

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

**AND IN THE MATTER OF PLAN OF
COMPROMISE OR ARRANGEMENT OF 1005477
B.C. LTD., MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EXCHANGE CORP., and
1000921087 ONTARIO INC.**

MOTION RECORD
(Stay Extension and CCAA Termination)
Returnable September 27, 2024

September 21, 2024

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**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 HERITAGE CANNABIS HOLDINGS CORP.,
1005477 B.C. LTD., HERITAGE CANNABIS WEST
CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE
CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS
INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE
CANNABIS EXCHANGE CORP., and PREMIUM 5 LTD.**

Applicants

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(Updated August 26, 2024)**

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MOTION RECORD

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TAB 1

**ONTARIO
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Applicants

**NOTICE OF MOTION
(Returnable September 27, 2024)**

The KPMG Inc., in its capacity as Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on Friday, September 27, 2024 at 11:00 a.m. (Eastern Standard Time) or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- In writing under subrule 37.12.1(1) because it is;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

Zoom link to be uploaded to Caselines.

THE MOTION IS FOR:

1. An Order (the “**Stay Extension and Termination Order**”) substantially in the form attached as **Tab “3”** to the Monitor’s Motion Record, among other things:

- (a) abridging the time for service of the Notice of Motion and the Motion Record and dispensing with service on any person other than those served;
- (b) approving the Second Report of the Monitor, dated June 21, 2024 (the “**Second Report**”), the Third Report of the Monitor, dated August 22, 2024 (the “**Third Report**”) and the Fourth Report of the Monitor, dated September 21, 2024 (the “**Fourth Report**”), and the activities and conduct of the Monitor described therein;
- (c) approving the accounts of the Monitor and its counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), including the Remaining Fees and Disbursements (defined below), as set out in the Fourth Report;
- (d) terminating the CCAA proceedings upon the filing by the Monitor of a certificate with this Court certifying that, among other things, all of the remaining matters have been completed (the “**CCAA Termination Certificate**” and the time of service thereof being the “**CCAA Termination Time**”);
- (e) extending the Stay Period (defined below) from September 27, 2024 to the CCAA Termination Time;

- (f) terminating, releasing and discharging the Administration Charge, the Directors' Charge and the DIP Lender's Charge (each as defined in the ARIIO, defined below), effective upon the filing of the CCAA Termination Certificate;
- (g) discharging KPMG in its capacity as Monitor upon the filing of the CCAA Termination Certificate;
- (h) granting certain releases (the "**Releases**") in favour of the Released Parties, the BJK/HAB Released Parties and Released D&Os (each as defined below) upon the filing of the CCAA Termination Certificate;
- (i) authorizing the Remaining Applicants (defined below) to make an assignment in bankruptcy, and certain related relief, and
- (j) such other relief as this Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

A. Background

2. Heritage is a vertically integrated licensed cannabis producer which operates two Health Canada licensed manufacturing facilities in Canada.

3. The Applicants obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") pursuant to an initial order (the "**Initial Order**") granted on April 2, 2024 that, among other things, stayed for an initial period of not more than ten days, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor, the Applicants' directors and officers, or affecting the Applicants' business or the current and future assets, undertakings

and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”), except as set forth in the Initial Order or as otherwise permitted by law (the “**Stay of Proceedings**”).

4. On April 11, 2024, the Court granted the amended and restated initial order (the “**ARIO**”) that, among other things, extended the Stay of Proceedings to June 30, 2024 (the “**Stay Period**”), and approved the Applicants’ ability to borrow under a debtor-in-possession facility term sheet dated April 10, 2024 with BJK Holdings Ltd. as lender.

5. Also on April 11, 2024, the Court granted an order that, among other things, authorized and approved the execution of the stalking horse subscription agreement dated April 10, 2024 among certain Applicants, as vendors, and HAB Cann Holdings Ltd., as purchaser (the “**Initial Stalking Horse Agreement**”), and approved the sale and investment solicitation process (the “**SISP**”) under which the Initial Stalking Horse Agreement would serve as the stalking horse bid (the “**Stalking Horse Bid**”).

6. At the conclusion of the SISP on May 10, 2024, the Monitor declared the Stalking Horse Bid to be the Successful Bid in accordance with the SISP.

7. After the Stalking Horse Bid was declared as the Successful Bid, the parties entered into an amended and restated stalking horse subscription agreement dated June 17, 2024 (the “**Amended and Restated Stalking Horse Agreement**”).

8. On June 26, 2024, the Court granted the approval and reverse vesting order (the “**ARVO**”) that, among other things,

- (a) approved the Amended and Restated Stalking Horse Agreement and the transactions contemplated therein (the “**Transactions**”); and
- (b) upon closing of the Transactions: (i) adding 1000921087 Ontario Inc. (“**Residual Co.**”) as an Applicant to these CCAA proceedings; (ii) vesting all of the right, title, and interest of Heritage, Heritage West, Heritage East, Purefarma, 333 Jarvis, 5450 Realty and Premium 5 (collectively, the “**Purchased Entities**”) in and to the Excluded Assets and Excluded Liabilities absolutely in Residual Co.; (iii) issuing the Purchased Shares to the Purchaser; (iv) terminating and cancelling without consideration all Equity Interests outstanding prior to the issuance of the Purchased Shares; and (v) ordering that the Purchased Entities shall cease being Applicants in these CCAA proceedings.

9. Also on June 26, 2024, the Court granted an ancillary relief order (the “**Ancillary Order**”) that, among other things: (a) extended the Stay Period until and including August 30, 2024; and (b) granted certain enhanced powers to the Monitor to facilitate the wind-down of these CCAA proceedings following closing of the Transactions.

10. Since the ARVO and the Ancillary Order were granted, the Applicants worked diligently, together with the Purchaser, to close the Transactions. However, due to certain unsatisfied conditions to closing, the parties were not certain that the Transactions would close before the August 30, 2024 expiry of the Stay Period. Accordingly, the Applicants sought and obtained an order (the “**Stay Extension Order**”) on August 26, 2024 that, among other things, extended the Stay Period to and including September 27, 2024.

11. The Transactions closed on August 29, 2024. Pursuant to the terms of the ARVO, upon closing, Heritage Cannabis Holdings Corp., Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450

Realty Inc., Premium 5 Ltd., Heritage Cannabis East Corporation (formerly CannaCure Corporation), and Heritage Cannabis West Corporation (formerly Voyage Cannabis Corp.) were released as Applicants in these proceedings, and the following parties are presently the applicants party to these proceedings: 1005477 B.C. Ltd., Mainstrain Market Ltd., Heritage Cannabis Exchange Corp. and 1000921087 (the “**Remaining Applicants**”).

12. As a result of the closing of the Transactions and the provisions in the ARVO and Ancillary Order, the Remaining Applicants have no further operations, employees, management or assets, all of which were conveyed to the Purchaser. The Monitor has been granted elevated powers to manage the Remaining Applicants, until they can be bankrupt and wound down. Accordingly, subject to the completion of certain administrative steps to give effect to the Remaining Applicants’ bankruptcies, these CCAA proceedings have run their course, and the Monitor is seeking the Stay Extension and Termination Order to wind-down the proceedings.

B. Relief Sought

13. The Applicants seek to extend the Stay Period from September 27, 2024 to and including the CCAA Termination Time to give the Monitor time to prepare and file bankruptcy materials for the Remaining Applicants, and for a customary order terminating the CCAA proceedings, discharging the Monitor, approving the Reports and the fees of the Monitor and Blakes, and granting the Releases to parties who were instrumental to the successful conclusion of the CCAA proceedings, each effective upon the filing of the CCAA Termination Certificate.

Remaining Matters

14. As discussed above, following closing of the Transactions, the Remaining Applicants have no ongoing operations as all of the business and assets of Heritage were sold pursuant to the Transactions. However, there remain certain administrative matters (collectively, the “**Remaining Matters**”) that need to be resolved by the Monitor, on behalf of the Remaining Applicants, including:

- (a) preparing materials to make assignments in bankruptcy for each of the Remaining Applicants; and
- (b) transitioning the CCAA Proceedings into bankruptcy proceedings to allow for an orderly wind-up of the Remaining Applicants.

Termination of Proceedings

15. The costs of the wind-up are to be funded through the Administrative Expense Amount, of which the Monitor is currently holding approximately \$187,500. Once the Remaining Matters are completed, there will no longer be any need for the CCAA proceedings. As such, the Monitor, on behalf of the Remaining Applicants, seeks the Stay Extension and Termination Order providing for the termination of the CCAA proceedings upon the filing of the CCAA Termination Certificate.

Releases

16. The proposed Stay Extension and Termination Order provides for a release of all claims against (a) the Monitor and its legal counsel; (b) counsel to the Applicants and, in the case of (a) and (b), each of their respective affiliates and present and former officers, directors, partners,

employees and agents, as applicable (collectively, the “**Released Parties**”), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence in respect of these CCAA proceedings or their respective conduct in these CCAA proceedings, including any actions taken by KPMG or Blakes following the CCAA Termination Time with respect to the Remaining Applicants or these CCAA proceedings

17. The proposed Stay Extension and Termination Order also provides for a release of all claims against BJK Holdings Ltd. and HAB Cann Holdings Ltd. (collectively, the “**BJK/HAB Released Parties**”), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the DIP Facility and the Senior Loan Agreement (each as defined in the Amended and Restated Stalking Horse Agreement), the repayment thereof, and/or the realization on the security granted in connection therewith.

18. Furthermore, the proposed Stay Extension and Termination Order also provides for a release of all claims against the directors and officers of the Applicants and Residual Co. (collectively, the “**Heritage Entities**”) who were directors or officers as at the date of the commencement of these CCAA proceedings (collectively, the “**Released D&Os**”), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the Heritage Entities, the business, operations, assets, property and affairs of the Applicant entities and/or these CCAA proceedings.

19. The proposed Releases do not waive, discharge, release, cancel or bar any claim or liability (i) arising out of any gross negligence or wilful misconduct on the part of the applicable Released D&O; and (ii) that is not permitted to be released pursuant to section 5.1(2) of the CCAA. The releases of the BJK/HAB Released Parties and the Released D&Os are also time-limited to claims arising after the commencement of the CCAA Proceedings, and prior to the CCAA Termination Time – pre-filing releases of these parties are not being sought. The releases of the Released Parties are also limited to conduct within the CCAA Proceedings, and not more generally.

Fees and Disbursements

20. The total fees of KPMG during the period from February 21, 2024 to September 13, 2024 (the “**KPMG Fee Period**”), amount to \$309,893.75, together with disbursements in the amount of \$15,711.85, both excluding sales taxes, with an average hourly rate of \$618.86. These amounts represent professional fees and disbursements not yet approved by the Court.

21. The total fees and disbursements of Blakes during the period from March 15, 2024, to August 27, 2024 (the “**Blakes Fee Period**”), amount to \$105,629.20, together with disbursements in the amount of \$6,284.02, both excluding sales taxes, with an average hourly rate of \$867.95. This amount does not include an aggregate credit of \$3,712.75, representing a 10% discount that was inadvertently not applied to the last three invoices (the “**Blakes Fee Credit**”), and which will be deducted from Blakes’ final invoice. These amounts represent professional fees and disbursements not yet approved by the Court.

22. On the assumption that there are no delays, disputes or unforeseen developments in connection with these CCAA proceedings, including the within motion, and the performance of the Remaining Matters, the Monitor has estimated fees and disbursements in the amount of

\$50,000, excluding applicable taxes but including the Blakes Fee Credit (the “**Remaining Fees and Disbursements**”), for services that have been provided, or will be provided, by KPMG from and after the KPMG Fee Period and by Blakes from and after the Blakes Fee Period.

Stay Extension

23. The current Stay Period is set to expire on September 27, 2024. Pursuant to the proposed Stay Extension and Termination Order, the Monitor is requesting an extension of the current Stay Period to the CCAA Termination Time, which will give the Monitor time to complete the Remaining Matters and file the CCAA Termination Certificate. The Monitor expects to have completed the Remaining Matters and filed the CCAA Termination Certificate before the end of October.

24. In the Monitor’s view, the request for the extension of the Stay Period is reasonable in the circumstances.

OTHER GROUNDS:

25. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court, including s. 11 and 11.02(2).

26. Rules 1.04, 1.05, 2.03, 3.02, 16, 37 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and sections 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended.

27. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

28. The Second Report, Third Report and Fourth Report, and the exhibits attached thereto.
29. Such further and other evidence as counsel may advise and this Court may permit.

September 21, 2024

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Lawyers for the Monitor

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EXCHANGE CORP., and 1000921087 ONTARIO INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(CCA Termination)
(Returnable September 27, 2024)**

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
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Lawyers for the Monitor

TAB 2

Court File No.: CV-24-00717664-00CL

**1005477 B.C. LTD., MAINSTRAIN MARKET LTD., HERITAGE
CANNABIS EXCHANGE CORP., AND 1000921087 ONTARIO INC.**

**FOURTH REPORT OF KPMG INC.,
IN ITS CAPACITY AS MONITOR**

September 21, 2024

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Court File No.: CV-24-00717664-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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
1005477 B.C. LTD., MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EXCHANGE
CORP., AND 1000921087 ONTARIO INC.

FOURTH REPORT OF KPMG INC.
IN ITS CAPACITY AS MONITOR

September 21, 2024

I. INTRODUCTION

1. On April 2, 2024 (the “**Initial Order Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting Heritage Cannabis Holdings Corp. (“**Heritage**”), 1005477 B.C. Ltd. (“**1005**”), Mainstrain Market Ltd. (“**Mainstrain**”), Purefarma Solutions Inc. (“**Purefarma**”), 333 Jarvis Realty Inc. (“**333**”), 5450 Realty Inc. (“**5450**”), Premium 5 Ltd. (“**Premium**”), Heritage Cannabis Exchange Corp. (“**HCEC**”), Heritage Cannabis East Corporation (formerly CannaCure Corporation) (“**Heritage East**”), and Heritage Cannabis West Corporation (formerly Voyage Cannabis Corp.) (“**Heritage West**” and collectively, the “**Applicants**”) protection pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and appointing KPMG Inc. (“**KPMG**”) as Monitor of the Applicants in the CCAA proceedings (in such capacity, the “**Monitor**”). The Initial Order provided a stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including April 12, 2024.
2. On April 11, 2024, the Court issued an Amended and Restated Initial Order (the “**ARIO**”) that, among other things:
 - (a) approved the terms of an interim senior secured, super-priority financing facility (the “**DIP Facility**”) provided by BJK Holdings Ltd. (“**BJK**”) to the Applicants in order to finance their working capital requirements and other general corporate purposes and restructuring costs, pursuant to a DIP facility term sheet dated April 10, 2024 (the “**DIP Term Sheet**”);
 - (b) granted a charge to secure the obligations owing by the Applicants under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and
 - (c) extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including June 30, 2024.
3. Also on April 11, 2024, the Court granted an order (the “**SISP Order**”) that, among other things:

- (a) approved the stalking horse subscription agreement dated April 10, 2024 (the “**Stalking Horse Agreement**”) among Heritage and Heritage West, as vendors, BJK, and HAB Cann Holdings Ltd. (“**HAB Cann**”), as purchaser; and
 - (b) approved the sale and investment solicitation process (the “**SISP**”), in which the Stalking Horse Agreement served as the “Stalking Horse Bid”.
- 4. The Stalking Horse Bid was determined to be the successful bid in the SISP.
- 5. On June 17, 2024, the parties entered into the amended and restated stalking horse subscription agreement dated June 17, 2024 (the “**Amended and Restated Stalking Horse Agreement**”) among Heritage, Heritage East and Heritage West, as vendors (the “**Vendors**”), HAB Cann, as purchaser, and BJK, and the transactions contemplated thereunder (the “**Transactions**”).
- 6. On June 26, 2024, the Court granted the following orders:
 - (a) an Approval and Reverse Vesting Order (the “**ARVO**”) that, among other things, approved the Transactions contemplated by the Amended and Restated Stalking Horse Agreement; and
 - (b) an order that, among other things:
 - i. authorized and empowered the Monitor to exercise certain enhanced powers to facilitate the wind-down of CCAA proceedings, following the closing of the Transactions and delivery of a certificate by the Monitor attesting that the Transactions have been completed (the “**Monitor’s Closing Certificate**”);
 - ii. approved the extension of the term of the DIP Term Sheet to August 30, 2024;
 - iii. approved the Pre-Filing Report and the First Report, and the Monitor’s activities and conduct described therein; and

- iv. extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including August 30, 2024.
7. On October 26, 2024, the Court granted an order (the “**Stay Extension Order**”) that, among other things, extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including September 27, 2024 (the “**Stay Period**”).
8. To date, KPMG, in its capacity as Proposed Monitor and Monitor, has previously provided this Court with four reports dated April 2, 2024, April 10, 2024, June 21, 2024 (the “**Second Report**”) and August 22, 2024 (the “**Third Report**”) that contained information on, *inter alia*, background information in respect of the Applicants, the DIP Term Sheet, the Stalking Horse Agreement, the results of the SISF and the Transactions. Copies of the Second Report and the Third Report are attached hereto as **Appendix “A”** and **Appendix “B”**, respectively.
9. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor’s website at <https://kpmg.com/ca/heritage> (the “**Case Website**”) In addition, KPMG has arranged for a toll-free hotline (1-833-668-2870) and an email address heritage@kpmg.ca through which creditors of the Applicants or other interested parties can make inquires related to the CCAA proceedings.

II. PURPOSE OF REPORT

10. The purpose of this report (the “**Fourth Report**”) is to provide the Court with information pertaining to:
 - (a) an overview of the activities of the Monitor since the date of the Third Report;
 - (b) the remaining matters to be completed in the CCAA proceedings and the Monitor’s proposed next steps to terminate these proceedings;
 - (c) the fees of KPMG and its counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), for the period from February 21, 2024 to September 13, 2024, and the Monitor’s estimate

of professional fees and disbursements, including those of its counsel, required to complete the administration of these CCAA proceedings;

- (d) the recommendation by the Monitor that this Court make an order (the “**CCAA Termination Order**”), among other things:
- i. approving the Second Report, the Third Report and the Fourth Report, and the activities and conduct of the Monitor described therein;
 - ii. approving the accounts of the Monitor and its counsel, Blakes, including the Remaining Fees and Disbursements (as defined herein), as set out in the Fourth Report;
 - iii. extending the Stay Period to and including the CCAA Termination Time (as defined herein);
 - iv. terminating the CCAA proceedings upon the filing by the Monitor of a certificate with this Court certifying that, among other things, all of the remaining matters have been completed (the “**CCAA Termination Certificate**” and the time of service thereof being the “**CCAA Termination Time**”);
 - v. terminating, releasing and discharging the Administration Charge, the Directors’ Charge and the DIP Lender’s Charge (each as defined in the ARIIO), effective upon the filing of the CCAA Termination Certificate;
 - vi. discharging KPMG in its capacity as Monitor upon the filing of the CCAA Termination Certificate;
 - vii. granting certain releases (the “**Releases**”) in favour of the Released Parties, the BJK/HAB Released Parties and Released D&Os (each as defined below) upon the filing of the CCAA Termination Certificate; and
 - viii. authorizing:

- A. the Remaining Applicants (as defined herein) to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (“**BIA**”);
- B. and empowering the Monitor to file any such assignment in bankruptcy for and on behalf of the Remaining Applicants;
- C. and empowering (but not requiring) KPMG to act as trustee in the bankruptcy (in such capacity, the “**Trustee**”) of the Remaining Applicants, and to fund reasonable retainers to any such Trustee from the Administrative Expense Amount (as defined in the Amended and Restated Stalking Horse Agreement); and
- D. the Trustee to administer the bankruptcy estates of the Remaining Applicants as if such estates were in respect of a single bankrupt for the purposes of carrying out its duties and responsibilities as Trustee under the BIA.

III. TERMS OF REFERENCE

- 11. In preparing this Fourth Report, KPMG has relied solely on information and documents provided to it by the Applicants and their respective advisors, including unaudited, draft and/or internal financial information, and discussions with management of the Applicants (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the Fourth Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 12. Capitalized terms used but not defined in the Fourth Report are defined in the Second Report or the Third Report.

13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. UPDATE ON THE TRANSACTIONS

14. In its Third Report, the Monitor advised that the parties to the Transactions were working diligently to satisfy all conditions and were targeting a closing date of August 29, 2024.
15. On August 29, 2024, counsel to HAB Cann and the Vendors each delivered written notice to the Monitor confirming that all conditions to closing under the Amended and Restated Stalking Horse Agreement had been satisfied or waived. Accordingly, the Transactions closed on August 29, 2024, upon the delivery of the Monitor's Closing Certificate, a copy of which was filed with the Court and served on the service list in these CCAA proceedings.
16. Pursuant to the ARVO, upon closing of the Transactions, 1000921087 Ontario Inc. ("**Residual Co.**") was added as an Applicant to the CCAA proceedings and Heritage, Heritage East, Heritage West, Purefarma, 333, 5450, and Premium 5 Ltd. were removed as Applicants. Further, the ARVO also approved a concurrent change to the style of cause in these proceedings to reflect 1005, Mainstrain, HCEC and Residual Co. as the remaining debtors (collectively, "**Remaining Applicants**") in the CCAA proceedings.

V. ACTIVITIES OF THE MONITOR

17. Since the date of the Third Report, the Monitor's activities have included:
 - (a) maintaining the Case Website where all Court documents and other material documents pertaining to the CCAA proceedings are available in electronic form;
 - (b) assisting the Remaining Applicants with the preparation of materials in order to facilitate the bankruptcy assignments;
 - (c) corresponding with HAB Cann and the Vendors in connection with the closing of the Transactions;

- (d) engaging with the Monitor's legal counsel, Blakes, regarding matters related to the CCAA Proceedings, including the within motion;
- (e) attending before the Court for the Stay Extension Order; and
- (f) preparing this Fourth Report.

VI. DISCHARGE OF THE MONITOR AND TERMINATION OF THE CCAA PROCEEDINGS

18. Following closing of the Transactions, the Remaining Applicants have no ongoing operations as all of the business and assets of Heritage were sold pursuant to the Transactions. However, there remain certain administrative matters (collectively, the “**Remaining Matters**”) that need to be resolved by the Monitor, on behalf of the Remaining Applicants, including:
- (a) preparing materials to make assignments in bankruptcy for each of the Remaining Applicants; and
 - (b) transitioning the CCAA Proceedings into bankruptcy proceedings to allow for an orderly wind-up of the Remaining Applicants.
19. The costs of the wind-up are to be funded through the Administrative Expense Amount, of which the Monitor is currently holding approximately \$187,500 pursuant to the terms of the Amended and Restated Stalking Horse Agreement. Any unused portions of this amount will be returned to the HAB Cann, pursuant to section 8.7(b) of the Amended and Restated Stalking Horse Agreement.
20. Once the Remaining Matters are completed, there will no longer be any need for the CCAA Proceedings. As such, the Monitor, on behalf of the Remaining Applicants, seeks the CCAA Termination Order providing for the termination of the CCAA Proceedings upon the filing of the CCAA Termination Certificate.

21. The proposed CCAA Termination Order also provides for the termination, release and discharge of the Administration Charge, the Directors' Charge and the DIP Lender's Charge, effective upon the filing of the CCAA Termination Certificate.
22. At the CCAA Termination Time, it is contemplated that KPMG will be released and discharged as Monitor of the Remaining Applicants.

VII. RELEASES

23. The proposed CCAA Termination Order provides for a release of all claims against (a) the Monitor and its legal counsel; (b) counsel to the Applicants and, in the case of (a) and (b), each of their respective affiliates and present and former officers, directors, partners, employees and agents, as applicable (collectively, the "**Released Parties**"), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence in respect of these CCAA proceedings or their respective conduct in these CCAA proceedings, including any actions taken by KPMG or Blakes following the CCAA Termination Time with respect to the Remaining Applicants or these CCAA proceedings.
24. The proposed CCAA Termination Order also provides for a release of all claims against BJK and HAB Cann (collectively, the "**BJK/HAB Released Parties**"), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the DIP Facility and the Senior Loan Agreement (each as defined in the Amended and Restated Stalking Horse Agreement), the repayment thereof, and/or the realization on the security granted in connection therewith.
25. Furthermore, the proposed CCAA Termination Order also provides for a release of all claims against the directors and officers of the Applicants and Residual Co. (collectively, the "**Heritage Entities**") who were directors or officers as at the date of the commencement of these CCAA proceedings (collectively, the "**Released D&Os**"), in respect of any claims of any kind whatsoever based on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA

proceedings and prior to the CCAA Termination Time in respect of the Heritage Entities, the business, operations, assets, property and affairs of the Heritage Entities and/or these CCAA proceedings.

