrico Potestio:

**Subject: Renewal of Cannabis Licence under the Excise Act, 2001**

We have reviewed your cannabis licence renewal application, and your cannabis licence under the Excise Act, 2001 has been renewed effective **July 11, 2024** for a period of one month and will expire effective **August 10, 2024**.

The following conditions apply:

1. All monthly excise duty filings and duty payable are paid by the due date (last day of the calendar month following your reporting period);
2. Ensure that the Payment Arrangement (PA) with Collections is mutually agreed to and maintained.

**Cannabis licence number**

The following licence number should be recorded on all correspondence with the CRA:

**73115 8929 RD0001**

The physical business location included in the licence application has been provided with the account number as follows:

Location	Account Identifier	Account Type	Premises Address
1	RD0001	Filing	9827 279 St Acheson AB T7X 6J4

## **Acknowledgement of Security**

A person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. Please ensure your posted security remains valid and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act (highest duty payable on your B300 excise duty return for any month). If you have questions in regard to the security requirement, please contact our office.

## **Sufficient Financial Resources**

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations Respecting Excise Licences and Registrations a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that the following payment requirements are met before the short-term renewal expires:

1. Excise duty filings each month must be current, and payments are required to be remitted within the reporting period (before the last day of the calendar month).
  - a. May 2024 Return and Duty Payable
    - i. To be paid as soon as accounts become available
  - b. June 2024 Return and Duty Payable
    - i. Must file and pay in full by July 31, 2024
2. The conditions of the mutually agreed payment arrangement with Collections must be maintained and the outstanding arrears balances must be addressed. Payments must not be late.

The details of the applicable payment arrangement with collections are as follows:

**Remit \$200,000 by the end of each month for six months towards arrears, starting February 2024.**

- June and July 2024: Must pay the full \$200,000 amount each month as agreed to towards arrears.

**Continue to address the outstanding balance on your account. The amount must not increase.**

Please contact Marie-France Levoie at 1-833-780-2703 about the payment arrangement.

Failure to meet the above-mentioned payment requirements may render you ineligible for renewal of your cannabis licence, as you will not meet the requirements of the Regulations as previously noted.

Failure to keep current with the payment requirements may affect your ability to order stamps.

## **Obligations of a Cannabis Licensee**

### Changes to Information

The CRA must be informed of any changes to the name, legal entity, business or mailing address, location of books and records or changes to any other information provided in the licence application form. The CRA must also be informed if your business/operations have been discontinued or sold.

### Books and Records

All cannabis licensees are required to maintain adequate books and records and provide access to those books and records to excise officers. Denied access to books and records could result in a suspension or the cancellation of a cannabis licence.

### Filing of Returns

A form B300, Cannabis Duty and Information Return for each filing division under your cannabis licence must be filed for each calendar month whether or not any duty is payable. Your returns are due at the end of the month following the calendar month for the production being reported.

Electronic filing of the monthly B300 Cannabis Duty and Information Return, the B301 Application for a Refund of Cannabis Duty, as well as other account information, such as account transactions and balances, licence status and account maintenance activities, is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account). Electronic filing of returns provides immediate confirmation that your return has been received by the CRA. Enrollment can be completed online, and further information is available at [canada.ca/my-cra-business-account](https://canada.ca/my-cra-business-account) or by phone at 1-800-959-5525.

Excise cannabis returns may also be printed from our website at **[canada.ca/cannabis-excise](https://canada.ca/cannabis-excise)** so that they may be completed and submitted by mail. Please note that should a return and any payment due not be filed or received within the time limits, penalty and interest charges may be applied in accordance with the Act.

## Methods of Destruction and Analysis

As a reminder, methods for destruction and analysis of cannabis products must be approved by the Minister. Any changes to the previously approved methods must be submitted in writing to the Regional Manager for Excise Duty for approval, prior to implementation of the revised procedures.

Although we reserve the right to be present during any destruction, mandatory notification and witnessing of destruction is not required for regular, routine destruction. However, unusual destruction or the destruction of packaged goods returned from a purchaser are required to be reported and may require witnessing of the destruction by an officer.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to [canada.ca/cannabis-excise](http://canada.ca/cannabis-excise). To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email [cannabis@cra-arc.gc.ca](mailto:cannabis@cra-arc.gc.ca).

Sincerely,



Brenda Omara, CPA  
Regional Manager, Western Region  
Excise Duties and Taxes Division

Telephone: 1-866-330-3304  
Facsimile: 1-204-984-0606  
Address: Eastern Prairie Tax Services Office  
800 – 360 Main Street  
PO Box 1022 Station Main  
Winnipeg MB R3C 2W2

This is Exhibit M mentioned and  
referred to in the Affidavit of  
Jason Sterling.

**Affirmed before me this 12<sup>th</sup> day of September, 2024**

Commissioned by video conference in accordance with

O. Reg. 431/20, *Administering Oath or Declaration  
Remotely.*

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a horizontal line.

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Counsel LSO:83524



October 12, 2023

Enrico Potestio  
Project Manager  
Freedom Cannabis Inc.  
9827 279<sup>th</sup> Street  
Acheson AB T7X 6J4

Case Number: 51795651

Dear Enrico Potestio:

**Subject: Eligibility for Renewal of Cannabis Licence under the Excise Act, 2001**

Please be advised that your cannabis licence, 0055-CAN-168, will expire on **November 26, 2023**. As discussed, in order to be eligible for licence renewal, a licensee must meet the eligibility requirements for licence renewal under the Excise Act, 2001 and the Regulations Respecting Excise Licences and Registrations.

**Sufficient Financial Resources**

A holder of a licence issued under the Act who wishes to maintain or renew their excise licence must continue to meet certain conditions imposed under the Act. Pursuant to paragraph 2(2)(e) of the Regulations, a licensee must maintain sufficient financial resources to conduct their business in a responsible manner.

To demonstrate that you have sufficient financial resources to conduct business in a responsible manner in accordance with section 2 of the Regulations, we require that you agree to a payment arrangement with the CRA to repay the arrears balances listed below. If you fail to fulfill your obligations under that payment arrangement, the CRA may consider that you have insufficient financial resources to conduct your business in a responsible manner.

Below is the arrears balance as of October 11, 2023 for the following accounts with the CRA:

- a. RD0001 – \$6,358,125
- b. RT0001 – \$129,965

Please contact Marie-France Lavoie at 1-833-780-2703 to make payment arrangements. Failure to meet the eligibility criteria for a licence renewal will result in your cannabis licence not being renewed. If your licence is not renewed, as of **November 27, 2023**, you will no longer be authorized to conduct any activities, including production or possession of the goods, for which the licence was issued.

## Financial Security

In addition, a person renewing a cannabis licence under the Act is required to maintain security in a form satisfactory to the CRA and in an amount determined by the Regulations Respecting Excise Licences and Registrations. In order to satisfy this condition of licensing, **\$383,500** in additional financial security must be provided to ensure that your posted security remains valid, and is sufficient to ensure payment of the amount referred to in paragraph 160(b) of the Act. If you have questions in regards to the security requirement, please contact our office.

## Renewal of Cannabis Licence

Information related to renewing a cannabis licence is provided in Excise Duty Notice EDN52, Obtaining and Renewing a Cannabis Licence. Subject to meeting the requirements for maintaining a cannabis licence, the licence will remain in effect for the period specified in the licence.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact Royce Chae at 1-604-353-6462.

Sincerely,

*Royce Chae*

Royce Chae  
Excise Duties and Taxes Officer  
Excise Duty Program, Western Region

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