

COURT FILE NUMBER 2403 15089  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON

Clerk's Stamp

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.

APPLICANTS FREEDOM CANNABIS INC.

DOCUMENT **APPLICATION BY FREEDOM CANNABIS INC.**

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SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
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**NOTICE TO RESPONDENT(S): SEE ATTACHED SCHEDULE "A"**

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: **August 15, 2024**  
Time: **10:00 AM**  
Where: **Edmonton Law Courts, via Webex**  
Before Whom: **The Honourable Justice Lema**

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. The Applicant, Freedom Cannabis Inc ("**Freedom**" or the "**Applicant**") seeks an order under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended ("**CCAA**") extending the stay of proceedings through to August 28, 2024 (the "**First Stay Extension**"). The proposed form of Order is attached hereto as Schedule "B".

**Grounds for making this application:**

2. On August 8, 2024, the Applicant was granted protection and permission to commence proceedings under the CCAA pursuant to an Initial Order of this Honourable Court (the "**Initial Order**"). Among other things, the Initial Order appointed KPMG Inc. as Monitor and established an initial stay of proceedings to August 18, 2024.
3. The purpose of this CCAA proceeding is to stabilize the Applicant and provide time for Freedom and the Monitor to restructure the Applicant's business, engage with key creditors and stakeholders, identify and assess potential restructuring options and review other strategic alternatives to maximize the value of the Applicant for their stakeholders.
4. The Applicant and the Monitor have been acting diligently and in good faith in this CCAA proceeding since the granting of the Initial Order. However, given the urgency of these proceedings and the intervening expiration of the stay of proceedings before a Comeback Application may be heard, the Monitor and the Applicant require the First Stay Extension to allow them to commence the following activities:
  - a. review and implement any marketing activities as may be required;
  - b. review and commence any sales process as may be recommended by counsel for the Applicant and the Monitor; and
  - c. continue to undertake with due diligence and good faith the preparation of a plan of arrangement for the benefit of the Applicant's stakeholders.

5. The provisions of the CCAA and the equitable jurisdiction of this Court permit granting the First Stay Extension.
6. To the extent the First Stay Extension is granted by this Honourable Court, the Applicant requires a further advance under the DIP Facility granted in the Initial Order.
7. The Initial Order contemplates a total DIP Facility of no more than \$3,000,000, with an available advance of no more than \$1,000,000 authorized at this time.
8. The Monitor and the Applicant have advised that a further advance of no more than \$500,000 will be required during the First Stay Extension to allow the Applicant to maintain operations and manage its ongoing liabilities.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

10. The Affidavit of JohnFrank Potestio, sworn August 6, 2024;
11. The Pre-Filing Report of KPMG Inc.; and
12. The First Report of the Monitor, to be filed herewith.

**Applicable Acts and regulations:**

13. *Companies Creditors Arrangement Act*, RSC 1985, c. C-36, as amended.
14. Alberta Rules of Court, Alta Reg 124/2010.

**Any irregularity complained of or objection relied on:**

15. None.

**How the application is proposed to be heard or considered:**

16. Via Webex before the Honourable Justice Lema on the Edmonton Commercial List.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

COURT FILE NUMBER

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AND IN THE MATTER OF A PLAN OF COMPROMISE  
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APPLICANT

FREEDOM CANNABIS INC.

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**Updated as of August 9, 2024**

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SCHEDULE "B"

COURT FILE NUMBER 2403 15089  
COURT COURT OF KING'S BENCH OF ALBERTA  
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Clerk's Stamp

IN THE MATTER OF THE COMPANIES'  
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DOCUMENT

**INTERIM ORDER**

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DATE ON WHICH ORDER WAS PRONOUNCED: August 15, 2024

NAME OF JUSTICE WHO MADE THIS ORDER: Justice M. Lema

LOCATION OF HEARING: Edmonton, Alberta

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**UPON** the application of **Freedom Cannabis Inc.** (the “**Applicant**”); **AND UPON** noting that pursuant to an Initial Order granted in these proceedings on August 8, 2024 (the “**Initial Order**”), a stay of proceedings not exceeding 10 days was ordered in respect of the Applicant, the Non-Applicant Stay Parties, and the directors and officers of the Applicant (the “**Freedom Group**”); **AND UPON** further noting that the Initial Order granted a DIP Facility of up to \$3,000,000 payable to the Applicant, with an initial DIP advance in a sum not exceeding \$1,000,000; **AND UPON** having read the First Report and Second Report of KPMG Inc., in its capacity as Court appointed Monitor, including the Monitor’s recommendation that a further \$500,000 be immediately advanceable to the Applicant under the Court approved DIP Facility;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. The Stay Period as ordered and defined in paragraph 13 of the Initial Order granted herein on August 8, 2024 is hereby extended to and including August 28, 2024.
3. The further advance of \$500,000 under the approved DIP Facility as recommended by the Monitor is hereby approved on the terms provided in the Initial Order.
4. This Order shall be posted by the Monitor to <https://kpmg.com/ca/freedom>, and served by the Monitor on the service list maintained by the Monitor and on those who otherwise are reasonably known by the Monitor to be affected by this Order. Service may be effected by facsimile, electronic mail, personal delivery or courier.

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Justice of the Court of King’s Bench of Alberta