26. The proposed Releases do not waive, discharge, release, cancel or bar any claim or liability (i) arising out of any gross negligence or wilful misconduct on the part of the applicable Released D&O; and (ii) that is not permitted to be released pursuant to section 5.1(2) of the CCAA. The releases of the BJK/HAB Released Parties and the D&O Released Parties are also time-limited to claims arising after the commencement of the CCAA Proceedings, and prior to the CCAA Termination Time – pre-filing releases of these parties are not being sought. The releases of the Released Parties are also limited to conduct within the CCAA Proceedings, and not more generally.
27. In the view of the Monitor, having considered the facts of the situation, each of the Released Parties, the BJK/HAB Released Parties and the Released D&Os have contributed to these CCAA proceedings. Moreover, the involvement of these parties was key to the successful implementation of the Transactions.
28. Accordingly, the Monitor is of the view that the proposed releases are reasonable, both in terms of scope and time, and not overly broad, in the circumstances. In the Monitor’s view, the releases sought are consistent with the releases granted at the end of comparable CCAA proceedings, including recent proceedings related to cannabis companies. The Monitor’s position on the releases will be further elaborated upon in a factum, to be filed. The Monitor recommends the relief requested in connection therewith.

VIII. BANKRUPTCY OF REMAINING APPLICANTS

29. As the Remaining Applicants no material assets, there is not anticipated to be any recoveries for creditors of these estates.
30. In order to facilitate the orderly and efficient wind-up of the Remaining Applicants’ estates, the proposed CCAA Termination Order authorizes, among other things:

- (a) each of the Remaining Applicants to make an assignment in bankruptcy pursuant to the BIA;
 - (b) the Monitor to file any such assignment in bankruptcy on behalf of the Remaining Applicants; and
 - (c) the Monitor to fund a reasonable reserve to the bankruptcy estates for the administration of the bankruptcies.
31. The Monitor intends to file the assignments on behalf of the Remaining Applicants contemporaneously with the filing of the CCAA Termination Certificate, which will ensure that applicable stays of proceedings are maintained without interruption. KPMG is prepared to act as Trustee of the Remaining Applicants.
32. In order to reduce the costs of the bankruptcy process and to facilitate the orderly administration of the bankruptcy estates, the Monitor is seeking an order from the Court to procedurally consolidate the bankruptcies (the “**Consolidated Proceedings**”).
33. The Consolidated Proceedings will allow for, among other things, one newspaper notice, one mailing to all creditors of the Remaining Applicants, and one creditors’ meeting.
34. The Monitor is of the view that the Consolidated Proceedings is in the interest of efficiency and cost savings. Accordingly, the Monitor recommends that the Court issue an the CCAA Termination Order to authorize the Trustee to administer the Consolidated Proceedings.

IX. REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

35. The Monitor and its counsel, Blakes, have maintained detailed records of their professional time and disbursements prior to and since the Initial Order Date.
36. The total fees of KPMG during the period from February 21, 2024 to September 13, 2024 (the “**KPMG Fee Period**”), amount to \$309,893.75, together with disbursements in the amount of \$15,711.85, both excluding sales taxes (collectively, the “**KPMG Accounts**”). The KPMG Accounts reflect an average hourly rate of \$618.86. These amounts represent

professional fees and disbursements not yet approved by the Court. Attached hereto as **Appendix “C”** is the affidavit of Pritesh Patel in respect of the KPMG Accounts.

37. The total fees and disbursements of Blakes during the period from March 15, 2024, to August 27, 2024 (the “**Blakes Fee Period**”), amount to \$105,629.20, together with disbursements in the amount of \$6,284.02, both excluding sales taxes (collectively, the “**Blakes Accounts**”). The Blakes Accounts reflect an average hourly rate of \$867.95. This amount does not include an aggregate credit of \$3,712.75, representing a 10% discount that was inadvertently not applied to the last three invoices (the “**Blakes Fee Credit**”), and which will be deducted from Blakes’ final invoice. These amounts represent professional fees and disbursements not yet approved by the Court. Attached hereto as **Appendix “D”** is the affidavit of Chris Burr in respect of the Blakes Accounts.
38. The Monitor has reviewed the Blakes Accounts and confirms that the services reflected therein have been duly authorized and duly rendered and that, in the Monitor’s opinion, the charges are reasonable.
39. On the assumption that there are no delays, disputes or unforeseen developments in connection with these CCAA proceedings, including the within motion, and the performance of the Remaining Matters, the Monitor has estimated fees and disbursements in the amount of \$50,000, excluding applicable taxes (the “**Remaining Fees and Disbursements**”), for services that have been provided, or will be provided, by KPMG from and after the KPMG Fee Period and by Blakes from and after the Blakes Fee Period.
40. The above estimates take into consideration the reasonable professional and legal fees required to attend the hearing for the CCAA Termination Order, prepare the Fourth Report, participate in the within motion, and complete the Remaining Matters, after deducting the Blakes Fee Credit.

X. STAY EXTENSION

41. The current Stay Period is set to expire on September 27, 2024. Pursuant to the proposed CCAA Termination Order, the Monitor is requesting an extension of the current Stay Period to the CCAA Termination Time in the event that the Monitor is not in a position to deliver the CCAA Termination Certificate by September 27, 2024. The Monitor expects to have completed the Remaining Matters and filed the CCAA Termination Certificate before the end of October 2024.
42. In the Monitor's view, the request for the extension of the Stay Period is reasonable in the circumstances for the following reasons:
- (a) the Remaining Applicants, with the oversight and control of the Monitor, are acting in good faith and with due diligence;
 - (b) an extension will not prejudice or adversely affect any group of creditors. The Remaining Applicants and the Monitor are also not aware of any party opposed to the proposed extension of the Stay Period;
 - (c) the remaining Administrative Expense Amount is projected to provide more than sufficient liquidity to fund expenses in these CCAA proceedings, which primarily consist of professional fees, to and including the CCAA Termination Time; and
 - (d) it allows sufficient time for the Remaining Applicants and the Monitor to attend to any post-closing matters related to the Transactions, including the Remaining Matters.

XI. CONCLUSIONS AND RECOMMENDATIONS

43. For the reasons set out in the Fourth Report, the Monitor is of the view that the relief requested is both appropriate and reasonable in the circumstances, and the Monitor recommends that this Court grant the proposed CCAA Termination Order.

All of which is respectfully submitted this 21st day of September 2024.

KPMG Inc.

In its capacity as Monitor of

**1005477 B.C. Ltd., Mainstrain Market Ltd., Heritage Cannabis Exchange Corp., and
1000921087 Ontario Inc.**

And not in its personal or corporate capacity

Per:



Pritesh Patel
CIRP, LIT
Senior Vice President



Tim Montgomery
CIRP, LIT
Vice President

Appendix A

Court File No.: CV-24-00717664-00CL

**HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD.,
HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN
MARKET LTD., HERITAGE CANNABIS EAST CORPORATION,
PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450
REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND
PREMIUM 5 LTD.**

**SECOND REPORT OF KPMG INC.,
IN ITS CAPACITY AS MONITOR**

June 21, 2024

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APPENDIX “C” – ORDER OF THE ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) DATED APRIL 12, 2024 RE SISP

APPENDIX “D” – UPDATED CASH FLOW FORECAST

Court File No.: CV-24-00717664-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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
HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS
WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST
CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY
INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.**

**SECOND REPORT OF KPMG INC.
IN ITS CAPACITY AS MONITOR**

June 21, 2024

I. INTRODUCTION

1. On April 2, 2024 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting Heritage Cannabis Holdings Corp. (“**Heritage**”), 1005477 B.C. Ltd. (“**1005**”), Mainstrain Market Ltd. (“**Mainstrain**”), Purefarma Solutions Inc. (“**Purefarma**”), 333 Jarvis Realty Inc. (“**333**”), 5450 Realty Inc. (“**5450**”), Premium 5 Ltd. (“**Premium**”), Heritage Cannabis Exchange Corp. (“**HCEC**”), Heritage Cannabis East Corporation (formerly CannaCure Corporation) (“**Heritage East**”), and Heritage Cannabis West Corporation (formerly Voyage Cannabis Corp.) (“**Heritage West**” and collectively, the “**Applicants**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and appointing KPMG Inc. (“**KPMG**”) as Monitor of the Applicants in the CCAA proceedings (in such capacity, the “**Monitor**”). The Initial Order provided a stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including April 12, 2024.
2. On April 11, 2024, the Court issued an Amended and Restated Initial Order (the “**ARIO**”) that, among other things:
 - (a) approved the terms of an interim senior secured, super-priority financing facility (the “**DIP Facility**”) provided by BJK Holdings Ltd. (“**BJK**”) to the Applicants in order to finance their working capital requirements and other general corporate purposes and restructuring costs, pursuant to a DIP facility term sheet dated April 10, 2024 (the “**DIP Term Sheet**”);
 - (b) granted a charge to secure the obligations owing by the Applicants under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and
 - (c) extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including June 30, 2024 (the “**Stay Period**”).
3. Also on April 11, 2024, the Court granted an order (the “**SISP Order**”) that, among other things:

- (a) approved the stalking horse subscription agreement dated April 10, 2024 (the “**Stalking Horse Bid**”) among Heritage and Heritage West, as vendors, BJK, and HAB Cann Holdings Ltd. (“**HAB Cann**”), as purchaser; and
 - (b) approved the sale and investment solicitation process (the “**SISP**”), in which the Stalking Horse Agreement served as the “Stalking Horse Bid”.
- 4. A copy of the SISP Order is attached hereto as **Appendix “C”**.
 - 5. To date, KPMG, in its capacity as Proposed Monitor and Monitor, has previously provided this Court with two reports dated April 2, 2024 (the “**Pre-Filing Report**”) and April 10, 2024 (the “**First Report**”) that contained information on, *inter alia*, background information in respect of the Applicants, the DIP Term Sheet, the Stalking Horse Agreement and the SISP. Copies of the Pre-Filing Report and the First Report are attached hereto as **Appendix “A”** and **Appendix “B”**, respectively.
 - 6. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor’s website at <https://kpmg.com/ca/heritage> (the “**Case Website**”) In addition, KPMG has arranged for a toll-free hotline (1-833-668-2870) and an email address heritage@kpmg.ca through which creditors of the Applicants or other interested parties can make inquires related to the CCAA proceedings.

II. PURPOSE OF REPORT

- 7. The purpose of this report (the “**Second Report**”) is to provide the Court with information pertaining to:
 - (a) an overview of the activities of the Applicants and the Monitor since the date of the First Report;
 - (b) the Applicants’ actual receipts and disbursements for the period from April 8, 2024 to June 9, 2024 (the “**Reporting Period**”), including a comparison of actual to forecast results;

- (c) the cash flow projections for the Applicants (the “**Updated Cash Flow Forecast**”) for the period from June 10, 2024 to August 30, 2024 (the “**Forecast Period**”);
- (d) the results of the SISP;
- (e) an overview of the material terms of the amended and restated stalking horse subscription agreement dated June 17, 2024 (the “**Amended and Restated Stalking Horse Agreement**”) among Heritage, Heritage East and Heritage West, as vendors (the “**Vendors**”), HAB Cann, as purchaser, and BJK, and the transactions contemplated thereunder (the “**Transactions**”); and
- (f) the recommendation by the Monitor that this Court:
 - i. make an order (the “**ARVO**”), among other things:
 - A. approving the Amended and Restated Stalking Horse Agreement;
 - B. approving the Transactions, and authorizing and directing the Vendors to execute such documents and take such additional steps as are necessary to complete the Transactions; and
 - C. granting a release in favour of certain parties to these CCAA proceedings and/or the Amended and Restated Stalking Horse Agreement;
 - ii. make an order (the “**Ancillary Order**”), among other things:
 - A. authorizing and empowering the Monitor to exercise the Enhanced Powers (as defined herein) following delivery of the Monitor’s Closing Certificate (as defined herein);
 - B. approving the DIP Amendment (as defined herein);
 - C. approving the Pre-Filing Report and the First Report, and the Monitor’s activities and conduct described therein; and
 - D. extending the Stay Period to and including August 30, 2024.

III. TERMS OF REFERENCE

8. In preparing this Second Report, KPMG has relied solely on information and documents provided to it by the Applicants and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Applicants, discussions with management of the Applicants, and the affidavit of the Applicants' executive (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Second Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
9. Capitalized terms used but not defined in the Second Report are defined in the Amended and Restated Stalking Horse Agreement or in the Affidavit of Mr. David Schwede sworn June 18, 2024 (the "**June 18 Schwede Affidavit**"), filed by the Applicants as part of its materials in support of the ARVO and the Ancillary Order. The Second Report should be read in conjunction with the June 18 Schwede Affidavit, as certain information contained in the June 18 Schwede Affidavit has not been included herein in order to avoid unnecessary duplication.
10. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the Applicants' estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE APPLICANTS

12. Since the date of the First Report, the Applicants, with the assistance of the Monitor, have been managing their operations in the normal course and working to stabilize the business as a result of the CCAA Proceedings. As outlined in the June 18 Schwede Affidavit, the activities of the Applicants have included:
- (a) communicating with various stakeholders, including trade creditors, landlords, customers, Health Canada, the Canada Revenue Agency (“CRA”), employees, and other interested parties, regarding various matters relating to the Applicants, the Business, the Property and the CCAA proceedings;
 - (b) conserving costs through, among other things, employee terminations and disclaimer of certain leases;
 - (c) working closely with the Monitor and its advisors to implement the SISP in accordance with its terms; and
 - (d) negotiating the terms of the Amended and Restated Stalking Horse Agreement.

V. ACTIVITIES OF THE MONITOR

13. Since the date of the First Report, the Monitor’s activities have included:
- (a) maintaining the Case Website where all Court documents and other material documents pertaining to the CCAA proceedings are available in electronic form;
 - (b) monitoring of the Applicants’ cash flows and allowing for payments in accordance with the terms of the ARIO;
 - (c) corresponding regularly with the DIP Lender with respect to the Applicants’ actual results as compared to the cash flow forecast included in the DIP Term Sheet;
 - (d) assisting the Applicants with the preparation of the Updated Cash Flow Forecast;

- (e) assisting the Applicants with their communications with stakeholders, including vendors and key partners;
- (f) conducting the SISP as detailed herein;
- (g) assisting in the development of the Amended and Restated Stalking Horse Agreement and the Transactions, including reviewing all related documents and corresponding with the Applicants and the Purchaser;
- (h) engaging with the Monitor's legal counsel, Blake, Cassels & Graydon LLP ("**Blakes**") regarding matters related to the CCAA Proceedings, including the SISP, the Amended and Restated Stalking Horse Agreement and the within motion;
- (i) engaging with the Department of Justice on behalf of the CRA regarding matters related to the Amended and Restated Stalking Horse Agreement, including the ARVO and the releases sought therein;
- (j) attending before the Court for the ARIO;
- (k) reviewing materials filed by the Applicants in connection with the within motion; and
- (l) preparing this Second Report.

VI. RECEIPTS AND DISBURSEMENTS FROM APRIL 8, 2024 TO JUNE 9, 2024

- 14. As noted, the Monitor has implemented procedures for monitoring the Applicants' consolidated receipts and disbursements on a weekly basis, including a review of forecast to actual variance analyses.
- 15. Set out below is a summary of the Applicants' actual to forecast results for the Reporting Period:

Heritage Group - Actual to Forecast			
In C\$; unaudited			
	Actual	Forecast	Variance
Receipts			
AR / Sales	6,488,265	7,449,762	(961,497)
	6,488,265	7,449,762	(961,497)
Operating Disbursements			
Production and Operating Costs	(4,374,680)	(5,885,836)	1,511,157
Salary and Wages	(1,859,929)	(1,944,181)	84,252
Excise Taxes	(723,194)	(1,288,000)	564,806
Sales Taxes	(443,620)	(380,000)	(63,620)
Professional Fees	(675,700)	(824,885)	149,185
Total Operating Disbursements	(8,077,122)	(10,322,902)	2,245,780
Net Operating Cash Flow	(1,588,857)	(2,873,140)	1,284,283
Monthly Interest Payments	(119,542)	(90,745)	(28,797)
DIP Fee	-	(45,000)	45,000
Net Cash Flow	(1,708,400)	(3,008,886)	1,300,486
Opening Cash	3,279,073	3,279,073	-
Net Cash Flow	(1,708,400)	(3,008,886)	1,300,486
DIP funding	-	500,000	(500,000)
FX Differences	388	-	388
Ending Cash	1,571,061	770,187	800,874

16. As reflected in the above summary table, the Applicants generated consolidated operating cash receipts of \$6.5 million as compared to forecasted receipts of \$7.5 million while disbursing \$8.1 million as compared to forecasted disbursements of \$10.3 million (excluding financing cash flows and/or DIP drawdowns) over the Reporting Period. This resulted in the Applicants' experiencing a net operating cash outflow of approximately \$1.6 million, as at June 9, 2024, a favourable variance of approximately \$1.3 million as compared to forecast.
17. In accordance with the ARIO, and in consultation with the Monitor and BJK, the Debtors made payments totalling approximately \$1.2 million to certain suppliers on account of pre-filing amounts which are critical to the Applicants' business and operations continuing as a going concern. As detailed in the Pre-Filing Report, the timing of the Applicants' CCAA filing (the beginning of the month) interrupted the ordinary payment cadence for many of

these critical suppliers, who in the ordinary course of business would have been paid on or about April 1.

18. As noted in the table above, the Applicants did not borrow any amounts under the DIP Facility as a result of the favourable variances generated during the Reporting Period.
19. The Monitor, on behalf of the Applicants, provided weekly and cumulative variance reporting to the DIP Lender on a weekly basis pursuant to the DIP Term Sheet.
20. The Monitor is of the view that the Applicants are acting in a manner consistent with the cash flow and as at the date of this Second Report, there have been no material adverse changes to the Applicants' operations since the Filing Date.

VII. UPDATED CASH FLOW FORECAST

21. The Applicants, in consultation with the Monitor, have prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the Applicants' during the Forecast Period. A copy of the Updated Cash Flow Forecast, accompanying notes and a report containing prescribed representations regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix "D"**.
22. The Updated Cash Flow Forecast has been prepared by the Applicants on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast.
23. The Applicants had a cash balance of approximately \$1.6 million as at June 9, 2024. Forecast operating cash receipts over the Forecast Period total approximately \$10.4 million related to the collection of accounts receivable, including from future sales.
24. Forecast operating disbursements over the Forecast Period total approximately \$13.2 million and primarily consist of production and operating costs (\$6.3 million), employee costs (\$2.3 million), excise taxes for accrued or collected amounts after the date of the Initial Order (\$2.9 million), sales taxes in accordance with the Initial Order (\$0.7 million), professional fees (\$0.8 million), the KERP (\$0.01 million) in accordance with the ARIO,

and amounts to be held by the Monitor pursuant to the Administrative Expense Amount (\$0.2 million).

25. The Updated Cash Flow Forecast assumes that the interest expense on the outstanding balances under the BJK Loans is paid throughout the Forecast Period.
26. Net negative operating cash flow is forecast to be approximately \$2.8 million over the Forecast Period.
27. Based on the Cash Flow Forecast, the Applicants will be required to draw on the DIP Facility during the weeks commencing July 29th and August 26th in order to have sufficient funds to satisfy their projected uses of cash over the Forecast Period. The Updated Cash Flow Forecast projects borrowings under the DIP Facility in the amount of \$1.5 million over the Forecast Period.
28. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

VIII. RESULTS OF THE SISP

29. As described in greater detail in the First Report, the Stalking Horse Bid established a benchmark for a sale of, or investment in, all or part of the Applicants' Property and Business, which could include one or more of a restructuring, refinancing, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern. The SISP also provided a forum for prospective purchasers and investors to present a bid superior to that contemplated by the Stalking Horse Bid on a timeline to meet the financial and timing exigencies of the circumstances. Among other things, the SISP included Bidding Procedures that incorporated the Stalking Horse Bid and the ability of the Monitor, in consultation with the Applicants, to conduct an auction if qualified and competitive bids were received.
30. A summary of the key aspects of the SISP and its results are summarized below:

- (a) commencing on April 15, 2024, the Monitor contacted 73 potential interested parties (collectively, the “**Known Interested Bidders**”), comprised of Canadian and international strategic and financial parties, with regards to the transaction opportunity and the SISP. Each of the Known Interested Bidders received an email containing background information on the CCAA proceedings, a copy of a non-confidential overview of the Applicants and the key dates pursuant to the SISP, and information on next steps to explore the opportunity;
- (b) the Applicants disseminated a press release on Newswire on April 15, 2024 announcing the SISP and directing interested parties to contact the Monitor to receive additional information;
- (c) Known Interested Bidders looking to obtain additional information regarding the transaction opportunity were required to (I) execute a non-disclosure agreement (“**NDA**”) and (II) provide the Monitor with documentary evidence of such Known Interested Bidder’s financial wherewithal and ability to consummate a sale or investment pursuant to the SISP, in the form of proof of cash-on-hand and / or unconditionally committed financing, to obtain access to the virtual dataroom maintained by the Monitor (the “**VDR**”) containing confidential financial and other information relating to the Applicants and their operations.
- (d) a total of two (2) parties executed the NDA and gained access to the VDR (collectively, the “**Potential Bidders**”);
- (e) over the course of the SISP, the Monitor followed up with the Known Interested Bidders to confirm their receipt of the email communication with respect to the SISP, and to gauge their potential interest in pursuing the transaction opportunity;
- (f) throughout the course of the SISP, the Monitor kept the Applicants apprised on the status of the SISP and any diligence requests received from Potential Bidders;
- (g) parties were required to submit “Qualified Bids” (as defined in the Bidding Procedures) to the Monitor on or before 5pm EST on May 10, 2024 (the “**Bid Deadline**”);

- (h) one offer (the “**Offer**”) was received by the Monitor at the Bid Deadline from a party that did not execute an NDA and was related to specific assets owned by the Applicants. Upon review, the Monitor concluded that the Offer did not meet the minimum requirements of a “Qualified Bid” pursuant to the Bidding Procedures. Accordingly, no Qualified Bids, other than the Stalking Horse Bid, were received at the Bid Deadline; and
- (i) as a result, the Monitor advised Hab Cann (hereinafter referred to as the “**Purchaser**”) that the Stalking Horse Bid was declared the “Successful Bid” pursuant to the Bidding Procedures, subject to approval by the Court.

IX. THE TRANSACTIONS

- 31. As noted above, the Stalking Horse Bid constituted the only “Qualified Bid” received as part of the SISP, was deemed to be the “Successful Bid” and now represents the only viable alternative to a liquidation of the Applicants’ business and assets.
- 32. Following the Bid Deadline, the Applicants and the Purchaser advised the Monitor that they jointly elected to amend the Stalking Horse Bid to incorporate certain revisions including:
 - (a) in addition to Heritage, Heritage West, Heritage East, and Purefarma, the Purchaser will acquire Applicants 333, 5450 and Premium;
 - (b) in addition to subscribing for the shares of Heritage and Heritage West, the Purchaser will subscribe for shares of Applicant Heritage East (together with 333, 5450 and Premium, the “**Additional Purchased Entities**”); and
 - (c) the outside date for closing the Transactions would be extended from August 2, 2024 to August 30, 2024.
- 33. On June 17, 2024, the Purchaser and the Vendors entered into the Amended and Restated Stalking Horse Agreement, a copy of which is attached as Exhibit “F” to the June 18 Schwede Affidavit. A redline identifying the changes to the Stalking Horse Bid is also attached as Exhibit “G” to the June 18 Schwede Affidavit.

