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JUDICIAL CENTRE

EDMONTON

APPLICANTS

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

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

DOCUMENT

PRE-FILING REPORT OF THE PROPOSED MONITOR

AUGUST 6, 2024

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I. INTRODUCTION

1. KPMG K p e KPMG " q t **Proposed Monitor** + " w p f g t **Freedom Cannabis** j c v " Inc0 "**Freedom** or the **Applicant**) intends to make c p " c r r n k **Application** + * v j g " before the E q w t v " q h " v j g " M k p i ø **Court** g r e n a b l e o n A u g u s t 1 8 , d g t v c " 2024. " u g g m k p i " c p "**Proposed Initial Order** o f u g s u a n t t o t h e j & R ' P o S D Q L H V ¶ **Creditors Arrangement Act** v j C C A A o , among other things:

- (a) obtain a stay of proceedings * v **Stay of Proceedings** o i n r e s p e c t o f t h e A p p l i c a n t u n t i l a n d i n c l u d i n g A u g u s t 1 9 , 2 0 2 4 ;
- (b) extend the benefit of the Stay of Proceedings and other aspects of the Proposed Initial Order to the Non-Applicant Stay Parties (as defined below) and their respective directors and officers;
- (c) appoint KPMG as the monitor in respect of the Applicant as part of the proposed CCAA proceeding, with the powers set out in the Proposed Initial Order;
- (d) approve the terms of an interim senior secured, super-priority financing facility (the **DIP Facility** + " v q " d g " L r N t " q N x k i f c g J L L " o k (t h e A p p l i c a n t o i n o r d e r t o f i n a n c e i t s w o r k i n g c a p i t a l r e q u i r e m e n t s a n d o t h e r g e n e r a l c o r p o r a t e p u r p o s e s a n d r e s t r u c t u r i n g c o s t s , p u r s u a n t t o a D I P f a c i l i t y t e r m s h e e t d a t e d A u g u s t 6 , 2 0 2 4 (t h e **DIP Term Sheet** + =
- (e) grant a charge in favour of JLL in its capacity as debtor-in-possession lender to secure the obligations owing by the Applicant under the DIP T e t o " U j g g **DIP** * v j g " **Lender's Charge** + =
- (f) authorize the Applicant to (i) make payment to certain suppliers who are critical to the business and operations of the Applicant for pre-filing expenses, and (ii) honour cheques issued to providers of goods and services prior to the Initial Order, in each e c u g " y k v j " e q p u g p v " q h " v j g " O q p k v q t " s y j k e j " o n g o i n g o p e r a t i o n s a n d t o p r e s e r v e v a l u e d u r i n g t h e C C A A p r o c e e d i n g s , u p t o a m a x i m u m a g g r e g a t e a m o u n t o f \$ 5 0 0 , 0 0 0 ;