34. The Monitor understands the revisions do not impose any material obligations on the Vendors, nor does it impact any other material terms or economics of the proposed Transactions including the Purchase Price or the Closing Date. In the Monitor's view, the amendments resulting in the Amended and Restated Stalking Horse Agreement do not prejudice any stakeholder of the Applicants, and as described in the next following paragraphs, are not a material change to the transaction as contemplated by the original Stalking Horse Agreement.
35. The original Stalking Horse Agreement provided for the Purchaser to acquire all of the shares of Heritage Cannabis. As set out in the Affidavit of David Schwede, sworn April 2, 2024 (the "**April Schwede Affidavit**"), beginning at paragraph 19, Heritage Cannabis is the parent company of all of the Applicants (including the direct parent of each Additional Purchased Entities). The shares of Additional Purchased Entity Heritage East were not "Excluded Assets", and therefore would have been indirectly acquired by the Purchaser as a result of its acquisition of Heritage Cannabis. The shares of Additional Purchased Entities 333, 5450 and Premium 5 were treated as "Excluded Assets" that would be transferred to Residual Co. on closing.
36. 333 and 5450 were formerly real estate holdings companies, that owned the facilities in Fort Erie, Ontario and Falkland, British Columbia, respectively, out of which the Applicants primarily operated. As described in the April Schwede Affidavit at paragraphs 50-56, the Ontario property was sold to an affiliate of BJK by 333 and the British Columbia property was sold to BJK by 5450 in October 2023, and both properties were leased back to the Applicants. The Monitor accordingly understands that Additional Purchased Entities 333 and 5450 have negligible (if any) assets other than tax losses.
37. The Monitor understands that Additional Purchased Entity Premium 5 has leased premises in Alberta and tax losses.
38. Accordingly, as they relate to Additional Purchased Entity Heritage East, the amendments reflected in the Amended and Restated Stalking Horse Agreement are therefore only a structural change to the Transactions, providing for the Purchaser to acquire direct

ownership of Heritage Cannabis East on closing, as opposed to acquiring indirect ownership under the structure in the original Stalking Horse Agreement.

39. While the inclusion of Additional Purchased Entities 333, 5450 and Premium 5 reflect a substantive change to the Transactions (because these entities were previously Excluded Assets), the Monitor notes that no Qualified Bids other than the Stalking Horse Bid were received in the SISP, including for Additional Purchased Entities 333, 5450 or Premium 5. The SISP provided an opportunity for parties to bid on the assets of all of the Applicants, including the Additional Purchased Entities, and no Qualified Bid for any of the Additional Purchased Entities was received. Accordingly, in the Monitor's view, the SISP demonstrated that the market value of Additional Purchased Entities 333, 5450 and Premium 5 is negligible.
40. The other key provisions and terms of the Stalking Horse Bid were described in the First Report and not repeated herein. Below is a summary of certain material terms as they relate to the closing of the Transactions:
- (a) Purchaser: Hab Cann Holdings Ltd., a company related to BJK.
 - (b) Vendors: Heritage, Heritage West, and Heritage East.
 - (c) Purchased Entities: Heritage, Heritage West, Heritage East, Purefarma, 333, 5450 and Premium¹ (collectively, the "**Purchased Entities**").
 - (d) Purchased Shares: the Purchaser will subscribe for all of the newly issued shares (the "**Purchased Shares**") in the share capital of Heritage, Heritage West, and Heritage East such that the Purchased Shares shall represent 100% of the outstanding equity interests in each of Heritage, Heritage West and Heritage East.

¹ Pursuant to the terms of the Amended and Restated Stalking Horse Agreement, Heritage, Heritage West and Heritage East will issue new shares to the Purchaser and cancel all other issued and outstanding shares, making the Purchaser the sole owner of Heritage, Heritage West and Heritage East. The Purchaser will indirectly acquire Purefarma, 333, 5450 and Premium by virtue of its acquisition of such companies' parent (being Heritage).

- (e) Purchase Price: the total purchase price on Closing is estimated to be approximately \$8.5 million² (the “**Purchase Price**”), which is comprised of:
- i. the amount to be paid through a release of outstanding obligations payable by the Applicants to BJK (the “**Credit Bid Consideration**”) which consists of the sum of:
 - A. all amounts under the BJK Loans and all related loan and security documentation, which amount as of the Filing Date was approximately \$6.9 million, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any fees and expenses associated therewith; and
 - B. all amounts as of the Closing Date pursuant to the DIP Facility and all related loan and security documentation including principal and interest to the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any fees and expenses associated therewith.
 - ii. the amount to be paid in cash (the “**Cash Consideration**”) which consists of the sum of:
 - A. the CCAA Process Expense Amount, constituting: (1) the Administrative Expense Amount, meaning cash in the amount of \$187,500 to be paid to the Monitor on Closing to be used to pay the fees of the Monitor and its counsel from Closing to the completion of these CCAA proceedings, including any bankruptcy of the remaining Applicants; and (2) the CCAA Charge Amount, being cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the Administration Charge and Directors’ Charge; and

² Assumes \$1.5 million is advanced under the DIP Facility as per the Updated Cash Flow Forecast. The actual Purchase Price on closing may be materially different from the estimated purchase price included herein.

- B. the Priority Payment Amount, consisting of cash sufficient to pay those priority payments prescribed under subsections 6(3), 6(5)(a) and 6(6) of the CCAA.
- (f) Transaction Structure: Reverse vesting structure such that prior to the acquisition of the Purchased Shares, all of the Excluded Assets and Excluded Liabilities will be transferred to 1000921087 Ontario Inc. (the “**Residual Co.**”), and entity recently incorporated by the Applicants, pursuant to the ARVO.
- (g) Excluded Liabilities: all claims, debts, obligations and liabilities of the Purchased Entities, except the Retained Liabilities, including but not limited to: (i) all pre-filing claims and liabilities arising from the termination of leases or other contracts; (ii) all pre-filing claims, including without limitation any amounts owing in respect of pre-filing Excise Tax, GST/ HST; (iii) all liabilities owing to any Terminated Employees in respect of the termination of employment of such Terminated Employee; and (iv) any liabilities or obligations of any of the Vendors or the Purchased Entities to any customer, including any Governmental Authority, related to or arising out of, any products returned to a Purchased Entity by any such customer, where such liabilities or obligations have arisen or arise in respect of products delivered prior to the Closing Date.
- (h) Employees: the Purchaser will determine which employees of the Purchased Entities it will assume and employ prior to Closing. In the event that no conditional offer of employment is made to an employee or an employee who receives an offer of employment rejects such offer, such employee shall be deemed to be a Terminated Employee.
- (i) Transfer to Residual Co.: on the Closing Date, and prior to the acquisition of the Purchased Shares, the Purchased Entities shall assign and transfer the Excluded Assets and the Excluded Liabilities to Residual Co.
- (j) Closing Date: no later than five (5) business days after the date on which the closing conditions have been satisfied or waived and not later than the Outside Date (the

“**Closing Date**”). Upon waiver or satisfaction of the conditions precedent to the Transactions, the Monitor will file a certificate (the “**Monitor’s Closing Certificate**”) with the Court attesting that, among other things, the Transactions have been completed and confirming the closing of the sale to the Purchaser.

(k) Outside Date: August 30, 2024.

41. As noted, the Transactions are to be completed pursuant to a reverse vesting order. The Monitor believes it is necessary and appropriate to grant the ARVO in the circumstances based on the following factors:

- (a) the primary purpose of the reverse vesting structure is to preserve the Purchased Entities’ licenses issued by Health Canada pursuant to the *Cannabis Act*, S.C. 2018, c. 16 (the “**Health Canada Licenses**”) and by the Canada Revenue Agency pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22 (the “**Excise Act**”) (the “**Excise Act Licenses**”, and together with the Health Canada Licenses, the “**Licenses**”). The reverse vesting structure ensures the Licences be preserved without the additional cost, delay, complexity and uncertainty involved in the Purchaser obtaining newly issued cannabis licences to allow it to take possession and control of the cannabis assets of the Purchased Entities. In the Monitor’s view, the consideration being paid by the Purchaser for the Applicants’ business reflects the importance and value of the Licences;
- (b) additionally, the ARVO will ensure the preservation and efficient operational transfer of the Purchased Entities’ assets and business, including critical contractual relationships, and significant accrued tax losses;
- (c) the Monitor understands that the Purchaser is not prepared to acquire the business under an alternative structure. In addition, the cost of drafting a plan of compromise or arrangement, convening a meeting of creditors to vote on the plan and conducting a claims process would be wasteful in the circumstances as BJK is the Applicants’ “fulcrum” creditor. The Monitor understands that BJK would not fund such a process,

and the associated delay and uncertainty on the Applicants' business resulting from a plan process would likely further impair value;

- (d) the ARVO allows for the expedient conveyance of the Licences and tax losses to the Purchaser. Without a reverse vesting structure, there would be substantial delay in transferring the Property, and the ability to transfer some or all of it would be at risk. The DIP Lender has advised the Monitor that it is not prepared to continue to provide funding absent the certainty of a transaction, meaning the Applicants' business and Property would likely need to be liquidated, resulting in a loss of employment and numerous other issues and problems. The issuance of the ARVO is a material condition of the Amended and Restated Stalking Horse Agreement and is integral to completing the Transactions;
 - (e) no stakeholders should be prejudiced by the issuance of the ARVO, which in the Monitor's view (A) provides an economic result at least as favourable as any other viable alternative, including a plan of arrangement under the CCAA, and (B) does not leave any stakeholder worse-off than they would be under any other viable alternative. BJK is the senior secured lender, and it is not anticipated that there would be amounts available for distribution to any of the Applicants' creditors subordinate to BJK under other realization scenarios. As noted above, the SISP did not result in any Qualified Bids that would repay the secured claims of BJK in full; and
 - (f) the ability to preserve the Licences and tax losses under the ARVO structure is the critical consideration in structuring the Transactions. These assets were extensively marketed for sale in the SISP and the consideration being paid by the Purchaser is directly attributable to the importance and value of the Licences and tax losses, which provides the best available outcome for many of the Applicants' key stakeholders, including its employees, suppliers and customers, and BJK.
42. The ARVO contains many terms and conditions customary of "reverse vesting orders" granted by this Court in other CCAA proceedings, including provisions insulating and releasing the Purchased Entities, their current directors and officers and the Purchaser from certain pre-closing obligations of the Applicants. In particular, the ARVO also includes a

release in favour of the current directors and officers of the Applicants, legal counsel to the Applicants, the Monitor and its counsel, among others, (the “**Released Parties**”) of any claims that may be asserted against them in connection with the unpaid GST/HST and excise tax duties relating to the Purchased Entities for the period prior to the Filing Date (the “**Releases**”).

43. The Applicants, the Purchaser, the Monitor and its respective counsel have discussed with the CRA its position regarding such Releases since May 14, 2024. Through the course of these discussions, the CRA has indicated that it does not expect to oppose the Releases sought in respect of excise duty arrears and GST/HST arrears owing by any of the Applicants for the period prior to the date of the Filing Date.
44. The Monitor notes that a party claiming to be a shareholder of Heritage contacted, among others, the Monitor to express concerns with the Stalking Horse Agreement and the reverse vesting structure contemplated therein, and advised that he and certain other shareholders of Heritage were contemplating a class action against the Purchaser, claiming \$400,00 in damages. The Monitor understands the purported shareholder was provided notice of the motion to approve the Transactions, and he will be served with a copy of this Report.
45. The Monitor is not aware of any other parties that have asserted a claim against any of the Released Parties in respect of the released liability.
46. In the view of the Monitor, having considered the facts of the situation, each of the beneficiaries of the Releases set forth in the ARVO have contributed to the Transactions as detailed in the June 18 Schwede Affidavit. Moreover, the continued involvement of these parties is key to the successful implementation of the Transactions.
47. Accordingly, the Monitor is of the view that the proposed Releases are reasonable, and not overly broad, in the circumstances, and supports the relief requested in connection therewith.

X. OTHER MATTERS

DIP Amendment

48. The DIP Term Sheet currently expires on its terms on August 2, 2024. While the Applicants have not drawn any amounts under the DIP Facility to date, the Updated Cash Flow Forecast indicates the Applicants will be required to draw on the DIP Facility during the Forecast Period beyond August 2, 2024.
49. Accordingly, BJK and the Applicants have agreed to extend the term of the DIP Term Sheet to August 30, 2024 to coincide with the Outside Date and expiry of the extended Stay Period, if approved.
50. The Monitor is of the view that the extension to the maturity date of the DIP Term Sheet is reasonable and necessary in the circumstances, as the Applicants require the liquidity to operate during these CCAA proceedings.

Amendment to ARIO re Administration Charge

51. The ARIO provides a priority charge on all Property of the Applicants in favour of the Monitor, the Monitor's counsel and the Applicants' corporate and insolvency counsels, as security for the fees and disbursements incurred in respect of these CCAA proceedings in the aggregate amount of \$500,000.
52. As detailed in the June 18 Schwede Affidavit, the corporate lawyer with primary carriage of this matter recently switched firms and the Applicants would like to amend paragraph 31 of the ARIO such that "Weirfoulds LLP" is added as the beneficiary of the Administration Charge, and Owens Wright LLP is deleted. The Applicants are of the view that having the same representative continue as corporate counsel will provide information benefits and cost efficiencies to the Applicants and their estates.
53. The Monitor views this request as reasonable and supports such relief in the circumstances.

Enhanced Powers of the Monitor

54. The Applicants have determined, in consultation with the Monitor, that there will be matters that remain to be dealt with in these CCAA proceedings following the closing of the Transactions, and therefore it is appropriate to expand the powers of the Monitor to allow the Monitor to direct the Applicants in their ongoing administration of the CCAA proceedings and wind-down. Such expanded powers for a monitor are common in cases involving transactions closed through reverse vesting orders.³
55. In this regard, in addition to the Monitor's powers and duties as set out in the ARIO, any other Order of the Court granted in these CCAA proceedings, the CCAA and applicable law, the Applicants are seeking to enhance the Monitor's powers (all such powers, collectively, the "**Enhanced Powers**") to, among other things:
- (a) cause the Applicants to take any and all actions and steps, and execute all agreements and documents, on behalf of the Applicants in order to facilitate the performance of any of the Applicants' powers and obligations, including as contemplated by the Amended and Restated Stalking Horse Agreement (including with respect to any post-closing matters in respect of the Transactions);
 - (b) claim, or cause the Applicants to claim, any and all insurance refunds or tax refunds to which the Applicants are entitled;
 - (c) act as an authorized representative of the Applicants in respect of dealings with the CRA or any other taxing authority;
 - (d) assign any of the Applicants, or cause any of the Applicants to be assigned, into bankruptcy, and KPMG shall be hereby entitled but not obligated to act as trustee in bankruptcy of any Applicant, or engage a third party to act as trustee in bankruptcy of any Applicant; and

³ For example, expanded powers were granted to the monitor in substantially the same form as is sought by the Applicants in this case in the recent CCAA proceedings of [Aleafia Health](#) and [Contract Pharmaceuticals](#).

- (e) pay from the Priority Payment Amount (as defined in the Amended and Restated Stalking Horse Agreement), in the name of and on behalf of the Applicants or in its own name, as applicable, the amounts payable from the Priority Payment Amount and the CCAA Process Expense Amount (as defined in the Amended and Restated Stalking Horse Agreement), pursuant to the Amended and Restated Stalking Horse Agreement.
56. The Enhanced Powers contemplated in the proposed Ancillary Order would become effective upon the delivery of the Monitor's Completion Certificate.
57. In the absence of any directors and officers of the Applicants, the Monitor is of the view that the Enhanced Powers would allow the Monitor to efficiently administer the CCAA proceedings to their completion, and wind-up, liquidate and/or dissolve the Applicants remaining after closing of the Transactions. As such, the Monitor is of the view that the granting of the Enhanced Powers included in the Ancillary Order is reasonable and appropriate in the circumstances.

XI. STAY EXTENSION

58. The current stay of proceedings expires on June 30, 2024. The Applicants are seeking an extension of the Stay Period to August 30, 2024.
59. The Monitor supports the Applicants' request for an extension of the stay of proceedings to August 30, 2024 for the following reasons:
- (a) the Applicants are acting in good faith and with due diligence in taking steps to facilitate a going concern sale of their business;
 - (b) the Updated Cash Flow Forecast indicates that the Applicants are forecast to have sufficient liquidity to continue to fund operations through the period ending August 30, 2024 (provided the extension of the DIP Facility maturity date is approved);
 - (c) it will allow the Transactions, if approved by the Court, sufficient time to close; and

- (d) it is the Monitor's view that an extension will not prejudice or adversely affect any group of creditors.

XII. ANTICIPATED NEXT STEPS IN THESE CCAA PROCEEDINGS

- 60. Subject to Court approval of the relief sought at the within motion, the anticipated next steps in these CCAA proceedings include the following:
 - (a) the Applicants, the Purchaser, BJK, the Monitor and their respective legal counsel intend to work to close the Transactions in accordance with the Amended and Restated Stalking Horse Agreement; and
 - (b) upon closing of the Transactions and completion of any post-closing matters related to the Transactions, the Monitor expects to bring a motion using its Enhanced Powers to terminate these CCAA proceedings, assign the remaining Applicants, including Residual Co., into bankruptcy, and discharge the Monitor.

XIII. CONCLUSIONS AND RECOMMENDATIONS

- 61. The Monitor recommends that the Court issue the ARVO, approving the Amended and Restated Stalking Horse Agreement and granting the related relief set forth therein, for the following reason:
 - (a) the SISP was designed to solicit interest from *bona fide* parties that would be familiar with the business and assets of the Applicants. The market was extensively canvassed as part of the SISP, and all likely bidders have been provided with a chance to bid on the opportunity;
 - (b) the SISP was fair and reasonable in the circumstances, was approved by the Court, and was conducted in accordance with its terms;
 - (c) the consideration payable under the Amended and Restated Stalking Horse Agreement is fair and reasonable, represents the highest, best and only offer for the business and assets of the Applicants, and would be more beneficial for the

stakeholders of the Applicants than a liquidation of the Purchased Entities in a bankruptcy; and

- (d) the Amended and Restated Stalking Horse Agreement provides for a going-concern sale to the Purchaser, which preserves significant value and maintains important customer, supplier and employee relationships of the Applicants and, based on the alternatives available to the Applicants, the Transactions are in the best interest of the creditors and stakeholders of the Applicants.

62. For the reasons set out in the Second Report, the Monitor is of the view that the relief requested by the Applicants is both appropriate and reasonable in the circumstances and the Monitor recommends that this Court approve the relief sought by the Applicants in the proposed ARVO and the Ancillary Order.

All of which is respectfully submitted this 21st day of June 2024.

KPMG Inc.

In its capacity as Monitor of

Heritage Cannabis Holdings Corp., 1005477 B.C. Ltd., Mainstrain Market Ltd., Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd., Heritage Cannabis Exchange Corp., Heritage Cannabis East Corporation, and Heritage Cannabis West Corporation

And not in its personal or corporate capacity

Per:



Pritesh Patel
CIRP, LIT
Senior Vice President



Tim Montgomery
CIRP, LIT
Vice President

Appendix B

Court File No.: CV-24-00717664-00CL

**HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD.,
HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN
MARKET LTD., HERITAGE CANNABIS EAST CORPORATION,
PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450
REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND
PREMIUM 5 LTD.**

**THIRD REPORT OF KPMG INC.,
IN ITS CAPACITY AS MONITOR**

August 22, 2024

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Court File No.: CV-24-00717664-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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
HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS
WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST
CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY
INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.**

**THIRD REPORT OF KPMG INC.
IN ITS CAPACITY AS MONITOR**

August 22, 2024

I. INTRODUCTION

1. On April 2, 2024 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting Heritage Cannabis Holdings Corp. (“**Heritage**”), 1005477 B.C. Ltd. (“**1005**”), Mainstrain Market Ltd. (“**Mainstrain**”), Purefarma Solutions Inc. (“**Purefarma**”), 333 Jarvis Realty Inc. (“**333**”), 5450 Realty Inc. (“**5450**”), Premium 5 Ltd. (“**Premium**”), Heritage Cannabis Exchange Corp. (“**HCEC**”), Heritage Cannabis East Corporation (formerly CannaCure Corporation) (“**Heritage East**”), and Heritage Cannabis West Corporation (formerly Voyage Cannabis Corp.) (“**Heritage West**” and collectively, the “**Applicants**”) protection pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and appointing KPMG Inc. (“**KPMG**”) as Monitor of the Applicants in the CCAA proceedings (in such capacity, the “**Monitor**”). The Initial Order provided a stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including April 12, 2024.
2. On April 11, 2024, the Court issued an Amended and Restated Initial Order (the “**ARIO**”) that, among other things:
 - (a) approved the terms of an interim senior secured, super-priority financing facility (the “**DIP Facility**”) provided by BJK Holdings Ltd. (“**BJK**”) to the Applicants in order to finance their working capital requirements and other general corporate purposes and restructuring costs, pursuant to a DIP facility term sheet dated April 10, 2024 (the “**DIP Term Sheet**”);
 - (b) granted a charge to secure the obligations owing by the Applicants under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and
 - (c) extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including June 30, 2024.
3. Also on April 11, 2024, the Court granted an order (the “**SISP Order**”) that, among other things:

- (a) approved the stalking horse subscription agreement dated April 10, 2024 (the “**Stalking Horse Agreement**”) among Heritage and Heritage West, as vendors, BJK, and HAB Cann Holdings Ltd. (“**HAB Cann**”), as purchaser; and
 - (b) approved the sale and investment solicitation process (the “**SISP**”), in which the Stalking Horse Agreement served as the “Stalking Horse Bid”.
- 4. The Stalking Horse Bid was determined to be the successful bid in the SISP.
- 5. On June 17, 2024, the parties entered into the amended and restated stalking horse subscription agreement dated June 17, 2024 (the “**Amended and Restated Stalking Horse Agreement**”) among Heritage, Heritage East and Heritage West, as vendors (the “**Vendors**”), HAB Cann, as purchaser, and BJK, and the transactions contemplated thereunder (the “**Transactions**”).
- 6. On June 26, 2024, the Court granted the following orders:
 - (a) an Approval and Reverse Vesting Order (the “**ARVO**”) that, among other things, approved the Transactions contemplated by the Amended and Restated Stalking Horse Agreement; and
 - (b) an order (the “**Ancillary Relief Order**”) that, among other things:
 - i. authorized and empowered the Monitor to exercise certain enhanced powers to facilitate the wind-down of CCAA proceedings (the “**Enhanced Powers**”), following the closing of the Transactions and delivery of a certificate by the Monitor attesting that the Transactions have been completed (the “**Monitor’s Closing Certificate**”);
 - ii. approved the extension of the term of the DIP Term Sheet to August 30, 2024;
 - iii. approved the Pre-Filing Report and the First Report (each as defined herein), and the Monitor’s activities and conduct described therein; and

- iv. extended the stay of proceedings in respect of the Applicants, and certain direct and indirect subsidiaries of the Applicants in the U.S., to and including August 30, 2024 (the “**Stay Period**”).
- 7. To date, KPMG, in its capacity as Proposed Monitor and Monitor, has previously provided this Court with three reports dated April 2, 2024 (the “**Pre-Filing Report**”), April 10, 2024 and June 21, 2024 (the “**Second Report**”) that contained information on, *inter alia*, background information in respect of the Applicants, the DIP Term Sheet, the Stalking Horse Agreement, the results of the SISP and the Transactions.
- 8. Copies of materials and documents filed in connection with these CCAA proceedings are available on the Monitor’s website at <https://kpmg.com/ca/heritage> (the “**Case Website**”) In addition, KPMG has arranged for a toll-free hotline (1-833-668-2870) and an email address heritage@kpmg.ca through which creditors of the Applicants or other interested parties can make inquires related to the CCAA proceedings.

II. PURPOSE OF REPORT

- 9. The purpose of this report (the “**Third Report**”) is to provide the Court with information pertaining to:
 - (a) an overview of the activities of the Applicants and the Monitor since the date of the Second Report;
 - (b) the Applicants’ actual receipts and disbursements for the period from June 10, 2024 to August 16, 2024 (the “**Reporting Period**”), including a comparison of actual to forecast results;
 - (c) the cash flow projections for the Applicants (the “**Updated Cash Flow Forecast**”) for the period from August 17, 2024 to September 27, 2024 (the “**Forecast Period**”);
 - (d) the recommendation by the Monitor that this Court make an order (the “**Stay Extension Order**”), among other things, extending the Stay Period to and including September 27, 2024.

III. TERMS OF REFERENCE

10. In preparing this Third Report, KPMG has relied solely on information and documents provided to it by the Applicants and their respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Applicants, discussions with management of the Applicants, and the affidavit of the Applicants' executive (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Third Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
11. Capitalized terms used but not defined in the Third Report are defined in the Affidavit of Mr. David Schwede sworn August 21, 2024 (the "**August 21 Schwede Affidavit**"), filed by the Applicants as part of its materials in support of the Stay Extension Order. The Third Report should be read in conjunction with the August 21 Schwede Affidavit, as certain information contained in the August 21 Schwede Affidavit has not been included herein in order to avoid unnecessary duplication.
12. Future orientated financial information contained in the Updated Cash Flow Forecast is based on the Applicants' estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.
13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE APPLICANTS

14. Since the date of the Second Report, the Applicants, with the assistance of the Monitor, have been managing their operations in the normal course. As outlined in the August 21 Schwede Affidavit, the activities of the Applicants have included:
- (a) communicating with various stakeholders, including trade creditors, landlords, customers, Health Canada, the Canada Revenue Agency (“CRA”), employees, and other interested parties, regarding various matters relating to the Applicants, the Business, the Property and the CCAA proceedings; and
 - (b) attending to pre-closing matters with respect to the Transactions including: (i) working with the Purchaser to address regulatory change of control matters relating to the licenses issued to Heritage East and Heritage West by Health Canada pursuant to the *Cannabis Act* and by CRA pursuant to the *Excise Act, 2001*; (ii) attending to the filing of tax returns in respect of each Purchased Entity for all tax periods ending on or prior to the Closing Date; and (iii) working to ensure that the closing deliverables under the Amended and Restated Stalking Horse Agreement are underway or completed.
15. As of the date of this Third Report, despite efforts from all parties involved, including the Applicants, the Purchaser and the Monitor, the Transactions have not closed. The parties are working diligently to satisfy all conditions and close the Transactions as soon as possible. However as noted in the August 21 Schwede Affidavit, certain of the remaining material conditions are outside of the parties’ control.
16. The Vendor and the Purchaser have advised the Monitor that they are targeting a closing date of August 29, 2024, and anticipate the Transactions will close at that time. Immediately upon the Transactions closing, the Enhanced Powers will allow the Monitor to direct the remaining Applicants in their ongoing administration of the CCAA proceedings and wind-down.

V. ACTIVITIES OF THE MONITOR

17. Since the date of the Second Report, the Monitor's activities have included:

- (a) maintaining the Case Website where all Court documents and other material documents pertaining to the CCAA proceedings are available in electronic form;
- (b) monitoring of the Applicants' cash flows and allowing for payments in accordance with the terms of the ARIO;
- (c) corresponding regularly with the DIP Lender with respect to the Applicants' actual results as compared to the cash flow forecast included in the DIP Term Sheet;
- (d) assisting the Applicants with the preparation of the Updated Cash Flow Forecast;
- (e) assisting the Applicants with their communications with stakeholders, including vendors and key partners;
- (f) conducting the SISP as detailed herein;
- (g) corresponding with the Purchaser and the Vendors in connection with the closing of the Transactions;
- (h) engaging with the Monitor's legal counsel, Blake, Cassels & Graydon LLP regarding matters related to the CCAA Proceedings, including the Transactions and the within motion;
- (i) attending before the Court for the ARVO and the Ancillary Relief Order;
- (j) reviewing materials filed by the Applicants in connection with the within motion; and
- (k) preparing this Third Report.

VI. RECEIPTS AND DISBURSEMENTS FROM JUNE 10, 2024 TO AUGUST 16, 2024

18. As noted, the Monitor has implemented procedures for monitoring the Applicants' consolidated receipts and disbursements on a weekly basis, including a review of forecast to actual variance analyses.
19. Set out below is a summary of the Applicants' actual to forecast results for the Reporting Period:

Heritage Group - Actual to Forecast			
In C\$M; unaudited			
	Actual	Forecast	Variance
Receipts			
AR / Sales	10.43	8.93	1.49
	10.43	8.93	1.49
Operating Disbursements			
Production and Operating Costs	(4.88)	(5.27)	0.38
Salary and Wages	(1.82)	(1.90)	0.07
Excise Taxes	(1.95)	(1.85)	(0.10)
Sales Taxes	(0.51)	(0.44)	(0.07)
Professional Fees	(0.34)	(0.61)	0.27
Total Operating Disbursements	(9.51)	(10.07)	0.56
Net Operating Cash Flow	0.92	(1.14)	2.05
Monthly Interest Payments	(0.12)	(0.12)	0.00
DIP Fee	-	(0.05)	0.05
Net Cash Flow	0.80	(1.30)	2.10
Opening Cash	1.57	1.57	-
Net Cash Flow	0.80	(1.30)	2.10
DIP funding	-	0.50	(0.50)
FX Differences	(0.00)	-	(0.00)
Ending Cash	2.37	0.77	1.60

20. As reflected in the above summary table, the Applicants generated consolidated operating cash receipts of \$10.4 million as compared to forecasted receipts of \$8.9 million while disbursing \$9.5 million as compared to forecasted disbursements of \$10.1 million (excluding financing cash flows and/or DIP drawdowns) over the Reporting Period. This resulted in the Applicants' experiencing a net operating cash inflow of approximately \$0.9

million, as at August 18, 2024, a favourable variance of approximately \$2.1 million as compared to forecast.

21. In accordance with the ARIO, and in consultation with the Monitor and BJK, the Applicants made payments totalling approximately \$1.4 million to certain suppliers on account of pre-filing amounts which are critical to the Applicants' business and operations continuing as a going concern. As detailed in the Pre-Filing Report, the timing of the Applicants' CCAA filing (the beginning of the month) interrupted the ordinary payment cadence for many of these critical suppliers, who in the ordinary course of business would have been paid on or about April 1.
22. As noted in the table above, the Applicants did not borrow any amounts under the DIP Facility as a result of the favourable variances generated during the Reporting Period.
23. The Monitor, on behalf of the Applicants, provided weekly and cumulative variance reporting to the DIP Lender on a weekly basis pursuant to the DIP Term Sheet.
24. The Monitor is of the view that the Applicants are acting in a manner consistent with the cash flow and as at the date of this Third Report, there have been no material adverse changes to the Applicants' operations since the Filing Date.

VII. UPDATED CASH FLOW FORECAST

25. The Applicants, in consultation with the Monitor, have prepared the Updated Cash Flow Forecast for the purpose of projecting the estimated liquidity needs of the Applicants' to operate in the normal course throughout the Forecast Period. A copy of the Updated Cash Flow Forecast, accompanying notes and a report containing prescribed representations regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix "A"**.
26. The Updated Cash Flow Forecast has been prepared by the Applicants on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast.

27. The Applicants had a cash balance of approximately \$2.4 million as at August 19, 2024. Forecast operating cash receipts over the Forecast Period total approximately \$5.7 million related to the collection of accounts receivable, including from future sales.
28. Forecast operating disbursements over the Forecast Period total approximately \$6.7 million and primarily consist of production and operating costs (\$3.5 million), employee costs (\$1.1 million), excise taxes for accrued or collected amounts after the date of the Initial Order (\$1.2 million), sales taxes in accordance with the Initial Order (\$0.3 million), professional fees (\$0.3 million), the KERP (\$0.1 million) in accordance with the ARIO, and amounts to be held by the Monitor pursuant to the Administrative Expense Amount (\$0.2 million).
29. Net negative operating cash flow is forecast to be approximately \$1 million over the Forecast Period.
30. Based on the cash balance as at August 19, 2024 and due to favourable variances experienced to date, the Applicants have not drawn any amounts under the DIP Facility. Further, based on the current cash balance, the Updated Cash Flow Forecast indicates the Applicants are forecast to have sufficient cash on hand to fund operations and will not be required to draw on the DIP Facility during the Forecast Period. Accordingly, the DIP Term Sheet will expire on its terms on August 30, 2024.
31. The Monitor notes that the Updated Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

VIII. STAY EXTENSION

32. The current stay of proceedings expires on August 30, 2024. The Applicants are seeking an extension of the Stay Period to September 27, 2024.
33. The Monitor supports the Applicants' request for an extension of the stay of proceedings to September 27, 2024 for the following reasons:

- (a) the Applicants are acting in good faith and with due diligence in taking steps to facilitate a going concern sale of their business;
 - (b) the Updated Cash Flow Forecast indicates that the Applicants are forecast to have sufficient liquidity to continue to fund operations in the normal course through the period ending September 27, 2024;
 - (c) it allows sufficient time for the remaining Applicants and the Monitor, as applicable, to attend to any post-closing matters related to the Transactions, including the winding-up and/or dissolution of the remaining Applicants and the terminating these CCAA proceedings; and
 - (d) it is the Monitor's view that an extension will not prejudice or adversely affect any group of creditors. The Applicants and the Monitor are also not aware of any party opposed to the proposed extension of the Stay Period.
34. Subject to Court approval of the relief sought at the within motion, and upon closing of the Transactions and delivery of the Monitor's Closing Certificate, the Monitor intends to use the short extension to the Stay Period to bring a motion using its Enhanced Powers to, among other things, terminate these CCAA proceedings, assign the remaining Applicants into bankruptcy, and discharge the Monitor.

IX. CONCLUSIONS AND RECOMMENDATIONS

35. For the reasons set out in the Third Report, the Monitor is of the view that the relief requested by the Applicants is both appropriate and reasonable in the circumstances and the Monitor recommends that this Court grant the proposed Stay Extension Order.

All of which is respectfully submitted this 22nd day of August 2024.

KPMG Inc.

In its capacity as Monitor of

Heritage Cannabis Holdings Corp., 1005477 B.C. Ltd., Mainstrain Market Ltd., Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd., Heritage Cannabis Exchange Corp., Heritage Cannabis East Corporation, and Heritage Cannabis West Corporation

And not in its personal or corporate capacity

Per:



Pritesh Patel
CIRP, LIT
Senior Vice President



Tim Montgomery
CIRP, LIT
Vice President

Appendix C

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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
1005477 B.C. LTD., , MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EXCHANGE
CORP., AND 1000921087 ONTARIO LTD.

AFFIDAVIT OF PRITESH PATEL
(sworn September 20, 2024)

I, Pritesh Patel, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice President of KPMG Inc. (“**KPMG**”), and, as such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. On April 2, 2024 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order granting Heritage Cannabis Holdings Corp., 1005477 B.C. Ltd., Mainstrain Market Ltd., Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd., Heritage Cannabis Exchange Corp., Heritage Cannabis East Corporation (formerly CannaCure Corporation), and Heritage Cannabis West Corporation (collectively, the “**Applicants**”) protection pursuant to the *Companies' Creditors Arrangement Act* (the “**CCAA**”) and appointing KPMG Inc. (“**KPMG**”) as Monitor of the Applicants in the CCAA proceedings (in such capacity, the “**Monitor**”).
3. Prior to and after the Filing Date, the Monitor has provided services and incurred disbursements, in the amounts of \$309,893.75 and \$15,711.85, respectively, (excluding GST) for the period from February 21, 2024 to September 13, 2024 (the “**KPMG Fee Period**”). Attached hereto and marked as Exhibit “**A**” to this my Affidavit is a summary of all invoices rendered by the Monitor during the KPMG Fee Period (the “**Accounts**”).

4. True copies of the Accounts, which have been redacted for privilege where appropriate, are attached as Exhibit “**B**” to my Affidavit. The Accounts include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Monitor.
5. KPMG, in its capacity as Proposed Monitor and Monitor, previously filed four reports with the Court (the “**Prior Reports**”). In addition, and contemporaneously with the filing of this Affidavit, the Monitor is filing its fourth report to the Court (the “**Fourth Report**” and together with the Prior Reports, the “**Reports**”). Details of the activities undertaken and services provided by the Monitor in connection with the CCAA proceedings are described in the Reports.
6. In the course of performing its duties, statutory or otherwise, the Monitor’s staff has expended a total of 500.75 hours during the KPMG Fee Period. Attached as Exhibit “**C**” to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the CCAA proceedings and the hours and applicable rates claimed by the Monitor for the KPMG Fee Period. The average hourly rate billed by the Monitor during the KPMG Fee Period is \$618.86.
7. The Monitor requests that the Court approve its Accounts for the KPMG Fee Period, in the total amount of \$325,605.60 (excluding GST) for services rendered and recorded during the KPMG Fee Period.
8. Blake, Cassels & Graydon LLP (“**Blakes**”), as independent legal counsel to the Monitor, has also rendered services and incurred disbursements throughout these proceedings in a manner consistent with the instructions of the Monitor and have prepared an affidavit with respect to the services rendered for the period from March 15, 2024 to August 27, 2024 (“**Blakes Fee Period**”). The Monitor has reviewed the invoices rendered by Blakes during the Blakes Fee Period and is satisfied that their activities were consistent with the instructions of the Monitor.
9. The Monitor’s fees and disbursements for the period from and after the KPMG Fee Period, and those of its counsel for the period from and after the Blakes Fee Period, to the date upon the completion of these CCAA proceedings will be calculated and billed at the standard rates currently in effect. Barring any delays, disputes or unforeseen circumstances in connection with this matter, including the within motion, I estimate that those fees and disbursements will not exceed \$50,000 (excluding applicable taxes), including the fees and disbursements of Blakes (the “**Remaining Fees and Disbursements**”).

10. To the best of my knowledge, the rates charged by the Monitor and Blakes are comparable to the rates charged for the provision of similar services by other accounting and law firms in the Greater Toronto Area.
11. I verily believe that the fees and disbursements incurred by the Monitor and Blakes are fair and reasonable in the circumstances.
12. This Affidavit is sworn in connection with a motion for an Order of the Court to, among other things, approve the fees and disbursements of the Monitor and Blakes and for no other or improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
September 20, 2024.



Commissioner for taking affidavits

Angelina Hung,
a Commissioner, etc.,
Province of Ontario, for KPMG Inc.
Expires January 4, 2026



Pritesh Patel

This is Exhibit "A" referred to in the Affidavit of
Pritesh Patel, sworn before me on
September 20, 2024



Commissioner for Taking Affidavits, etc.

Angelina Hung,
a Commissioner, etc.,
Province of Ontario, for KPMG Inc.
Expires January 4, 2026

KPMG Inc.
in its capacity as Monitor of
Heritage Cannabis Holdings Corp et al
Statement of accounts

Exhibit A

Invoice #	Period	Fees	Disbursements⁽¹⁾	Sub total	GST	Total
8005364138	February 21 to March 31, 2024	\$ 75,731.25	\$ 3,786.56	\$ 79,517.81	\$ 3,975.89	\$ 83,493.70
8005386169	April 1 to April 14, 2024	\$ 77,383.75	\$ 4,086.35	\$ 81,470.10	\$ 4,073.51	\$ 85,543.61
8005424264	April 15 to April 30, 2024	\$ 32,493.75	\$ 1,624.69	\$ 34,118.44	\$ 1,705.92	\$ 35,824.36
8005470836	May 1 to May 31, 2024	\$ 32,056.25	\$ 1,602.81	\$ 33,659.06	\$ 1,682.95	\$ 35,342.01
8005507160	June 1 to June 21, 2024	\$ 40,791.25	\$ 2,039.56	\$ 42,830.81	\$ 2,141.54	\$ 44,972.35
8005568470	June 22 to July 19, 2024	\$ 16,987.50	\$ 849.38	\$ 17,836.88	\$ 891.84	\$ 18,728.72
8005600033	July 20 to August 9, 2024	\$ 12,125.00	\$ 606.25	\$ 12,731.25	\$ 636.56	\$ 13,367.81
8005656994	August 10 to September 13, 2024	\$ 22,325.00	\$ 1,116.25	\$ 23,441.25	\$ 1,172.06	\$ 24,613.31
Total		\$ 309,893.75	\$ 15,711.85	\$ 325,605.60	\$ 16,280.28	\$ 341,885.88

⁽¹⁾ - Include Technology and Support charges, and other disbursements

This is Exhibit "B" referred to in the Affidavit of
Pritesh Patel, sworn before me on
September 20, 2024



Commissioner for Taking Affidavits, etc.

Angelina Hung,
a Commissioner, etc.,
Province of Ontario, for KPMG Inc.
Expires January 4, 2026



KPMG Inc.
 Suite 4600 Bay Adelaide Centre
 333 Bay Street
 Toronto, ON M5H 2S5

Payment Address:
 KPMG LLP, T4348
 P.O. Box 4348, Station A
 Toronto, ON M5W 7A6

April 11, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005364138
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from February 21, 2024 to March 31, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceedings

Our Fee	\$	75,731.25 CAD
Technology and Support Charge		3,786.56
	\$	79,517.81 CAD
GST		3,975.89
Amount Due	\$	83,493.70 CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank Code # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005364138 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 83,493.70 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from February 21, 2024 to March 31, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	39.50	825	\$ 32,587.50
Tim Montgomery	Director	53.25	675	\$ 35,943.75
Chris Cheuk	Sr. Consultant	18.00	400	\$ 7,200.00
Total Professional Fees		110.75		\$ 75,731.25
Technology and Support Charge				\$ 3,786.56
Subtotal				\$ 79,517.81
GST				\$ 3,975.89
Total Amount Due				\$ 83,493.70

Heritage Cannabis Holdings Corp
For the period from February 21, 2024 to March 31, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
02/21/2024	Montgomery, Tim	Review cash flow model prepared by Company and prepare internal summary regarding same for P. Patel.	1.75	\$ 675	\$ 1,181.25
02/23/2024	Patel, Pritesh	Attendance on call with counsels; various calls with CEO; call with CEO, R.Coelho re CRA strategy.	2.00	\$ 825	\$ 1,650.00
02/26/2024	Montgomery, Tim	Review Company's updated cash flow and prepare internal summary regarding same.	1.50	\$ 675	\$ 1,012.50
02/26/2024	Patel, Pritesh	Update call with CEO; review of updated CF, review of email from T.Montgomery on same.	0.50	\$ 825	\$ 412.50
02/27/2024	Montgomery, Tim	Call with P. Patel re updated company cash flow and next steps; prepare initial information request list for company; additional call with P. Patel to review information request list and next steps re cash flow.	1.25	\$ 675	\$ 843.75
02/27/2024	Patel, Pritesh	Call with CEO, CFO to review cash flow forecast; review of model analysis, info request with T.Montgomery, call to discuss same.	1.50	\$ 825	\$ 1,237.50
02/28/2024	Montgomery, Tim	Call with Company re AR and AP lists and collection of same; review initial information provided by company; prepare analysis of IS versus Cash Flow and discuss with P. Patel; discussions with C. Cheuk regarding modelling of AR;	4.00	\$ 675	\$ 2,700.00
02/28/2024	Cheuk, Chris	Discussions with T. Montgomery regarding modelling of AR; and review of AR receipts.	2.00	\$ 400	\$ 800.00
02/29/2024	Montgomery, Tim	Call with Company re AR collections and assumptions for same; discussions with C. Cheuk re modelling of AR and sales; update cash flow for assumptions re disbursements, including professional fees, and debt service;	3.50	\$ 675	\$ 2,362.50
02/29/2024	Patel, Pritesh	Discussion with T.Montgomery re status of cash flows; update call with CEO on same.	0.50	\$ 825	\$ 412.50
02/29/2024	Cheuk, Chris	Call with Company and T. Montgomery, regarding AR collections and assumptions.	2.00	\$ 400	\$ 800.00
03/01/2024	Montgomery, Tim	Review cash flow; review AR and sales forecast assumptions and provide comments to C. Cheuk; discussion with P. Patel and C. Cheuk regarding cash flow and CCAA assumptions; update cash flow accordingly and circulate to Company.	3.50	\$ 675	\$ 2,362.50
03/01/2024	Patel, Pritesh	Various calls with CEO re filing materials, cash flows and next steps; review of updated CF, call with T.Montgomery on same.	1.25	\$ 825	\$ 1,031.25
03/01/2024	Cheuk, Chris	Discussions with T. Montgomery regarding cash flow and CCAA assumptions and AR receipt analysis.	2.00	\$ 400	\$ 800.00
03/02/2024	Patel, Pritesh	Review and comments on draft Affidavit summary received from Chaitons.	0.50	\$ 825	\$ 412.50
03/04/2024	Montgomery, Tim	Work through updates for cash flow based on updated information provided by company including sales tracker and AR; review same with P. Patel.	2.50	\$ 675	\$ 1,687.50
03/04/2024	Cheuk, Chris	Update to CCAA cash flow model for variances in amounts shipped in last 4 weeks.	0.75	\$ 400	\$ 300.00
03/05/2024	Patel, Pritesh	Call with CEO to review updated cash flow, discussion with T.Montgomery on same; update call with Chaitons re status and next steps.	1.00	\$ 825	\$ 825.00
03/05/2024	Montgomery, Tim	Attend call with Company to review cash flow; preparation for same; update cash flow and resend to company based on discussions from the call.	2.00	\$ 675	\$ 1,350.00
03/05/2024	Cheuk, Chris	Meeting with P. Patel, T. Montgomery and D. Schwede regarding CCAA cash flow review.	1.00	\$ 400	\$ 400.00
03/07/2024	Patel, Pritesh	Call with Heritage and OGI; debrief call with CEO.	1.25	\$ 825	\$ 1,031.25
03/12/2024	Patel, Pritesh	Update call with counsels re timing for filing and next steps.	1.00	\$ 825	\$ 825.00
03/12/2024	Montgomery, Tim	Call re file status call with Gowlings, Chaitons and Company counsel and preparation for filing; Request updates to refresh CCAA cash flow;	0.75	\$ 675	\$ 506.25
03/13/2024	Patel, Pritesh	Emails with counsels re GST payable; call with D.Schwede on same, cash flow update.	0.50	\$ 825	\$ 412.50
03/14/2024	Patel, Pritesh	Review of emails re KERP; call with D.Schwede on same, APA update; correspond with T.Montgomery re cash flow update.	0.50	\$ 825	\$ 412.50
03/14/2024	Montgomery, Tim	Emails regarding information requests for cash flow.	0.50	\$ 675	\$ 337.50
03/14/2024	Cheuk, Chris	Update to cash flow model regarding new information.	0.75	\$ 400	\$ 300.00
03/15/2024	Patel, Pritesh	Update call with T.Montgomery re CF; call with Chaitons re filing matters.	1.00	\$ 825	\$ 825.00
03/15/2024	Montgomery, Tim	Update CCAA cash flow based on information available;	3.25	\$ 675	\$ 2,193.75
03/18/2024	Patel, Pritesh	Update call with counsels re status materials, DIP, next steps.	1.00	\$ 825	\$ 825.00
03/18/2024	Montgomery, Tim	Call with Chaitons, Gowlings and KPMG re current status of file and next steps; review latest version of the cash flow and make updates to same;	2.50	\$ 675	\$ 1,687.50
03/18/2024	Cheuk, Chris	Updates to CCAA CF Model for new model assumptions.	1.50	\$ 400	\$ 600.00
03/19/2024	Patel, Pritesh	Update call with company re cash flow update and next steps.	0.50	\$ 825	\$ 412.50
03/19/2024	Montgomery, Tim	Call with Company to review updated 13-week cash flow; review and update CCAA cash flow, including review of latest AR.	2.50	\$ 675	\$ 1,687.50
03/19/2024	Cheuk, Chris	Call with D. Schwede, T. Montgomery and P. Patel, updates to CF including latest AR balances.	1.50	\$ 400	\$ 600.00
03/20/2024	Patel, Pritesh	Call with D.Schwede re GST, KERP; commence drafting of Pre-Filing Report.	2.50	\$ 825	\$ 2,062.50
03/20/2024	Montgomery, Tim	Internal review of CCAA cash flow and send update to the Company, including summary email; update cash flow based on updated CRA GST/ HST liabilities;	1.25	\$ 675	\$ 843.75

03/20/2024	Cheuk, Chris	Updates to AR forecast for CCAA Cash flow.	1.00	\$	400	\$	400.00
03/21/2024	Patel, Pritesh	Call with BJK and counsel re KERP; discussion with T.Montgomery re CF updates; continue drafting Pre-Filing Report.	2.50	\$	825	\$	2,062.50
03/21/2024	Montgomery, Tim	Review Schwede affidavit and provide high-level comments; day one letters and ask C. Cheuk to set-up data room, website, URL etc.; further updates to CCAA cash flow based on information received.	2.00	\$	675	\$	1,350.00
03/21/2024	Cheuk, Chris	Set up of dataroom, functional email and creditorlinks site.	2.00	\$	400	\$	800.00
03/22/2024	Patel, Pritesh	Review of comments from counsel re DIP Term Sheet; review of affidavit and compile comments on same; call with T.Montgomery re updated CF, Pre-Filing Report; call D.Schwede on same.	2.50	\$	825	\$	2,062.50
03/22/2024	Montgomery, Tim	Further updates to CCAA cash flow based on information received, review DIP term sheet and provide comments internally; call with Blakes re file status, affidavit, DIP term sheet and pre-filing report; draft cash flow and DIP sections of the pre-filing report; analysis re effective DIP interest rate; finalize cash flow and send to DIP lender.	4.00	\$	675	\$	2,700.00
03/22/2024	Cheuk, Chris	Set up of dataroom, adjustments to CF model and AR Forecast for updated opening balances and new data.	1.50	\$	400	\$	600.00
03/23/2024	Patel, Pritesh	Review and comments on draft affidavit; email to T.Montgomery on same.	1.50	\$	825	\$	1,237.50
03/24/2024	Patel, Pritesh	Review of comments on affidavit from Blakes; continuing drafting of pre-filing report.	4.00	\$	825	\$	3,300.00
03/25/2024	Patel, Pritesh	Review updated draft affidavit; discussions with T.Montgomery re pre-filing report, cash flow updates; calls with D.Schwede re cashflows and filing materials.	2.50	\$	825	\$	2,062.50
03/25/2024	Montgomery, Tim	Review of D. Schwede affidavit; update CCAA cash flow based on latest AR and other material balances;	4.50	\$	675	\$	3,037.50
03/26/2024	Patel, Pritesh	Call with Gowlings re DIP Term Sheet and timing; call with DIP Lender, Heritage and counsel re cash flows; all parties call re status of materials and next steps; various edits to pre-filing report CF;	5.00	\$	825	\$	4,125.00
03/26/2024	Montgomery, Tim	Various updates and iterations of the CCAA cash flow; draft the Cash Flow notes and assumptions; call with Gowlings regarding the cash flow and DIP requirements; call with all parties to discuss status of filing materials and next steps; drafting of pre-filing report; review of the DIP term sheet and provide comments; emails with Gowlings regarding the covenants;	5.50	\$	675	\$	3,712.50
03/27/2024	Patel, Pritesh	Call with D.Schwede re GST, KERP; commence drafting of Pre-Filing Report.	2.50	\$	825	\$	2,062.50
03/27/2024	Montgomery, Tim	Numerous iterations of the CCAA cash flow; call with Gowlings, Chaitons, Proposed Monitor and counsel regarding same; continue drafting pre-filing report; day one planning and communication; prepare cash flow scenarios for the DIP lenders; finalize cash flow and send to Company for sign-off and thereafter the DIP lender.	4.00	\$	675	\$	2,700.00
03/27/2024	Cheuk, Chris	Set up of toll-free number and creditorlinks site.	1.00	\$	400	\$	400.00
03/28/2024	Patel, Pritesh	Call with D.Schwede re pre-filing payments and cash flows; email with BJK re Directors' Charge; review of emails re updated drafts of filing materials.	1.50	\$	825	\$	1,237.50
03/28/2024	Montgomery, Tim	Update pre-filing cash flow and DIP section based on revised cash flows; day one planning including disbursements process; final review of DIP term sheet, review of affidavit and initial order;	2.50	\$	675	\$	1,687.50
03/28/2024	Cheuk, Chris	Follow up on toll-free number and creditorlinks site.	1.00	\$	400	\$	400.00
03/29/2024	Patel, Pritesh	Review of comments on report from Blakes, updates for same; circulate updated draft report to Blakes for circulation.	2.00	\$	825	\$	1,650.00
Subtotal			110.75	\$	75,731.25	\$	75,731.25



KPMG Inc.
 Suite 4600 Bay Adelaide Centre
 333 Bay Street
 Toronto, ON M5H 2S5

Payment Address:
 KPMG LLP, T4348
 P.O. Box 4348, Station A
 Toronto, ON M5W 7A6

April 23, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005386169
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from April 1, 2024 to April 14, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceedings

Our Fee	\$	77,383.75 CAD
Technology and Support Charge		3,869.19
Disbursements		217.16
		\$ 81,470.10 CAD
GST		4,073.51
		\$ 85,543.61 CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank Code # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005386169 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 85,543.61 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from April 1 to April 14, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	38.50	825	\$ 31,762.50
Tim Montgomery	Director	50.55	675	\$ 34,121.25
Chris Cheuk	Sr. Consultant	26.00	400	\$ 10,400.00
Angelina Hung	Technician	4.00	275	\$ 1,100.00
Total Professional Fees		119.05		\$ 77,383.75
Technology and Support Charge				\$ 3,869.19
Expenses				\$ 217.16
Subtotal				\$ 81,470.10
GST				\$ 4,073.50
Total Amount Due				\$ 85,543.61

Heritage Cannabis Holdings Corp
For the period from April 1 to April 14, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
04/01/2024	Patel, Pritesh	Review of emails from counsels re changes to application materials; call with D.Schwede re cash flows, pre-filing payments; emails with Blakes re Gowlings comments on report, next steps; calls/emails with T.Montgomery re report, cash flow updates.	2.00	\$ 825	\$ 1,650.00
04/01/2024	Montgomery, Tim	Review and edit pre-filing report; review comments from Chaitons and Gowlings and incorporate comments into updated report; email to Company regarding disbursement protocols, cash flow, supplier issues and general CCAA planning;	2.25	\$ 675	\$ 1,518.75
04/01/2024	Cheuk, Chris	Finalizing CCAA statutory forms and letters.	1.00	\$ 400	\$ 400.00
04/02/2024	Patel, Pritesh	Call with counsels re status of materials, discussion on Initial Order; review revised materials, comments on report; calls with D.Schwede re lender payments; finalize report; attendance at hearing for Initial Order.	3.00	\$ 825	\$ 2,475.00
04/02/2024	Montgomery, Tim	Prepare Appendix B of the pre-filing report re cash flow assumptions and finalize with the Company; circulate updated report for final comments from Company and DIP lender legal counsel; review various statutory forms and provide comments thereon, attend call with Company counsel, Monitor counsel, Monitor and DIP lender regarding status update on filing materials; call with Blakes regarding same; attend Initial Order application; internal discussions with P. Patel regarding status of outstanding AP and repayment of the line of credit; update pre-filing report during the day for latest developments; email correspondence internally to chase down toll-free number for filing materials; finalize report for service; review and make comments on proposed day one critical disbursements.	6.50	\$ 675	\$ 4,387.50
04/02/2024	Cheuk, Chris	Updates to and finalizing websites, CCAA forms and toll-free number.	2.00	\$ 400	\$ 800.00
04/03/2024	Patel, Pritesh	Review of payment list, discussion with T.Montgomery on same; calls with Heritage re critical payments and support on same; review of emails from counsels re service of materials.	2.00	\$ 825	\$ 1,650.00
04/03/2024	Montgomery, Tim	Call with Company regarding disbursement protocols, cash flow and critical payments; follow-up call with Company and Monitor regarding same; review disbursements and provide comments to the Company; draft vendor communication package for FAQs; review certain statutory notices; update pre-filing report with court file number and circulate for final service; set up disbursement tracker for cashflow tracking; email correspondence with Company and Monitor re critical disbursements; review Globe and Mail advertisement; discussion with Chaitons re service list and request from Gowlings regarding same; coordinate updating website and review contents;	5.25	\$ 675	\$ 3,543.75
04/03/2024	Hung, Angelina	Arrange statutory filing with OSB.	1.00	\$ 275	\$ 275.00
04/03/2024	Cheuk, Chris	Set up disbursement tracker for cashflow tracking	1.00	\$ 400	\$ 400.00
04/04/2024	Patel, Pritesh	Various emails with Company re pre-filing payments, discussion with T.Montgomery on same; commence drafting First Report; review of draft SISP.	3.00	\$ 825	\$ 2,475.00
04/04/2024	Montgomery, Tim	Various emails and discussions with Company regarding critical vendor payments; review critical vendor payments and supporting invoices; final review of website before it goes live; request update from Company on known creditor list for statutory filing requirements;	4.75	\$ 675	\$ 3,206.25
04/04/2024	Hung, Angelina	Arrange statutory filing with OSB.	0.50	\$ 275	\$ 137.50
04/04/2024	Cheuk, Chris	Updates to model to include variance reporting, tracking receipts and disbursements, responding to voicemails, placing advertisement in the mail.	4.00	\$ 400	\$ 1,600.00
04/05/2024	Patel, Pritesh	Review of comments from Blakes on SISP, call with Blakes on same; circulate comments to company and lender counsel; emails to counsel re Charges; all parties call to discuss SISP and other materials; emails with Heritage re cash flows; review of marketing materials for SISP.	3.50	\$ 825	\$ 2,887.50
04/05/2024	Montgomery, Tim	Review critical vendor payments; track as compared to cash flow forecast; email correspondence with Company regarding same; review SISP document; attend call with Gowlings, Monitor and Company counsel regarding status of documents for the Comeback Hearing; email to Company regarding update of the cash flow for next week; review Company changes to DIP term sheet; call with ANC to discuss CCAA process and go-forward supply;	3.50	\$ 675	\$ 2,362.50
04/05/2024	Hung, Angelina	Arrange statutory filing with OSB.	0.50	\$ 275	\$ 137.50
04/05/2024	Cheuk, Chris	Updates to model to include variance reporting, tracking receipts and disbursements and responding to voicemails from creditors.	2.00	\$ 400	\$ 800.00
04/06/2024	Patel, Pritesh	Review of SISP, call with C.Burr on same; call with D.Schwede re SISP; continue drafting of First Report.	4.50	\$ 825	\$ 3,712.50
04/07/2024	Patel, Pritesh	Review and comment on draft Affidavit; complete draft First Report, circulate to T.Montgomery for internal review; review of security opinion.	4.00	\$ 825	\$ 3,300.00
04/07/2024	Montgomery, Tim	Review and make edits to updated draft of the Monitor's First Report; analysis re termination fee and expense reimbursement as compared to precedent transactions; review Second Schwede Affidavit and provide comments to Chaitons;	2.30	\$ 675	\$ 1,552.50
04/08/2024	Patel, Pritesh	Review of draft creditor notice, edits to same; review of comments from Blakes on First Report, updates for same; email to counsel re RTP issue and call on same; review updated drafts of materials; call with D.Schwede re status of materials, BCLDB sales, AR; review of updated cash flow; various call with Chaitons re status of materials and service; call with Chaitons and Blakes re next steps.	8.00	\$ 825	\$ 6,600.00

04/08/2024	Montgomery, Tim	Update CCAA cash flow for Monitor's 2nd report; call with Chaitons, Gowlings, Blakes regarding BCLDH requirement to pay and impact on pre and post filing receivables; call with Chaitons, Blakes and Monitor regarding status of filing materials for Comeback Hearing; review notice and creditor list for statutory mailing; call with Corpay / Cambridge re go-forward supply and CCAA status; review amounts shipped but not yet invoiced and discuss with the company for cash flow purposes; finalize CCAA Updated Cash Flow; emails re aged AR and Company ability to collect same;	5.25	\$	675	\$	3,543.75
04/08/2024	Hung, Angelina	Arrange mailing of notice to creditors.	1.50	\$	275	\$	412.50
04/08/2024	Cheuk, Chris	Creating creditor list, updating creditorlinks website with court documents.	3.00	\$	400	\$	1,200.00
04/09/2024	Patel, Pritesh	Review of comments from Blakes on updated drafts of DIP, SPA; call with Chaitons and Gowlings on same; call with BJK re DIP Term Sheet revisions; review updated draft First Report and edits on same; review of comments from Blakes on updated report.	3.50	\$	825	\$	2,887.50
04/09/2024	Montgomery, Tim	Update call with Chaitons, Gowlings, Monitor and Blakes regarding BCLDB requirement to pay, impact on pre and post filing materials; review of certain one-off disbursements; drafting of Monitor 1st Report; prepare Cash flow assumption and Monitor and Mangement report and send to Company for execution and general update on status of filing materials for Comeback Hearing; emails with Company re amount of BCLDB receivables garnished post March 27th; emails regarding post-filing receivables and terms for BCLDB; review updated versions of the DIP Term Sheet and Stalking Horse Agreement incorporating language regarding the RTPs; review bi-weekly payroll; update SISP section of Monitor's first report and other drafting; review Blakes comments on Monitor First Report.	6.75	\$	675	\$	4,556.25
04/09/2024	Cheuk, Chris	Updates to dataroom, tracking receipt and disbursements.	2.00	\$	400	\$	800.00
04/10/2024	Patel, Pritesh	Call with creditor re pre-filing amounts; correspondence with T.Montgomery re finalize First Report for service; review of emails from counsel re calls with DOJ; call with T.Montgomery re SISP preparation.	1.00	\$	825	\$	825.00
04/10/2024	Montgomery, Tim	Update report for discussions between Blakes and the DOJ; finalize report and compile appendices for service including DIP interest rate and break-fee analysis; search parameters for SISP interest parties list for CapIQ; review billing through March 31st; email correspondence with Company regarding certain disbursements.	3.75	\$	675	\$	2,531.25
04/10/2024	Hung, Angelina	Prepare affidavit of mailing.	0.50	\$	275	\$	137.50
04/10/2024	Cheuk, Chris	Updates to dataroom, tracking receipt and disbursements.	3.00	\$	400	\$	1,200.00
04/11/2024	Patel, Pritesh	Attendance for hearing re SISP approval; discussions with KPMG team re SISP preparation; call with D.Schwede re data room preparation; call with creditor re status of CCAA proceedings, update call with D.Schwede on same.	2.50	\$	825	\$	2,062.50
04/11/2024	Montgomery, Tim	Attend Comeback Hearing; call with Liquor PEI re current status of proceedings and next steps; call with D. Schwede regarding data room status, additional information required and potential commercially sensitive information; call with Company re weekly disbursements, including critical pre-filing disbursements; review same and provide comments; email correspondence with the Company regarding CRA audits; discussions with C. Cheuk re disbursements, tracking actuals to the cash flow and pre-filing payments within Initial Order; review buyer list and provide comments; draft teaser document; draft NDA; review data room and provide updated information request to the Company.	5.75	\$	675	\$	3,881.25
04/11/2024	Cheuk, Chris	Meeting with the Company, P. Patel and T. Montgomery, re: data room items, weekly disbursements; responding to mail in functional mailbox and receipt and disbursement tracking.	3.00	\$	400	\$	1,200.00
04/12/2024	Patel, Pritesh	Review and comments on teaser, buyer list and VDR; call with OCS re CCAA proceedings; email with Blakes re SISP and next steps.	1.50	\$	825	\$	1,237.50
04/12/2024	Montgomery, Tim	Finalize the teaser document; emails regarding the interested party list; finalize update information request list for data room and circulate to the Company; creditor correspondence; review emails regarding final list of disbursements and updated invoices;	4.50	\$	675	\$	3,037.50
04/12/2024	Cheuk, Chris	Historical financial analysis for teaser, updates to teaser, compiling data for buyer's list and updates to dataroom; tracking receipts and disbursements.	5.00	\$	400	\$	2,000.00
Subtotal			119.05	\$	77,383.75	\$	77,383.75



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 Toronto, ON M5W 7A6

May 9, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005424264
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from April 15, 2024 to April 30, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceedings

Our Fee	\$	32,493.75	CAD
Technology and Support Charge		1,624.69	
	\$	34,118.44	CAD
GST		1,705.92	
Amount Due	\$	35,824.36	CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005424264 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 35,824.36 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from April 15 to April 30, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	4.00	825	\$ 3,300.00
Tim Montgomery	Director	23.25	675	\$ 15,693.75
Chris Cheuk	Sr. Consultant	33.75	400	\$ 13,500.00
Total Professional Fees		61.00		\$ 32,493.75
Technology and Support Charge				\$ 1,624.69
Subtotal				\$ 34,118.44
GST				\$ 1,705.92
Total Amount Due				\$ 35,824.36

Heritage Cannabis Holdings Corp
For the period from April 15 to April 30, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
04/15/2024	Cheuk, Chris	Call with D. Schwede, P. Patel and T. Montgomery re: data teaser and buyer list, updating website, updating dataroom, updating teaser and buyer list, updating cash flow and placing ad in national post for SISP, emailing buyer list.	4.50	\$ 400	\$ 1,800.00
04/15/2024	Montgomery, Tim	Call with Company to review teaser and buyer list; updates to teaser to incorporate various comments and finalize for SISP launch; review certain out of cycle disbursements and request certain information for updates to weekly cash flow; review SISP advertisements for National Post and Insolvency Insider; call with Company to discuss updated information requests for the data room; emails regarding same; review data room and update based on information no longer applicable and commercially sensitive information;	4.50	\$ 675	\$ 3,037.50
04/15/2024	Patel, Pritesh	Call with D.Schwede re review of teaser, buyer list; edits to draft solicitation email.	1.00	\$ 825	\$ 825.00
04/16/2024	Cheuk, Chris	Responding to creditor queries, interested parties for the SISP, tracking receipts and disbursements.	3.00	\$ 400	\$ 1,200.00
04/16/2024	Montgomery, Tim	Call with Company counsel re contents of data room and responses to o/s BJK diligence requests; call with Greentank regarding CCAA proceedings and status of go-forward supply; summary email to Company regarding same; responses to Company and their legal counsel re data room information requests and o/s diligence issues with BJK; review of correspondence from CRA re RTP withdrawal letter and license extensions for Heritage East and West; call with David regarding sales forecast information and actual vs variance analysis and other information requests for the data room;	3.25	\$ 675	\$ 2,193.75
04/17/2024	Cheuk, Chris	Initial set up of variance analysis, cash flow and receipts and disbursements tracking, responding to interested parties (Vortex Cannabis) in SISP and creditor emails.	4.50	\$ 400	\$ 1,800.00
04/17/2024	Montgomery, Tim	Review various responses from interested parties and discuss replies to same; review financial wherewithal for Cannabis Vortex; discussions with C. Cheuk re updates for the weekly cash flow and analysis regarding same; review letter from Health Canada and provide comments internally and to Monitor's legal counsel; review comments from Company legal counsel re data room and make updates regarding same; update information request list for financial information for the data room.	2.50	\$ 675	\$ 1,687.50
04/17/2024	Patel, Pritesh	Review of letter from Health Canada; call with T.Montgomery re status of SISP and next steps; calls with BJK re payment of ongoing interest.	0.50	\$ 825	\$ 412.50
04/18/2024	Cheuk, Chris	Tracking receipts and disbursements, meetings with T. Montgomery re: cash flow, meetings with the Company re: cashflow.	3.00	\$ 400	\$ 1,200.00
04/18/2024	Montgomery, Tim	Call with Company to review weekly disbursements; review update financial information for the data room; review updated AR collections prepared by C. Cheuk; review weekly variance reporting and provide comments; review rolling weekly cash flow and make updates; review actual vs forecast sales for the week prior and make timing updates to the cash flow; circulate reporting to Company for their review and approval and then to DIP Lender.	4.00	\$ 675	\$ 2,700.00
04/18/2024	Patel, Pritesh	Review and respond to emails from creditors re status of proceedings; emails with Heritage on same; discussions with KPMG team re SISP.	0.50	\$ 825	\$ 412.50
04/19/2024	Cheuk, Chris	Responding to creditors inquiries.	1.50	\$ 400	\$ 600.00
04/19/2024	Montgomery, Tim	Review pre-filing analysis prepared by C. Cheuk and provide comments on same for distribution to Company; discussion with Company counsel re Health Canada letter and impacts of same on cash flow;	1.50	\$ 675	\$ 1,012.50
04/22/2024	Cheuk, Chris	Calling suppliers, contact with Company re: cash flow, following up and responding to potential interested parties in the SISP.	3.25	\$ 400	\$ 1,300.00
04/22/2024	Montgomery, Tim	Review information provided by Company as it relates to Health Canada payment plan and provide responses to Gowlings regarding same; emails with the Company regarding same and pre-filing bucket; review of impact of Health Canada payments on pre-filing bucket.	1.25	\$ 675	\$ 843.75
04/22/2024	Patel, Pritesh	Call with T.Montgomery re Health Canada payments.	0.50	\$ 825	\$ 412.50
04/23/2024	Cheuk, Chris	Contact with Company re: cash flow, following up and responding to potential interested parties in the SISP, tracking receipts and disbursements.	3.00	\$ 400	\$ 1,200.00
04/23/2024	Montgomery, Tim	Call with Gowlings, DIP Lender, Owens Wright and Monitor regarding Health Canada arrears and go-forward payment plan; additional emails with the Company on Health Canada payments; review out of cycle disbursements and respond to Company; review email from Greentank on post-filing supply and terms and respond to Company regarding same.	1.50	\$ 675	\$ 1,012.50
04/23/2024	Patel, Pritesh	Call with counsels re Health Canada letter; call with interested party re SISP; review of SISP tracker; update call with D.Schwede.	1.00	\$ 825	\$ 825.00
04/24/2024	Cheuk, Chris	Contact with Company re: cash flow, following up and responding to potential interested parties in the SISP, tracking receipts and disbursements.	4.00	\$ 400	\$ 1,600.00
04/25/2024	Cheuk, Chris	Contact with Company re: cash flow, tracking receipts and disbursements.	3.00	\$ 400	\$ 1,200.00
04/25/2024	Montgomery, Tim	Call with Company re weekly disbursements; review and update weekly rolling cash flow and variance analysis; discussions with Company regarding same; review of weekly sales for timing differences;	2.50	\$ 675	\$ 1,687.50
04/26/2024	Cheuk, Chris	Monitoring case mailbox, tracking disbursements.	1.00	\$ 400	\$ 400.00

04/26/2024	Montgomery, Tim	Call with Company regarding updated rolling cash flow and BJK's questions regarding same; call with PEI regarding go-forward supply; provide additional variance analysis to BJK and update on pre-filing bucket as requested by Company; review property tax and utility invoices as provided by Company and confirm pre-filing vs post-filing amounts;and current status of proceedings; call with Blakes regarding file status, sales process and next steps with CRA.	1.75	\$	675	\$	1,181.25
04/26/2024	Patel, Pritesh	Update call with Blakes re SISP, CRA and next steps.	0.50	\$	825	\$	412.50
04/29/2024	Cheuk, Chris	Follow up with potential interested parties in the SISP, responding to creditor inquiries in mailbox, responding to interested parties in the SISP.	2.00	\$	400	\$	800.00
04/29/2024	Montgomery, Tim	Review out-of-cycle disbursements; email with D. Schwede re OCS customer issue.	0.50	\$	675	\$	337.50
04/30/2024	Cheuk, Chris	Responses to interested parties in SISP.	1.00	\$	400	\$	400.00
Subtotal			61.00	\$	32,493.75	\$	32,493.75



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June 4, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005470836
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from May 1, 2024 to May 31, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceedings.

Our Fee	\$	32,056.25	CAD
Technology and Support Charge		1,602.81	
	\$	33,659.06	CAD
GST		1,682.95	
Amount Due	\$	35,342.01	CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005470836 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 35,342.01 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from May 1 to May 31, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	6.00	825	\$ 4,950.00
Tim Montgomery	Director	20.75	675	\$ 14,006.25
Chris Cheuk	Sr. Consultant	32.75	400	\$ 13,100.00
Total Professional Fees		59.50		\$ 32,056.25
Technology and Support Charge				\$ 1,602.81
Subtotal				\$ 33,659.06
GST				\$ 1,682.95
Total Amount Due				\$ 35,342.01

Heritage Cannabis Holdings Corp
For the period from May 1 to May 31, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
05/01/2024	Cheuk, Chris	Responding to emails, weekly cash flow and variance analysis.	2.00	\$ 400	\$ 800.00
05/02/2024	Montgomery, Tim	Call with Company to discuss weekly disbursement; review weekly reporting and provide comments and updates; discuss weekly reporting with D. Schwede; finalize and circulate to DIP Lender; email with legal counsel re status of Health Canada and licensing fee payments; review Company's weekly disbursements and sample invoices; emails regarding lease with Premium 5 and status of same.	3.00	\$ 675	\$ 2,025.00
05/02/2024	Cheuk, Chris	Weekly cash flow and variance analysis, call with the Company.	3.00	\$ 400	\$ 1,200.00
05/03/2024	Patel, Pritesh	Emails with interested parties re bids; review of markup on NDA.	0.75	\$ 825	\$ 618.75
05/03/2024	Montgomery, Tim	Emails with DIP lender re cash flows and variance reporting.	0.50	\$ 675	\$ 337.50
05/03/2024	Cheuk, Chris	Response to emails and voicemails in functional mailbox.	1.00	\$ 400	\$ 400.00
05/06/2024	Patel, Pritesh	Call with Heritage counsels re NDA markup; review of comments and email to interested party on same.	0.50	\$ 825	\$ 412.50
05/06/2024	Montgomery, Tim	Emails with the Company regarding the lease agreement with Premium 5; emails to CFO regarding payments of pre-filing interest on BJK debt; email to Company's legal counsel regarding the Premium 5 lease and a response to same; responses to various creditor queries.	1.50	\$ 675	\$ 1,012.50
05/06/2024	Cheuk, Chris	Following up on emails in functional mailbox, responding and following up to SISP request, call with shareholders who emailed mailbox.	2.00	\$ 400	\$ 800.00
05/07/2024	Patel, Pritesh	Emails with potential bidder re NDA, dataroom access and next steps; coordinate execution and VDR access; review of template subscription agreement and emails with counsel on same.	1.00	\$ 825	\$ 825.00
05/07/2024	Montgomery, Tim	Review out of cycle disbursements and supporting information; emails regarding property tax liability and whether this is pre or post filing;	0.75	\$ 675	\$ 506.25
05/08/2024	Patel, Pritesh	Call with CRA re status of proceedings; debrief call with C.Burr; email with potential bidder re minimum bid price.	1.00	\$ 825	\$ 825.00
05/08/2024	Montgomery, Tim	Call with CRA, Monitor and Blakes regarding current status of sales process and next steps regarding license arrangements and CRA's position regarding same; review out of cycle disbursement request from Company.	1.00	\$ 675	\$ 675.00
05/08/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
05/09/2024	Montgomery, Tim	Call with Company to review weekly disbursements; preparation of weekly reporting and review with Company regarding same; review weekly disbursements and supporting information; discussions with Company regarding status of CRA audit and March returns and payment; circulate reporting to BJK.	2.50	\$ 675	\$ 1,687.50
05/09/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements; call with the Company, call with CRA regarding GST/HST audit.	4.00	\$ 400	\$ 1,600.00
05/10/2024	Patel, Pritesh	Review of emails from investors; emails with Blakes on same; emails/calls with KPMG team re SISP and VDR; emails to group to advise of SISP results.	1.00	\$ 825	\$ 825.00
05/10/2024	Montgomery, Tim	Emails to interest parties regarding status of the SISP; review email to parties who have executed an NDA re destroying data room information provided;	0.50	\$ 675	\$ 337.50
05/10/2024	Cheuk, Chris	Responding to emails in Heritage mailbox, sending out emails regarding closure of dataroom and ending of SISP.	1.00	\$ 400	\$ 400.00
05/13/2024	Patel, Pritesh	Update call with Blakes re SISP and next steps; emails with Fortis BC re pre-filing amounts.	0.75	\$ 825	\$ 618.75
05/13/2024	Montgomery, Tim	Update call with Blakes re next steps for court approval of the successful bidder following termination of the SISP;	0.50	\$ 675	\$ 337.50
05/13/2024	Cheuk, Chris	Following up on emails in functional mailbox, responding and following up to SISP.	0.50	\$ 400	\$ 200.00
05/14/2024	Patel, Pritesh	Update call with counsels on next steps; update call with D.Schwede.	1.00	\$ 825	\$ 825.00
05/14/2024	Cheuk, Chris	Coordinating closing of data room and archiving data room.	0.75	\$ 400	\$ 300.00
05/15/2024	Montgomery, Tim	Review out of cycle disbursement request from the Company.	0.50	\$ 675	\$ 337.50
05/15/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
05/16/2024	Montgomery, Tim	Review weekly reporting package and make updates to rolling cash flow; review weekly disbursements and discuss same with Company; review weekly reporting with the Company and circulate to BJK.	2.50	\$ 675	\$ 1,687.50
05/16/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements; call with the Company.	3.00	\$ 400	\$ 1,200.00
05/21/2024	Montgomery, Tim	Follow-up re Premium 5 lease; discussion with Chaitons regarding same and the lease disclaimers; review bi-weekly payroll information.	0.75	\$ 675	\$ 506.25
05/21/2024	Cheuk, Chris	Responding to emails in functional mailbox.	0.50	\$ 400	\$ 200.00

05/22/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	3.00	\$	400	\$	1,200.00
05/23/2024	Montgomery, Tim	Review weekly disbursements and variance reporting; review updated rolling cash flow and provide comments regarding same; discussion with the Company regarding updated reporting for BJK; emails with the Company regarding the status of the HST returns and audit; review the lease disclaimer; call with Company counsel and Company regarding same, including the timing of issuing the disclaimer for the Kelowna lease.	3.00	\$	675	\$	2,025.00
05/23/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements; call with the Company, tracking pre-filing amounts.	3.00	\$	400	\$	1,200.00
05/24/2024	Montgomery, Tim	Execute lease disclaimer and send to Company counsel.	0.25	\$	675	\$	168.75
05/28/2024	Montgomery, Tim	Review out of cycle disbursements and provide comments to Company regarding same;	0.50	\$	675	\$	337.50
05/29/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	3.00	\$	400	\$	1,200.00
05/30/2024	Montgomery, Tim	Review weekly disbursements; review and update weekly reporting for DIP Lender; emails to Blakes regarding status with DOJ.	2.50	\$	675	\$	1,687.50
05/30/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements; call with the Company, tracking pre-filing amounts.	2.00	\$	400	\$	800.00
05/31/2024	Montgomery, Tim	Reponse to creditor re non-applicant stay parties.	0.50	\$	675	\$	337.50
Subtotal			59.50	\$	32,056.25	\$	32,056.25



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June 25, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005507160
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from June 1, 2024 to June 21, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceeding

Our Fee	\$	40,791.25	CAD
Technology and Support Charge		2,039.56	
	\$	42,830.81	CAD
GST		2,141.54	
Amount Due	\$	44,972.35	CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005507160 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 44,972.35 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from June 1 to June 21, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	25.00	825	\$ 20,625.00
Tim Montgomery	Director	19.95	675	\$ 13,466.25
Chris Cheuk	Sr. Consultant	16.75	400	\$ 6,700.00
Total Professional Fees		61.70		\$ 40,791.25
Technology and Support Charge				\$ 2,039.56
Subtotal				\$ 42,830.81
GST				\$ 2,141.54
Total Amount Due				\$ 44,972.35

Heritage Cannabis Holdings Corp
For the period from June 1 to June 21, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
06/03/2024	Montgomery, Tim	Review out of cycle disbursements; respond to certain credit queries.	0.50	\$ 675	\$ 337.50
06/04/2024	Patel, Pritesh	Update call with counsel re next steps.	0.50	\$ 825	\$ 412.50
06/04/2024	Montgomery, Tim	Call with Blakes re next steps with CRA and approval of sale transaction; review out of cycle disbursements;	0.50	\$ 675	\$ 337.50
06/05/2024	Montgomery, Tim	Review and execute lease disclaimer; review creditor query and coordinate response with Blakes re WEPP issues under a CCAA;	1.00	\$ 675	\$ 675.00
06/05/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.25	\$ 400	\$ 900.00
06/06/2024	Montgomery, Tim	Creditor queries; review and update weekly reporting for BJK; discuss with Company and circulate same to BJK; review weekly disbursements.	2.50	\$ 675	\$ 1,687.50
06/06/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements; call with the Company, tracking pre-filing amounts.	3.00	\$ 400	\$ 1,200.00
06/07/2024	Montgomery, Tim	Response to Company counsel re WEPP issue and response to employee enquiry; review out of cycle disbursement and queries to Company re same.	0.75	\$ 675	\$ 506.25
06/07/2024	Cheuk, Chris	Responding to creditor queries; calls with creditors on behalf of the Company.	0.50	\$ 400	\$ 200.00
06/10/2024	Montgomery, Tim	Call with CFO re books and records following closing and tax requirements; all parties call to discuss status with CRA, filing materials and timeline; review out of cycle disbursements;	1.50	\$ 675	\$ 1,012.50
06/11/2024	Patel, Pritesh	Emails with counsel re upcoming hearing and next steps.	0.50	\$ 825	\$ 412.50
06/11/2024	Montgomery, Tim	Emails to Company regarding information to update the cash flow through August 30th and the stay period.	0.25	\$ 675	\$ 168.75
06/12/2024	Cheuk, Chris	Responding to creditor queries re: stat letter sent out on their outstanding balance, pre-filing payment analysis and extending weekly cashflow to August 30th.	5.00	\$ 400	\$ 2,000.00
06/13/2024	Patel, Pritesh	Call with DOJ re releases and next steps; call with counsel re timing for service and status of materials; review of draft affidavit, call with T.Montgomery on same.	2.00	\$ 825	\$ 1,650.00
06/13/2024	Montgomery, Tim	Review and update cash flow through August 30th; call with Company regarding same; review weekly disbursements; review updated cashflow internally and emails to professionals re update budget;	4.00	\$ 675	\$ 2,700.00
06/13/2024	Cheuk, Chris	Call with T. Montgomery and the Company, re: updated cash flow until August 30th 2024.	0.75	\$ 400	\$ 300.00
06/14/2024	Patel, Pritesh	Call with DOJ re releases and next steps; call with counsel re timing for service and status of materials; review of draft affidavit, call with T.Montgomery on same.	2.00	\$ 825	\$ 1,650.00
06/14/2024	Montgomery, Tim	Call with CRA re ARVO and CRA's stance regarding same; call with all professionals re status of filing materials and next steps; update cash flow through September 30th for wind-down reserve and pro fees; review affidavit and provide comments to Blakes.	2.20	\$ 675	\$ 1,485.00
06/15/2024	Patel, Pritesh	Drafting of Second Report.	2.50	\$ 825	\$ 2,062.50
06/16/2024	Patel, Pritesh	Continue drafting Second Report.	7.50	\$ 825	\$ 6,187.50
06/17/2024	Montgomery, Tim	Update CCAA Cash Flow for final Administrative Expense Amount and circulate to BJK for final approval.	0.50	\$ 675	\$ 337.50
06/17/2024	Cheuk, Chris	Creating pre-filing disbursements summary.	0.25	\$ 400	\$ 100.00
06/18/2024	Patel, Pritesh	Review of comments from Blakes on motion materials; review of final affidavit; updates to Second Report on same.	3.50	\$ 825	\$ 2,887.50
06/18/2024	Montgomery, Tim	Review of out-of-cycle disbursements.	0.25	\$ 675	\$ 168.75
06/18/2024	Cheuk, Chris	Responding to creditor queries re: stat letter sent out on their outstanding balance, pre-filing payment analysis and extending weekly cashflow to August 30th.	3.00	\$ 400	\$ 1,200.00
06/19/2024	Patel, Pritesh	Continue drafting and editing Second Report; finalize and circulate draft to Blakes for review; review of emails from Chaitons re service.	4.00	\$ 825	\$ 3,300.00
06/19/2024	Montgomery, Tim	Review out-of-cycle disbursements.	0.25	\$ 675	\$ 168.75
06/19/2024	Cheuk, Chris	Updating website, responding to creditors and forecasting future cashflow.	2.00	\$ 400	\$ 800.00
06/20/2024	Patel, Pritesh	Review of comments from Blakes on Second Report, edits on same.	1.00	\$ 825	\$ 825.00
06/20/2024	Montgomery, Tim	Review weekly disbursements; review weekly reporting and make updates accordingly.	2.25	\$ 675	\$ 1,518.75
06/21/2024	Patel, Pritesh	Review of comments from counsels on Second Report; call with D.Schwede re cash flows; call with interested party re bid and SISP; discussions with T.Montgomery re finalize Second Report.	1.50	\$ 825	\$ 1,237.50
06/21/2024	Montgomery, Tim	Review of comments on Second Report; update accordingly and prepare compiled version for service; prepare cash flow assumption notes and coordinate execution from Heritage.	3.50	\$ 675	\$ 2,362.50
Subtotal			61.70	\$	40,791.25



KPMG Inc.
 Suite 4600 Bay Adelaide Centre
 333 Bay Street
 Toronto, ON M5H 2S5

Payment Address:
 KPMG LLP, T4348
 P.O. Box 4348, Station A
 Toronto, ON M5W 7A6

July 30, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede

Invoice : 8005568470
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from June 22 to July 19, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceeding

Our Fee	\$	16,987.50 CAD
Technology and Support Charge		849.38
		\$ 17,836.88 CAD
GST		891.84
		\$ 18,728.72 CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank Code # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005568470 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 18,728.72 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from June 22 to July 19, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	2.00	825	\$ 1,650.00
Tim Montgomery	Director	12.50	675	\$ 8,437.50
Chris Cheuk	Sr. Consultant	17.25	400	\$ 6,900.00
Total Professional Fees		31.75		\$ 16,987.50
Technology and Support Charge				\$ 849.38
Subtotal				\$ 17,836.88
GST				\$ 891.84
Subtotal				\$ 18,728.72
Retainer Applied				\$ (18,728.72)
Total Amount Due				\$ -

Heritage Cannabis Holdings Corp
For the period from June 22 to July 19, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
06/24/2024	Montgomery, Tim	Review out of cycle disbursements.	0.50	\$ 675	\$ 337.50
06/24/2024	Cheuk, Chris	Updates to creditor links website, responses in functional mailbox.	0.25	\$ 400	\$ 100.00
06/25/2024	Patel, Pritesh	Review of emails re transaction matters.	0.50	\$ 825	\$ 412.50
06/26/2024	Patel, Pritesh	Review of emails re CRA matters.	0.50	\$ 825	\$ 412.50
06/26/2024	Montgomery, Tim	Attend ARVO and Ancillary order court hearing.	1.00	\$ 675	\$ 675.00
06/26/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	4.00	\$ 400	\$ 1,600.00
06/27/2024	Montgomery, Tim	Review weekly cash flow reporting and make updates; discussion with company regarding same; review weekly disbursements.	3.00	\$ 675	\$ 2,025.00
06/28/2024	Patel, Pritesh	Update call with D.Schewede.	0.50	\$ 825	\$ 412.50
06/28/2024	Montgomery, Tim	Emails re Tweed AR o/s.	0.25	\$ 675	\$ 168.75
06/28/2024	Cheuk, Chris	Updates to creditor links website, responses in functional mailbox.	0.50	\$ 400	\$ 200.00
07/02/2024	Montgomery, Tim	Review out-of-cycle disbursements; review weekly payroll.	0.75	\$ 675	\$ 506.25
07/03/2024	Patel, Pritesh	Review of emails re lease issue; review of underlying lease agreement for Kelowna property.	0.50	\$ 825	\$ 412.50
07/03/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	3.00	\$ 400	\$ 1,200.00
07/04/2024	Montgomery, Tim	Review weekly disbursements; review weekly reporting for BJK and make updates to same.	3.00	\$ 675	\$ 2,025.00
07/09/2024	Montgomery, Tim	Review out-of-cycle disbursements.	0.50	\$ 675	\$ 337.50
07/09/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	1.50	\$ 400	\$ 600.00
07/10/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
07/11/2024	Montgomery, Tim	Review updated reporting for BJK and weekly disbursements.	2.25	\$ 675	\$ 1,518.75
07/11/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	1.00	\$ 400	\$ 400.00
07/17/2024	Montgomery, Tim	Review out of cycle disbursements.	0.25	\$ 675	\$ 168.75
07/17/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
07/18/2024	Montgomery, Tim	Review weekly reporting and send out to Company / BJK.	1.00	\$ 675	\$ 675.00
07/18/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements, reviewing invoices.	3.00	\$ 400	\$ 1,200.00
Subtotal			31.75	\$	16,987.50



KPMG Inc.
 Suite 4600 Bay Adelaide Centre
 333 Bay Street
 Toronto, ON M5H 2S5

Payment Address:
 KPMG LLP, T4348
 P.O. Box 4348, Station A
 Toronto, ON M5W 7A6

August 15, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede
 Chief Executive Officer

Invoice : 8005600033
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from July 20 to August 9, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceeding

Our Fee	\$	12,125.00 CAD
Technology and Support Charge		606.25
	\$	12,731.25 CAD
GST		636.56
Amount Due	\$	13,367.81 CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank Code # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005600033 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 13,367.81 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from July 20 to August 9, 2024

Name	Position	Hours	Rate	Fee (\$)
Tim Montgomery	Director	11.00	675	\$ 7,425.00
Chris Cheuk	Sr. Consultant	11.75	400	\$ 4,700.00
Total Professional Fees		22.75		\$ 12,125.00
Technology and Support Charge				\$ 606.25
Subtotal				\$ 12,731.25
GST				\$ 636.56
Subtotal				\$ 13,367.81
Retainer Applied				\$ (13,367.81)
Total Amount Due				\$ -

Heritage Cannabis Holdings Corp
Time Details
For the period from July 20 to August 9, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
07/22/2024	Montgomery, Tim	Call with shareholder re stalking horse bid and process; review latest billing summary.	1.00	\$ 675	\$ 675.00
07/23/2024	Montgomery, Tim	Review out of cycle disbursements.	0.50	\$ 675	\$ 337.50
07/23/2024	Cheuk, Chris	Response to J. Paige re: \$750k difference on July 12th cashflow due to bank transfer timing difference.	0.25	\$ 400	\$ 100.00
07/24/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements, response to B. Abrams re: variance in production and operating costs.	3.25	\$ 400	\$ 1,300.00
07/25/2024	Montgomery, Tim	Review weekly reporting for BJK and make updates regarding same; review weekly disbursements.	2.25	\$ 675	\$ 1,518.75
07/25/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	0.50	\$ 400	\$ 200.00
07/29/2024	Cheuk, Chris	Response to mailbox.	0.25	\$ 400	\$ 100.00
07/30/2024	Montgomery, Tim	Review bi-weekly payroll.	0.50	\$ 675	\$ 337.50
07/30/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
07/31/2024	Montgomery, Tim	Review weekly reporting for BJK and make updates to same; answer queries from purchaser regarding priority payments and o/s professional fees; creditor query.	3.00	\$ 675	\$ 2,025.00
07/31/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	1.50	\$ 400	\$ 600.00
08/01/2024	Cheuk, Chris	Sending deliverables to the Company and BJK.	0.50	\$ 400	\$ 200.00
08/07/2024	Cheuk, Chris	Updates to cashflow, variance analysis against actuals, tracking disbursements, approving disbursements.	2.50	\$ 400	\$ 1,000.00
08/08/2024	Montgomery, Tim	Review weekly reporting and provide comments; review weekly disbursements.	1.75	\$ 675	\$ 1,181.25
08/08/2024	Cheuk, Chris	Updates to cashflow, variance analysis against actuals, tracking disbursements, approving disbursements.	0.75	\$ 400	\$ 300.00
08/09/2024	Montgomery, Tim	Prepare update on outstanding professional fees; call with Gowlings and BJK re same; update email to professionals re WIP through August 9th and estimate fees to close; review out of cycle disbursements.	2.00	\$ 675	\$ 1,350.00
08/09/2024	Cheuk, Chris	Response to B. Abrams re: cashflow variance.	0.25	\$ 400	\$ 100.00
Subtotal			22.75	\$	\$ 12,125.00



KPMG Inc.
 Suite 4600 Bay Adelaide Centre
 333 Bay Street
 Toronto, ON M5H 2S5

Payment Address:
 KPMG LLP, T4348
 P.O. Box 4348, Station A
 Toronto, ON M5W 7A6

September 18, 2024

Heritage Cannabis Holdings Corp
 1450 St. Paul St.
 Kelowna, BC V1Y 2E6
 ATTN: David Schwede
 Chief Executive Officer

Invoice : 8005656994
 Reference : 2001925299
 Client : 1005418347
 Contact : Pritesh Patel
 Telephone : (416) 468-7923
 Email : pritpatel@kpmg.ca

dschwede@heritagecann.com

Professional services rendered from August 10 to September 13, 2024 in our capacity as Court-appointed Monitor as part of the Company's CCAA Proceeding

Our Fee	\$	22,325.00 CAD
Technology and Support Charge		1,116.25
	\$	23,441.25 CAD
GST		1,172.06
Amount Due	\$	24,613.31 CAD

Payment is due upon receipt

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP
 Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank Code # 004, Transit # 10252,
 Account # 0938281, Swift Code TDOMCATTOR
 Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8005656994 **Reference:** 2001925299 **Client:** 1005418347 **Amount:** \$ 24,613.31 CAD

Professional Fees Summary - Heritage Cannabis Holdings Corp
For the period from August 10 to September 13, 2024

Name	Position	Hours	Rate	Fee (\$)
Pritesh Patel	Partner	10.50	825	\$ 8,662.50
Tim Montgomery	Director	15.25	675	\$ 10,293.75
Chris Cheuk	Sr. Consultant	8.25	400	\$ 3,300.00
Angelina Hung	Technician	0.25	275	\$ 68.75
Total Professional Fees		34.25		\$ 22,325.00
Technology and Support Charge				\$ 1,116.25
Subtotal				\$ 23,441.25
GST				\$ 1,172.06
Total Amount Due				\$ 24,613.31

Heritage Cannabis Holdings Corp

Time Details

For the period from August 10 to September 13, 2024

Work Date	Name	Time Narrative	Hours	Rate	Fee (\$)
08/13/2024	Montgomery, Tim	Review out-of-cycle disbursement request.	0.50	\$ 675	\$ 337.50
08/14/2024	Montgomery, Tim	Review and prepare summary of updated professional fee budget through August 31st for DIP lender; email exchange with Company regarding various disbursements.	1.50	\$ 675	\$ 1,012.50
08/14/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
08/15/2024	Montgomery, Tim	Review weekly disbursements and bi-weekly reporting to BJK; updates to same; review latest KPMG invoice.	2.25	\$ 675	\$ 1,518.75
08/15/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements, approving payments.	1.50	\$ 400	\$ 600.00
08/16/2024	Patel, Pritesh	Emails re shareholder complaints.	0.25	\$ 825	\$ 206.25
08/19/2024	Patel, Pritesh	All parties call re timing for closing of transaction and next steps.	1.00	\$ 825	\$ 825.00
08/19/2024	Montgomery, Tim	All professionals call re closing and extension of the stay.	1.00	\$ 675	\$ 675.00
08/19/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	2.00	\$ 400	\$ 800.00
08/20/2024	Patel, Pritesh	Review of draft affidavit and materials, email with Blakes on same; commence drafting Third Report.	4.50	\$ 825	\$ 3,712.50
08/20/2024	Montgomery, Tim	Review and update the CCAA cash flow to support the stay extension hearing; circulate draft to the Company including summary of key assumptions; review out of cycle disbursement request from Company.	2.50	\$ 675	\$ 1,687.50
08/20/2024	Cheuk, Chris	Weekly variance analysis preparation, updating cash flow and tracking receipts and disbursements.	0.50	\$ 400	\$ 200.00
08/21/2024	Patel, Pritesh	Call with D.Schwede re extension; emails with counsel on same; review of revised materials, emails with Blakes on same; finalize draft Third Report and email to Blakes for review.	3.00	\$ 825	\$ 2,475.00
08/21/2024	Montgomery, Tim	Provide various iterations of the updated cash flow to the Company to support the extension of the stay; update draft of Monitor's Third Report including actual vs variance analysis and updated CCAA Cash Flow.	2.50	\$ 675	\$ 1,687.50
08/22/2024	Patel, Pritesh	Review of comments on report from Blakes, Chaitons; discussion with T.Montgomery re next steps.	0.50	\$ 825	\$ 412.50
08/22/2024	Montgomery, Tim	Finalize Updated CCAA Cash Flow and Monitor's report for service.	3.00	\$ 675	\$ 2,025.00
08/23/2024	Montgomery, Tim	Email request for bankruptcy information as planning for wind-up of the legal entities.	0.50	\$ 675	\$ 337.50
08/26/2024	Patel, Pritesh	Preparation and attendance for Stay Extension hearing.	0.25	\$ 825	\$ 206.25
08/26/2024	Montgomery, Tim	Review out of cycle disbursements.	0.50	\$ 675	\$ 337.50
08/27/2024	Patel, Pritesh	All parties call to discuss outstanding items to closing.	0.50	\$ 825	\$ 412.50
08/28/2024	Cheuk, Chris	Preparation of variance analysis, updated cashflow, updates to website and responding to creditor queries.	2.00	\$ 400	\$ 800.00
08/29/2024	Patel, Pritesh	Signing of Monitor's Certificate; review of emails re closing.	0.50	\$ 825	\$ 412.50
08/29/2024	Hung, Angelina	Review trust account and confirm receipt of Administration Deposit for KPMG team.	0.25	\$ 275	\$ 68.75
09/04/2024	Cheuk, Chris	Arrange for update to case website.	0.25	\$ 400	\$ 100.00
09/10/2024	Montgomery, Tim	Email update from Company on relevant information for the pending bankruptcy proceedings; review stalking horse agreement and prepare list of residual liabilities to assist in preparing the statement of affairs.	0.60	\$ 675	\$ 405.00
09/11/2024	Montgomery, Tim	Emails with former CFO re queries on statement of affairs questions for pending bankruptcy proceedings.	0.40	\$ 675	\$ 270.00
Subtotal			34.25	\$	22,325.00

This is Exhibit "C" referred to in the Affidavit of
Pritesh Patel, sworn before me on
September 20, 2024



Commissioner for Taking Affidavits, etc.

Angelina Hung,
a Commissioner, etc.,
Province of Ontario, for KPMG Inc.
Expires January 4, 2026

KPMG Inc.
in its capacity as Monitor of
Heritage Cannabis Holdings Corp et al
Statement of accounts

Exhibit C

Staff member	Number of hours	Hourly rate	Amount
Senior Vice President			
Pritesh Patel	125.50	\$ 825.00	\$ 103,537.50
Director			
Tim Montgomery	206.50	\$ 675.00	\$ 139,387.50
Senior Consultant			
Chris Cheuk	164.50	\$ 400.00	\$ 65,800.00
Technician			
Angelina Hung	4.25	\$ 275.00	\$ 1,168.75
Total	500.75		\$ 309,893.75
Blended average hourly rate:	\$ 618.86		

Appendix D

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**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 HERITAGE CANNABIS HOLDINGS
CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST
CORPORATION, MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EAST CORPORATION,
PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY
INC., 5450 REALTY INC., HERITAGE CANNABIS
EXCHANGE CORP. and PREMIUM 5 LTD.**

(collectively, the "**Applicants**")

AFFIDAVIT OF CHRIS BURR

I, CHRIS BURR, of the City of Toronto, in the Province of Ontario, MAKE OATH

AND SAY:

1. I am a Partner at the law firm of Blake, Cassels & Graydon LLP ("**Blakes**"), counsel for KPMG Inc. ("**KPMG**") in its capacity as former Monitor of Heritage Cannabis Holdings Corp., 1005477 B.C. Ltd., Mainstrain Market Ltd., Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd., Heritage Cannabis Exchange Corp., Heritage Cannabis East Corporation (formerly CannaCure Corporation), and Heritage Cannabis West Corporation (formerly Voyage Cannabis Corp.), and current Monitor of 1005477 B.C. Ltd., Mainstraining Market Ltd., Heritage Cannabis Exchange Corp. and 1000921087, and as such have knowledge of the matters to which I hereinafter depose.

2. By the Initial Order dated April 2, 2024 (the “**Appointment Order**”), the Applicants were granted protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and KPMG was appointed as Monitor of the Applicants in the CCAA proceedings (in such capacity, the “**Monitor**”). Pursuant to the Approval and Vesting Order of Mr. Justice Osborne, dated June 26, 2024, certain of the Applicants were removed from the CCAA proceedings, and the style of cause was amended to provide that only 1005477 B.C. Ltd., Mainstrain Market Ltd., Heritage Cannabis Exchange Corp. and 1000921087 remained as applicants.

3. Pursuant to the terms of the Appointment Order, the Monitor retained Blakes to advise it with regards to the matters related to its appointment and the performance of its duties and powers.

4. Blakes’ fees and disbursements for the period from March 15, 2024 to August 27, 2024 (the “**Blakes’ Fee Period**”) are summarized in the invoices rendered to the Monitor (the “**Invoices**”). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Blakes, and are calculated based on Blakes’ standard rates and charges. As agreed with the Monitor, a 10 percent discount was granted on certain of the Invoices, however this discount was inadvertently not applied to the last three invoices, resulting in a credit of \$3,712.75 that will be applied to the final invoice (the “**Fee Credit**”).

5. The Invoices contain information and advice over which privilege is asserted, and which privilege is not waived. As a result, redacted copies of the Invoices and a summary of the Invoices are attached hereto and marked as **Exhibit “A”**. Copies of the complete Invoices have been provided to the Monitor.

6. As set out in the summary included at Exhibit “A”, Blakes expended a total of 121.7 hours at an average hourly rate of \$867.95.

7. Attached hereto and marked as **Exhibit “B”** is a summary of the lawyers whose services are reflected on the Invoices, including year of call, hourly rate and the total fees and hours billed.

8. The total amount being claimed for the work performed by Blakes for the period from March 15, 2024 to August 27, 2024 is \$126,296.50, including \$105,629.20 for fees, \$5,011.30 for taxable disbursements, \$1,272.72 for non-taxable disbursements, and \$14,383.28 for HST. This amount does not include a reduction for the Fee Credit, which will be applied to the final invoice.

9. Blakes’ fees and disbursements for the period from and after the Blakes Fee Period, to the date upon the completion of these CCAA proceedings will be calculated and billed at the standard rates currently in effect. Barring any delays, disputes or unforeseen circumstances in connection with this matter, including the within motion, I estimate that those fees and disbursements will not exceed \$50,000 (excluding applicable taxes), including the fees and disbursements of the Monitor (the “**Remaining Fees and Disbursements**”).

10. This affidavit is sworn in support of the Monitor’s motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other purpose.

SWORN BEFORE ME)
 in person OR by video conference)
at the City of Toronto, on September 21, 2024.)



A Commissioner for Taking Affidavits, etc.
Caitlin McIntyre, LSO #72306R



CHRIS BURR

This is **Exhibit "A"** referred to in the

Affidavit of Chris Burr

sworn before me
this 21st day of September, 2024



A Commissioner, etc.

SUMMARY OF INVOICES OF BLAKE, CASSELS & GRAYDON LLP
 (Period from March 15, 2024 to August 27, 2024)

Period Ending	Fees	Less 10% Discount	Fees Reduced	Disb. Subject to HST	Disb. Not Subject to HST	Subtotal	HST	Total	Hours
March 31, 2024	\$28,790.00	(\$2,879.00)	\$25,911.00	\$3,238.40	\$367.50	\$29,516.90	\$3,789.43	\$33,306.33	31.4
April 15, 2024	\$43,824.00	(\$4,382.40)	\$39,441.60	\$1,772.90	\$905.22	\$42,119.72	\$5,357.89	\$47,477.61	46.4
April 30, 2024	\$3,499.00	(\$349.90)	\$3,149.10	\$0.00	\$0.00	\$3,149.10	\$409.38	\$3,558.48	4.5
May 31, 2024	\$7,900.00	\$0.00	\$7,900.00	\$0.00	\$0.00	\$7,900.00	\$1,027.00	\$8,927.00	7.9
June 30, 2024	\$23,250.00	\$0.00	\$23,250.00	\$0.00	\$0.00	\$23,250.00	\$3,022.50	\$26,272.50	25.0
August 27, 2024	\$5,977.50	\$0.00	\$5,977.50	\$0.00	\$0.00	\$5,977.50	\$777.08	\$6,754.58	6.5
Totals:	\$113,240.50	(\$7,611.30)	\$105,629.20	\$5,011.30	\$1,272.72	\$111,913.22	\$14,383.28	\$126,296.50	121.7

Average Hourly Rate:

\$867.95



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

April 8, 2024

KPMG Inc.
 333 Bay Street
 Suite 4600
 Bay Adelaide Centre
 Toronto, ON M5H 2S5
 Canada

Invoice: 2438848
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 33,306.33 CAD *KE*

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Canadian Funds Payment Instructions: Canadian Imperial Bank of Commerce Main Branch, Commerce Court West Toronto, ON CA Institution No.: 0010 Transit No.: 00002	Swiftcode: CIBCCATT Beneficiary: Blake Cassels & Graydon LLP Account No.: 1602012 Reference: Invoice No. 2438848
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Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.



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 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Re: Heritage Cannabis

SUMMARY OF MATTER(S) FOR PROFESSIONAL SERVICES RENDERED during the period ended March 31, 2024, as follows:

Matter	Name	Fees Actual	Fees Reduced	Total Amount
000025	Heritage Cannabis	\$ 28,790.00	\$ 25,911.00	\$ 33,306.33

Total Fees	\$ 28,790.00
Total Disbursements	\$ 3,605.90
Less 10.00% Discount	-2,879.00
Harmonized Sales Tax (13.0%)	3,789.43
TOTAL DUE IN CANADIAN CURRENCY	\$ 33,306.33 CAD <i>KC</i>



Invoice: 2438848
Date: April 8, 2024
Page: 2

Re: **Heritage Cannabis** (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
03/15/24	Burr, Chris	Call with P. Patel regarding status of company and filing plans; discussing security review.	0.7	1,000.00	700.00
03/22/24	Burr, Chris	Reviewing and commenting on DIP term sheet; exchanging email messages with KPMG team regarding same; preparing for security review; adding comments from KPMG to DIP term sheet comment; call with KPMG team regarding same; finalizing comments to DIP term sheet; exchanging email messages with Gowlings regarding DIP term sheet; further revising DIP term sheet to include additional comments and circulating to Gowlings.	3.8	1,000.00	3,800.00
03/22/24	Komis, Lori	Reviewing searches to identify target entities and former/predecessor names from corporate profiles; arranging for British Columbia, Alberta and Ontario Personal Property Security Act searches.	0.8	545.00	436.00
03/23/24	Burr, Chris	Reviewing and commenting on initial application Affidavit; exchanging email messages with T. Kuhl regarding same.	0.7	1,000.00	700.00
03/23/24	Kuhl, Tricia L.	Reviewing Affidavit of Heritage CEO and providing comments; reviewing communications.	2.5	830.00	2,075.00
03/24/24	Burr, Chris	Reviewing KPMG comments on initial application Affidavit; further revising initial application Affidavit to reflect additional comments, KPMG comments and T. Kuhl comments; exchanging email messages with KPMG team and T. Kuhl regarding Affidavit; reviewing and integrating comments from P. Patel; exchanging email messages with Chaitons and Owens Wright teams regarding Affidavit.	3.2	1,000.00	3,200.00
03/25/24	Burr, Chris	Call with P. Patel and T. Montgomery regarding Affidavit revisions, need for DIP and other first-day issues.	1.0	1,000.00	1,000.00
03/25/24	Komis, Lori	Consolidating/reviewing searches and updating search summary	0.8	545.00	436.00
03/26/24	Burr, Chris	Reviewing Gowlings comments on Affidavit; exchanging email messages with Gowlings,	3.7	1,000.00	3,700.00



Invoice: 2438848
Date: April 8, 2024
Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		Chaitons and KPMG regarding same; call with Gowlings regarding pre-filing liabilities and DIP terms; call with Gowlings, KPMG, Chaitons and D. Schwede regarding pre- and post-filing issues, including tax liability and DIP expectations; call with H. Chaiton regarding same, and HST issues.			
03/26/24	Komis, Lori	Reviewing remaining searches and updating/finalizing search summary.	0.4	545.00	218.00
03/27/24	Burr, Chris	Exchanging email messages with working group regarding DIP terms and HST; call with Gowlings and Chaitons regarding same; exchanging email messages with KPMG and Chaitons regarding DIP and payment schedule.	1.7	1,000.00	1,700.00
03/28/24	Burr, Chris	Reviewing email correspondence among Gowlings, Chaitons and KPMG regarding pre-filing arrangements and filing materials; reviewing and commenting on Pre-Filing Report; circulating comments on same to KPMG team; exchanging email messages with KPMG team regarding filing plan.	2.6	1,000.00	2,600.00
03/28/24	Kuhl, Tricia L.	Reviewing communications on KPMG pre-filing report and draft purchase agreement.	0.5	830.00	415.00
03/29/24	Burr, Chris	Reviewing revisions to Pre-Filing Report; exchanging email messages with KPMG regarding final filing materials; reviewing final Affidavit; exchanging email messages with Chaitons and Gowlings regarding filing materials; call with T. Kuhl regarding review of share purchase agreement.	1.4	1,000.00	1,400.00
03/29/24	Kuhl, Tricia L.	Attending call regarding KPMG filing report and draft purchase agreement; high level review of same.	2.5	830.00	2,075.00
03/30/24	Burr, Chris	Exchanging email messages with Chaitons and Gowlings teams regarding filing materials.	0.3	1,000.00	300.00
03/30/24	Kuhl, Tricia L.	Reviewing draft purchase agreement and providing comments.	4.5	830.00	3,735.00
03/31/24	Burr, Chris	Exchanging email messages with KPMG regarding comments on Affidavit; exchanging email messages with Chaitons regarding same.	0.3	1,000.00	300.00



Invoice: 2438848
Date: April 8, 2024
Page: 4

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
Total Fees for this Matter					\$ 28,790.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	19.4	1,000.00	19,400.00
Komis, Lori	LLB	2.0	545.00	1,090.00
Kuhl, Tricia L.	TKU	10.0	830.00	8,300.00
Total		31.4		\$ 28,790.00

Taxable Disbursement(s)

Duplicating	\$ 802.90	
eSummaries	404.80	
OnCorp PPSA (electronic)	358.05	
PPSA-EP	1,672.65	
		\$ 3,238.40

Non-taxable Disbursement(s)

Government Fees	\$ 367.50	
		\$ 367.50

Less 10.00% Discount	-2,879.00
Harmonized Sales Tax (13.0%)	3,789.43
Total Due for this Matter in Canadian Currency	\$ 33,306.33 CAD



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INVOICE

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April 15, 2024

Heritage Cannabis Holdings Corp.
 1450 St. Paul Street
 Kelowna, BC V1Y2E6
 Canada

Invoice: 2440177
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 47,477.61 CAD *ke*

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Canadian Imperial Bank of Commerce Main Branch, Commerce Court West Toronto, ON CA Institution No.: 0010 Transit No.: 00002	Swiftcode: CIBCCATT Beneficiary: Blake Cassels & Graydon LLP Account No.: 1602012 Reference: Invoice No. 2440177
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 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

SUMMARY OF MATTER(S) FOR PROFESSIONAL SERVICES RENDERED during the period ended April 15, 2024, as follows:

Matter	Name	Fees Actual	Fees Reduced	Total Amount
000025	Heritage Cannabis	\$ 43,824.00	\$ 39,441.60	\$ 47,477.61

Total Fees	\$ 43,824.00
Total Disbursements	\$ 2,678.12
Less 10.00% Discount	-4,382.40
Harmonized Sales Tax (13.0%)	5,357.89
TOTAL DUE IN CANADIAN CURRENCY	\$ 47,477.61 CAD <i>KC</i>



Invoice: 2440177
Date: April 15, 2024
Page: 2

Re: **Heritage Cannabis** (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
04/01/24	Burr, Chris	Reviewing comments from Gowlings on Pre-filing Report; exchanging email messages with KPMG team regarding Pre-filing Report; reviewing comments on share purchase agreement from T. Kuhl; exchanging email messages with KPMG team regarding same; further exchange of email messages with KPMG regarding Pre-filing Report; reviewing demand letters sent by BJK; exchanging email messages with P. Patel regarding same; revising Pre-filing Report to reflect developments over course of day, and circulating to KPMG team.	1.9	1,000.00	1,900.00
04/01/24	Kuhl, Tricia L.	Reviewing comments on purchase agreement and KPMG report.	1.3	830.00	1,079.00
04/02/24	Burr, Chris	Preparing for and attending on all hands call regarding final filing materials; call with Chaitons and Gowlings regarding service list; exchanging email messages with KPMG team regarding finalizing Pre-filing Report and call with KPMG team regarding same; providing final comments on Pre-filing Report; providing Pre-filing Report to Justice Cavanagh; preparing for and attending initial application hearing.	2.4	1,000.00	2,400.00
04/03/24	Burr, Chris	Exchanging email messages with KPMG team regarding First Report and security review; exchanging email messages with Gowlings and Owens Wright regarding comments on sale agreement; exchanging email messages with working group regarding service and service list.	0.7	1,000.00	700.00
04/03/24	Kuhl, Tricia L.	Reviewing communications on purchase agreement.	0.6	830.00	498.00
04/04/24	Burr, Chris	Coordinating finalizing Pre-Filing Report with N. Thompson, and serving same; reviewing and commenting on SISP drafted by Gowlings; exchanging email messages with KPMG team regarding same, and other open issues with respect to Comeback.	4.6	1,000.00	4,600.00
04/04/24	Kuhl, Tricia L.	Reviewing communications on status of proceedings and transaction.	0.5	830.00	415.00



Invoice: 2440177
 Date: April 15, 2024
 Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
04/05/24	Burr, Chris	Call with P. Patel regarding First Report and SISP; discussions regarding [REDACTED]; considering same.	0.6	1,000.00	600.00
04/05/24	Kuhl, Tricia L.	Reviewing updated SPA and providing comments thereon.	2.8	830.00	2,324.00
04/06/24	Burr, Chris	Call with P. Patel regarding First Report, SISP and DIP Term Sheet; exchanging email messages with working group regarding SISP structure; reviewing BJK debt and security agreements; reviewing PPSA search results; reviewing historical opinions; drafting security review opinion; exchanging email messages with Gowlings and Chaitons regarding open issues for Comeback Hearing.	5.2	1,000.00	5,200.00
04/07/24	Burr, Chris	Reviewing second affidavit of D. Schwede and providing comments on same; revising security review opinion to include historical opinions schedule and update Alberta searches; researching "requirement to pay" statutory and caselaw regarding application of stay; exchanging email messages with KPMG regarding same; exchanging email messages with KPMG team regarding affidavit and SISP; exchanging email messages with K. Wu regarding [REDACTED]; reviewing and commenting on draft First Report; exchanging email messages with KPMG team regarding same, and security review revisions.	4.9	1,000.00	4,900.00
04/08/24	Burr, Chris	Exchanging email messages with working group regarding [REDACTED]; revising SISP to reflect comments from working group; call with KPMG, Chaitons and Gowlings working groups regarding [REDACTED] revising SISP to reflect further comments; reviewing orders; call with V. Gauthier regarding [REDACTED]; further review and comment on orders; call with P. Patel regarding DIP and SISP; call with KPMG and Chaitons teams regarding [REDACTED] and status of DIP and SISP; circulating comments on ARIO and SISP Order.	6.1	1,000.00	6,100.00
04/08/24	Komis, Lori	Conducting update Alberta Personal Property Security Act searches and new British Columbia, Alberta and Ontario Bank Act	0.8	545.00	436.00



Invoice: 2440177
 Date: April 15, 2024
 Page: 4

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		searches; updating search summary.			
04/08/24	Wu, Kevin	Considering [REDACTED] with respect to the [REDACTED] and its impact on accounts receivables generated during the post-filing period.	4.1	670.00	2,747.00
04/09/24	Burr, Chris	Exchanging email messages with Chaitons, Owens Wright, Gowlings and KPMG teams regarding [REDACTED] and treatment in DIP, SPA and ARIO; call with [REDACTED]; exchanging email messages with working groups regarding same; exchanging email messages with KPMG regarding same; reviewing blacklines of DIP and SPA; exchanging email messages with [REDACTED] regarding [REDACTED]; reviewing revised First Report and commenting on same; reviewing revised SISP; exchanging email messages with KPMG working group regarding same; circulating draft First Report to working groups for final comment.	4.1	1,000.00	4,100.00
04/10/24	Amoroso, Carlo	Submitting First Report of the Monitor and Affidavit of Service to the court for filing through the e-portal.			25.00
04/10/24	Burr, Chris	Call with [REDACTED] regarding [REDACTED] concerns and issues; finalizing First Report and coordinating service of same; exchanging email messages with KPMG team regarding [REDACTED]; finalizing security review and circulating draft to working groups; preparing for hearing.	1.6	1,000.00	1,600.00
04/11/24	Burr, Chris	Preparing for and attending Comeback Hearing; exchanging email messages with T. Kuhl regarding same; exchanging email messages with KPMG team regarding SISP procedures and next steps.	1.5	1,000.00	1,500.00
04/12/24	Burr, Chris	Reviewing and commenting on press release; exchanging email messages with Chaitons, Gowlings and Owens Wright teams regarding outstanding work and allocation of responsibility; exchanging email messages with KPMG team regarding same.	1.1	1,000.00	1,100.00
04/13/24	Burr, Chris	Call with KPMG regarding outstanding workstreams and allocation of responsibility for same.	0.5	1,000.00	500.00



Invoice: 2440177
Date: April 15, 2024
Page: 5

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
04/14/24	Burr, Chris	Reviewing and commenting on Press Release and NDA; exchanging email messages with working group regarding same; exchanging email messages with T. Kuhl regarding list of potential purchasers.	1.1	1,000.00	1,100.00
Total Fees for this Matter					\$ 43,824.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Amoroso, Carlo	CAMO	0.0	0.00	25.00
Burr, Chris	BUR	36.3	1,000.00	36,300.00
Komis, Lori	LLB	0.8	545.00	436.00
Kuhl, Tricia L.	TKU	5.2	830.00	4,316.00
Wu, Kevin	KVW	4.1	670.00	2,747.00
Total		46.4		\$ 43,824.00

Taxable Disbursement(s)

eSummaries	\$ 50.60	
Image Copy of NOI - Online	1,157.10	
OnCorp PPSA (electronic)	153.45	
PPSA-EP	411.75	
		\$ 1,772.90

Non-taxable Disbursement(s)

Government Fees	\$ 905.22	
		\$ 905.22

Less 10.00% Discount -4,382.40

Harmonized Sales Tax (13.0%) 5,357.89

Total Due for this Matter in Canadian Currency **\$ 47,477.61 CAD**



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May 21, 2024

Heritage Cannabis Holdings Corp.
 1450 St. Paul Street
 Kelowna, BC V1Y2E6
 Canada

Invoice: 2446581
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

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 as set out in the attached printout:

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\$ 3,558.48 CAD *ke*

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Re: Heritage Cannabis

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Matter	Name	Fees Actual	Fees Reduced	Total Amount
000025	Heritage Cannabis	\$ 3,499.00	\$ 3,149.10	\$ 3,558.48

Total Fees	\$ 3,499.00
Less 10.00% Discount	-349.90
Harmonized Sales Tax (13.0%)	409.38
TOTAL DUE IN CANADIAN CURRENCY	\$ 3,558.48 CAD KC



Invoice: 2446581
Date: May 21, 2024
Page: 2

Re: **Heritage Cannabis** (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
04/10/24	Thompson, Nancy	Reviewing e-mail message from C. Burr; updating monitor's report to include a backpage; e-mail message to C. Burr regarding same; e-mail messages from and to C. Burr regarding revision to report; adding backpage, bookmarks and ensuring in compliance with requirements of the Commercial List; e-mail message to the service list serving the monitor's first report; preparing affidavit of service and arranging for first report to be filed with the court; uploading first report to CaseLines; e-mail message to T. Kuhl forwarding link to Zoom hearing.	0.7	525.00	367.50
04/15/24	Burr, Chris	Call with T. Kuhl regarding teaser and outreach to potential purchasers; finalizing security review and sending to KPMG; revising NDA with comments from working group; circulating final version of same; exchanging email messages with N. Thompson regarding service list.	0.7	1,000.00	700.00
04/15/24	Kuhl, Tricia L.	Attending follow-up call with C. Burr further to court hearing and reviewing communications.	0.3	830.00	249.00
04/16/24	Thompson, Nancy	Reviewing e-mail message from C. Burr regarding maintenance of Service List; reviewing and revising Service List.	0.4	525.00	210.00
04/18/24	Burr, Chris	Reviewing correspondence from the Ministry of Labour; exchanging email messages with KPMG and Chaitons working groups regarding same; exchanging email messages with T. Kuhl regarding potential purchaser outreach.	0.5	1,000.00	500.00
04/19/24	Thompson, Nancy	Reviewing notice of appearance and updating Service List accordingly; e-mail messages confirming details.	0.3	525.00	157.50
04/22/24	Thompson, Nancy	Reviewing and revising service list; e-mail messages to and from K. Smith Wayland confirming same; e-mail message to C. Burr forwarding updated service list and requesting contact information for posting to the case website.	0.6	525.00	315.00
04/25/24	Burr, Chris	Exchanging email messages with KPMG	0.3	1,000.00	300.00



Invoice: 2446581
Date: May 21, 2024
Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		regarding Endocannabinis outreach; coordinating call with P. Patel.			
04/26/24	Burr, Chris	Status call with KPMG regarding sale process and CRA outreach.	0.5	1,000.00	500.00
04/30/24	Burr, Chris	Sending email to [REDACTED] regarding call to discuss [REDACTED].	0.2	1,000.00	200.00
Total Fees for this Matter					\$ 3,499.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	2.2	1,000.00	2,200.00
Kuhl, Tricia L.	TKU	0.3	830.00	249.00
Thompson, Nancy	NAB	2.0	525.00	1,050.00
Total		4.5		\$ 3,499.00

Less 10.00% Discount	-349.90
Harmonized Sales Tax (13.0%)	409.38
Total Due for this Matter in Canadian Currency	\$ 3,558.48 CAD



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June 19, 2024

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Invoice: 2452391
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

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Canadian Funds Payment Instructions:	
Canadian Imperial Bank of Commerce Main Branch, Commerce Court West Toronto, ON CA Institution No.: 0010 Transit No.: 00002	Swiftcode: CIBCCATT Beneficiary: Blake Cassels & Graydon LLP Account No.: 1602012 Reference: Invoice No. 2452391
For further instructions please email Accounts Receivable at Cash.receipts@blakes.com or telephone 416-863-4012	

Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
number(s) on cheque

June 19, 2024

Heritage Cannabis Holdings Corp.
1450 St. Paul Street
Kelowna, BC V1Y2E6
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

2452391
Burr, Chris
R119396778
00072396
000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
during the period ended May 31, 2024, as follows:

Total Fees	\$ 7,900.00
Harmonized Sales Tax (13.0%)	1,027.00
TOTAL DUE IN CANADIAN CURRENCY	\$ 8,927.00 CAD <i>KC</i>



Invoice: 2452391
Date: June 19, 2024
Page: 2

Re: **Heritage Cannabis** (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
05/03/24	Burr, Chris	Exchanging email messages with P. Patel regarding Organigram NDA.	0.1	1,000.00	100.00
05/05/24	Burr, Chris	Reviewing and commenting on Organigram NDA; exchanging email messages with Chaitons and Owens Wright regarding same.	0.5	1,000.00	500.00
05/07/24	Burr, Chris	Drafting form of purchase agreement for dataroom; exchanging email messages with KPMG team regarding same.	2.7	1,000.00	2,700.00
05/08/24	Burr, Chris	Exchanging email messages with KPMG, Chaitons and Owens Wright regarding form of purchase agreement for dataroom; call with KPMG and [REDACTED]; call with P. Patel regarding same.	1.1	1,000.00	1,100.00
05/09/24	Burr, Chris	Call with K. Plunkett regarding status of discussions regarding [REDACTED].	0.4	1,000.00	400.00
05/10/24	Burr, Chris	Reviewing email from investor advising of class action; exchanging email messages with KPMG and Chaitons working group regarding response to same.	0.4	1,000.00	400.00
05/13/24	Burr, Chris	Call with KPMG team regarding conclusion of sale process and next steps.	0.4	1,000.00	400.00
05/14/24	Burr, Chris	All hands call with KPMG, Chaitons, Owens Wright and Gowlings regarding sale process result and next steps.	0.9	1,000.00	900.00
05/15/24	Burr, Chris	Coordinating call with [REDACTED] and response to shareholder complainant.	0.3	1,000.00	300.00
05/17/24	Burr, Chris	Call with DOJ, P. Patel, T. Montgomery, H. Chaiton and V. Gauthier regarding closing requirements for BJK deal.	0.7	1,000.00	700.00
05/23/24	Burr, Chris	Reviewing Kelowna lease disclaimer form and cover letter; exchanging email messages with KPMG team regarding same.	0.2	1,000.00	200.00
05/29/24	Burr, Chris	Sending email to [REDACTED] regarding status of [REDACTED] on closing.	0.2	1,000.00	200.00
Total Fees for this Matter					\$ 7,900.00



Invoice: 2452391
Date: June 19, 2024
Page: 3

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	7.9	1,000.00	7,900.00
Total		7.9		\$ 7,900.00

Harmonized Sales Tax (13.0%) 1,027.00

Total Due for this Matter in Canadian Currency \$ 8,927.00 CAD



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 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

July 17, 2024

Heritage Cannabis Holdings Corp.
 1450 St. Paul Street
 Kelowna, BC V1Y2E6
 Canada

Invoice: 2457774
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 26,272.50 CAD *ke*

***** Terms: Due and Payable Upon Receipt *****

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 Beneficiary: Blake Cassels & Graydon LLP
 Account No.: 1602012
 Reference: Invoice No. 2457774

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Interest at the rate of 4.5% per annum will be charged on all amounts not paid within one month of delivery of this invoice.

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Patent & Trademark Agents
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Toronto ON M5L 1A9 Canada
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INVOICE

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July 17, 2024

Heritage Cannabis Holdings Corp.
1450 St. Paul Street
Kelowna, BC V1Y2E6
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

2457774
Burr, Chris
R119396778
00072396
000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
during the period ended June 30, 2024, as follows:

Total Fees	\$ 23,250.00
Harmonized Sales Tax (13.0%)	3,022.50
TOTAL DUE IN CANADIAN CURRENCY	\$ 26,272.50 CAD <i>KC</i>



Invoice: 2457774
Date: July 17, 2024
Page: 2

Re: Heritage Cannabis (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
06/04/24	Burr, Chris	Call with KPMG regarding █████ and SISP issues; exchanging email messages with working group regarding status of closing and issues to resolve for court approval.	0.8	1,000.00	800.00
06/06/24	Burr, Chris	Reviewing inquiry from WeirFoulds regarding WEPPA claim; researching applicability of WEPPA in CCAA proceedings; exchanging email messages with KPMG regarding same; drafting email to █████ regarding RVO form and content; exchanging email messages with Chaitons and Gowlings teams regarding same.	1.2	1,000.00	1,200.00
06/07/24	Burr, Chris	Exchanging email messages with M. Mossip regarding █████ outreach; drafting email to █████ regarding follow up on releases.	0.5	1,000.00	500.00
06/10/24	Burr, Chris	Preparing for and participating on all-hands call regarding status of transaction, scheduling of Court approval and engagement with stakeholders regarding same.	0.6	1,000.00	600.00
06/11/24	Burr, Chris	Exchanging email messages with KPMG team regarding SISP and █████ claims; reviewing enhanced power orders in cannabis SISPs; reviewing and commenting on letter responding to terminated employee; exchanging email messages with M. Mossip regarding same; drafting letter to █████ regarding █████.	0.9	1,000.00	900.00
06/12/24	Burr, Chris	Sending update email to █████; exchanging email messages with KPMG and Chaitons working groups regarding sale approval matters.	0.4	1,000.00	400.00
06/14/24	Burr, Chris	Call with working group and █████ regarding █████ and closing of BJK deal; all-hands call with working group regarding court materials for sale approval; reviewing amended SHA from Gowlings; exchanging email messages with T. Kuhl regarding same; reviewing draft sale approval materials.	1.4	1,000.00	1,400.00
06/15/24	Burr, Chris	Reviewing sale approval court materials and comments on same from KPMG team.	0.6	1,000.00	600.00



Invoice: 2457774
Date: July 17, 2024
Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
06/16/24	Burr, Chris	Exchanging email messages with KPMG team regarding sale approval materials.	0.2	1,000.00	200.00
06/17/24	Burr, Chris	Reviewing and commenting on Schwede Affidavit, Approval and Reverse Vesting Order and Ancillary Order; exchanging email messages with KPMG team regarding same; exchanging email messages with larger working group regarding same.	4.9	1,000.00	4,900.00
06/18/24	Kuhl, Tricia L.	Reviewing proposed revisions to purchase agreement.	1.5	830.00	1,245.00
06/19/24	Burr, Chris	Call with K. Plunkett regarding status of sale approval; exchanging email messages with P. Patel regarding Second Report.	0.4	1,000.00	400.00
06/20/24	Burr, Chris	Reviewing and commenting on Second Report; reviewing record in respect of same; exchanging email messages with KPMG team regarding Second Report; finalizing comments on Second Report and circulating to working group.	2.7	1,000.00	2,700.00
06/21/24	Burr, Chris	Exchanging email messages with working group regarding terminated employee correspondence; exchanging email messages with working group regarding Second Report; revising Second Report to incorporate updates from working group; coordinating finalization and service of Second Report; exchanging email messages with N. Thompson regarding same; call with K. Plunkett regarding status of motion.	1.6	1,000.00	1,600.00
06/21/24	Thompson, Nancy	Reviewing e-mail message from C. Burr regarding report for service; preparing backpage for the report; preparing pdf copy of appendix C to the report; assembling final version of the report together with appendix C; drafting cover e-mail message to the Service List; e-mail message to C. Burr forwarding materials for final review and sign off; finalizing cover e-mail message and serving the final Second Report; e-mail messages regarding undeliverable notifications and forwarding on the Second Report as necessary.	1.2	525.00	630.00
06/24/24	Burr, Chris	Reviewing letter to ██████ regarding ██████ ██████; reviewing and commenting on Company factum; exchanging email	1.6	1,000.00	1,600.00



Invoice: 2457774
 Date: July 17, 2024
 Page: 4

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
		messages with Chaitons and KPMG regarding factum and sale approval hearing.			
06/24/24	Thompson, Nancy	E-mail messages to and from A. De Pinto regarding updates to the Service List and forwarding response received for inclusion in the participant information form; preparing affidavit of service for service of the Second Report, and finalizing and swearing same; arranging for filing of Second Report with the court.	1.0	525.00	525.00
06/25/24	Burr, Chris	Exchanging email messages with working group regarding [REDACTED]; call with U. Syed regarding sale approval and employee claim.	0.7	1,000.00	700.00
06/25/24	Riviglia, Anna	Submitted Second Report of the Monitor to be filed with the court.			25.00
06/25/24	Thompson, Nancy	Reviewing draft Service List; discussion with U. Syed; e-mail message to C. Burr reviewing discussion with U. Syed and arranging for a return call.	1.0	525.00	525.00
06/26/24	Burr, Chris	Preparing for sale approval motion; attending sale approval motion; discussions with H. Chaiton regarding same.	1.8	1,000.00	1,800.00
Total Fees for this Matter					\$ 23,250.00

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	20.3	1,000.00	20,300.00
Kuhl, Tricia L.	TKU	1.5	830.00	1,245.00
Riviglia, Anna	ANR	0.0	0.00	25.00
Thompson, Nancy	NAB	3.2	525.00	1,680.00
Total		25.0		\$ 23,250.00

Harmonized Sales Tax (13.0%) 3,022.50

Total Due for this Matter in Canadian Currency **\$ 26,272.50 CAD**



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trademark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

August 28, 2024

Heritage Cannabis Holdings Corp.
 1450 St. Paul Street
 Kelowna, BC V1Y2E6
 Canada

Invoice: 2465462
 Billing Lawyer Burr, Chris
 HST/GST No.: R119396778
 Client: 00072396
 Matter: 000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
 as set out in the attached printout:

BALANCE DUE IN CANADIAN CURRENCY

\$ 6,754.58 CAD *ke*

***** Terms: Due and Payable Upon Receipt *****

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Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
number(s) on cheque

August 28, 2024

Heritage Cannabis Holdings Corp.
1450 St. Paul Street
Kelowna, BC V1Y2E6
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Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

2465462
Burr, Chris
R119396778
00072396
000025

Attention: Pritesh Patel

Client: KPMG INC.
Re: Heritage Cannabis

FOR PROFESSIONAL SERVICES RENDERED
during the period ended August 27, 2024, as follows:

Total Fees	\$ 5,977.50
Harmonized Sales Tax (13.0%)	777.08
TOTAL DUE IN CANADIAN CURRENCY	\$ 6,754.58 CAD <i>KC</i>



Invoice: 2465462
Date: August 28, 2024
Page: 2

Re: **Heritage Cannabis** (000025)

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
07/11/24	Burr, Chris	Reviewing correspondence received by KPMG from shareholder; reviewing and commenting on draft response; exchanging email messages with P. Patel regarding same.	0.3	1,000.00	300.00
07/18/24	Burr, Chris	Reviewing email from Obsidian regarding questions about proceedings; responding to same.	0.6	1,000.00	600.00
07/18/24	Thompson, Nancy	E-mail message to J. McDade responding to voice mail message; e-mail message to C. Burr advising of correspondence; reviewing response from J. McDade; reviewing case website and drafting response; e-mail message to C. Burr forwarding draft response for review; reviewing comments from C. Burr and finalizing response to J. McDade.	1.1	525.00	577.50
07/31/24	Burr, Chris	Exchanging email messages with working group regarding closing issues to be resolved and amounts secured by Court charges.	0.2	1,000.00	200.00
08/05/24	Burr, Chris	Call with KPMG regarding status of closing and open issues.	0.2	1,000.00	200.00
08/13/24	Burr, Chris	Exchanging email messages with T. Montgomery regarding SHA closing issues.	0.2	1,000.00	200.00
08/19/24	Burr, Chris	Preparing for and attending all-hands call regarding closing BJK deal and stay extension; reviewing closing certificates and exchanging email messages with counsel to Heritage and BJK regarding same; exchanging messages with P. Patel regarding stay extension; coordinating booking court time with D. Afroz.	0.9	1,000.00	900.00
08/20/24	Burr, Chris	Reviewing draft affidavit and draft order for stay extension and SHA and DIP extension; exchanging email messages with KPMG team regarding same; exchanging email messages with working group regarding stay extension; call with H. Chaiton regarding same; exchanging email messages with P. Patel regarding same; further exchange of email with H. Chaiton and P. Patel regarding stay extension.	1.2	1,000.00	1,200.00



Invoice: 2465462
Date: August 28, 2024
Page: 3

Date (m/d/y)	Timekeeper	Description	Hours	Rate	Amount (\$)
08/21/24	Burr, Chris	Call with P. Patel regarding stay extension and Third Report; exchanging email messages with working group regarding same; reviewing revised stay extension materials.	0.9	1,000.00	900.00
08/22/24	Burr, Chris	Reviewing and commenting on Third Report; exchanging email messages with KPMG team regarding same; coordinating finalizing and serving Third Report.	0.9	1,000.00	900.00
Total Fees for this Matter					\$ 5,977.50

Matter Timekeeper Summary	ID	Hours	Rate (\$)	Amount (\$)
Burr, Chris	BUR	5.4	1,000.00	5,400.00
Thompson, Nancy	NAB	1.1	525.00	577.50
Total		6.5		\$ 5,977.50

777.08

777.08

\$ 6,754.58 CAD

Harmonized Sales Tax (13.0%)

Total Due for this Matter in Canadian Currency

This is **Exhibit “B”** referred to in the

Affidavit of Chris Burr

sworn before me
this 21st day of September, 2024



A Commissioner, etc.

EXHIBIT “B”

Name of Lawyer	Practice Group	Year of Call	Hourly Rate	Total Hours
Burr, Chris <i>Partner</i>	Restructuring & Insolvency (Toronto)	2008	\$1,000.00	91.5
Kuhl, Tricia <i>Partner</i>	Cannabis Regulatory (Montreal)	2000	\$830.00	17.0
Wu, Kevin <i>Associate</i>	Restructuring & Insolvency (Toronto)	2023	\$670.00	4.1
Komis, Lori <i>Law Clerk</i>	Financial Service (Toronto)	<i>N/A</i>	\$545.00	2.8
Nancy Thompson <i>Law Clerk</i>	Restructuring & Insolvency (Toronto)	<i>N/A</i>	\$525.00	6.3
Amoroso, Carlo <i>Filing Clerk</i>	Litigation & Dispute Resolution (Toronto)	<i>N/A</i>	<i>Flat Rate</i>	<i>N/A</i>
Riviglia, Anna <i>Filing Clerk</i>	Litigation & Dispute Resolution (Toronto)	<i>N/A</i>	<i>Flat Rate</i>	<i>N/A</i>

Total Fees Billed:	\$105,629.20
Total Hours:	121.7
Average Hourly Rate:	\$867.95

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 HERITAGE CANNABIS HOLDINGS CORP., et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**AFFIDAVIT OF CHRIS BURR
Sworn September 21, 2024**

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario M5L 1A9

Chris Burr, LSO #55172H
Tel: 416-863-3261
Email: chris.burr@blakes.com

Lawyers for the Monitor, KPMG Inc.

Court File No.: CV-24-00717664-00CL

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EXCHANGE CORP., and 1000921087 ONTARIO INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**FOURTH REPORT OF THE MONITOR
Dated September 21, 2024**

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
199 Bay Street
Suite 4000, Commerce Court West
Toronto, Ontario M5L 1A9

Chris Burr, LSO #55172H
Tel: 416-863-3261
Email: chris.burr@blakes.com

Lawyers for the Monitor

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) THURSDAY, THE 27TH
)
JUSTICE BLACK) DAY OF SEPTEMBER, 2024
)

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN
MARKET LTD., HERITAGE CANNABIS EXCHANGE CORP.,
and 1000921087 ONTARIO INC.

(collectively, the “**Applicants**”)

ORDER

(STAY EXTENSION AND CCAA TERMINATION)

THIS MOTION, made by KPMG Inc. (“**KPMG**”), in its capacity as Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an order, among other things: (i) extending the Stay of Proceedings (as defined in the Amended and Restated Initial Order dated April 11, 2024 made in these CCAA proceedings (the “**Amended and Restated Initial Order**”)) to October 31, 2024, (ii) approving the Monitor’s Reports (as defined below) and the activities described therein; (iii) approving the fees and disbursements of the Monitor and the Monitor’s counsel; (iv) terminating these proceedings of the Applicants under the CCAA upon the Monitor’s service of the Monitor’s Termination Certificate (as defined below) on the service list in these CCAA proceedings (the “**Service List**”); (v) discharging KPMG as Monitor at the CCAA Termination Time (as defined below); (vi) terminating the Charges (as defined below) at the CCAA Termination Time; and (vii) approving certain releases, was heard this day by Zoom videoconference,

ON READING the Motion Record of the Monitor, the Fourth Report of the Monitor dated September 21, 2024 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, counsel for the Applicants’ directors and officers, and those other parties present, no one else appearing although duly served as appears from the lawyer’s certificate of service of Chris Burr, dated September 21, 2024:

DEFINED TERMS

1. **THIS COURT ORDERS** that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the Fourth Report.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended from September 27, 2024 to and including the CCAA Termination Time (defined below).

APPROVAL OF MONITOR’S REPORTS & ACTIVITIES AND FEES

4. **THIS COURT ORDERS** that each of the Second Report of the Monitor dated June 21, 2024, the Third Report of the Monitor dated August 22, 2024, and the Fourth Report (collectively, the “**Monitor’s Reports**”), and the actions, conduct and activities of the Monitor referred to therein, be and are hereby approved; provided, however, that only KPMG, in its capacity as Monitor and in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from February 21, 2024 to September 13, 2024 (the “**KPMG Fee Period**”), as set out in the Fourth Report and the Affidavit of Pritesh Patel sworn September 20, 2024 appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of Blake, Cassels & Graydon LLP (“**Blakes**”), legal counsel to the Monitor, for the period from March 15, 2024 to August 27, 2024 (the “**Blakes Fee Period**”), as set out in the Fourth Report and Affidavit of Chris Burr sworn September 21, 2024 appended thereto, are hereby approved.

7. **THIS COURT ORDERS** that the Remaining Fees and Disbursements (as defined in the Fourth Report) of the Monitor and Blakes, incurred following the KPMG Fee Period and the Blakes Fee Period, respectively, in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings, such Remaining Fees and Disbursements not to exceed \$60,000, are hereby approved, and the Monitor and Blakes shall not be required to pass their accounts in respect of any further activities in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings.

TERMINATION OF CCAA PROCEEDINGS

8. **THIS COURT ORDERS** that upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule “A”** (the “**Monitor’s Termination Certificate**”) on the Service List certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed, these CCAA proceedings shall be terminated without any further act or formality (the “**CCAA Termination Time**”), save and except as expressly provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any actions or steps taken by any Person in connection therewith.

9. **THIS COURT ORDERS** that the Monitor shall file a copy of the Monitor’s Termination Certificate with the Court and post a copy of the Monitor’s Termination Certificate on the case Website maintained by the Monitor as soon as is practicable following the CCAA Termination Time.

DISCHARGE OF MONITOR

10. **THIS COURT ORDERS** that effective at the CCAA Termination Time, KPMG shall be and is hereby discharged from its duties as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time; provided that,

notwithstanding its discharge as Monitor, KPMG shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required or appropriate (collectively, the “**Monitor Incidental Matters**”). In completing any such Monitor Incidental Matters, KPMG and its advisors shall continue to have the benefit of the provisions of all Orders made in these CCAA proceedings and all protections under the CCAA, including all approvals, protections and stays of proceedings in favour of KPMG in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in these CCAA proceedings.

11. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and KPMG shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Amended and Restated Initial Order, or any other Order of this Court in these CCAA proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with the Monitor Incidental Matters and any other actions taken by KPMG following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings.

TERMINATION OF PRIORITY CHARGES

12. **THIS COURT ORDERS** that each of the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

BANKRUPTCY

13. **THIS COURT ORDERS** that, to the extent the same has not already occurred pursuant to the terms of the ancillary relief order of Mr. Justice Osborne, dated June 26, 2024, (a) each of the Applicants is hereby authorized to make an assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”); (b) the Monitor is hereby authorized and empowered, as a Monitor Incidental Matter, to file any such assignment in bankruptcy for and on behalf of any of the Applicants, and to take any steps incidental thereto; and (c) KPMG is hereby authorized and

empowered, but not required, to act as trustee in bankruptcy (the “**Trustee**”) in respect of any of the Applicants, and to fund reasonable retainers to any such Trustee from the Administrative Expense Amount (as defined in the Fourth Report).

14. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates as if such estates were in respect of a single bankrupt for the purposes of carrying out its duties and responsibilities as trustee under the BIA (the “**Consolidated Proceedings**”), including, without limitation:

- (a) administering the bankruptcy estates of 1005477 B.C. Ltd., Mainstrain Market Ltd., Heritage Cannabis Exchange Corp. and 1000921087 Ontario Inc. under a single court file number and title of proceeding;
- (b) sending a notice of the first meeting of creditors (the “**Notice**”) in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Applicants to accompany the Notice set out in subsection 102(2) of the BIA;
- (c) convening meetings of creditors and inspectors in the bankrupt estates of the Applicants through one combined advertisement and conducting such meetings jointly provided that the results of any creditors’ vote shall be separately tabulated for each such bankrupt estate;
- (d) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (e) maintaining a consolidated bank account with respect to the Applicants’ respective bankruptcy estates;
- (f) issuing consolidated reports in respect of the bankruptcy estates of the Applicants;
- (g) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Applicants required under the BIA; and
- (h) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Applicants.

15. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Applicants and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Applicants.

16. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

- (a) affect the separate legal status of the corporate structure of the Applicants;
- (b) cause any of the bankrupt estates of the Applicants to be liable for any claim for which it is otherwise not liable, or cause any of the Applicants to have any interest in any asset which it otherwise would not have; or
- (c) affect the bankrupt estates of the Applicants filing obligations under the BIA.

RELEASES

17. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, Chaitons LLP, Owens Wright LLP, Weirfoulds LLP, KPMG in its capacity as Monitor and in its personal capacity, and Blakes, and each of their respective affiliates and current and former officers, directors, partners, employees and agents, as applicable (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence in any way relating to, arising out of, or in respect of, these CCAA proceedings and/or with respect to their respective conduct in these CCAA proceedings, including any actions required or steps taken in carrying out any Remaining Matters (as defined in the Fourth Report) or Monitor Incidental Matters, or any other actions taken by KPMG or Blakes following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof; provided that, nothing in this

paragraph shall waive, discharge, release, cancel or bar any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.

18. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any Released Party in any way arising from or related to its respective Released Claim, except with prior leave of this Court on at least seven (7) days' prior written notice to the applicable Released Parties.

19. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, BJK Holdings Ltd. in its capacity as the DIP Lender and HAB Cann Holdings Ltd., in its capacity as Purchaser (collectively, the "**BJK/HAB Released Parties**") and each a "**BJK/HAB Released Party**") shall be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the BJK/HAB Released Parties now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of the indebtedness under the DIP Facility and the Senior Loan Agreement (each as defined in the Amended and Restated Stalking Horse Agreement) and the repayment thereof, and/or the realization on the security granted in connection therewith (collectively, the "**BJK/HAB Released Claims**"), and any such BJK/HAB Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the BJK/HAB Released Parties; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability arising out of any gross negligence or wilful misconduct on the part of the applicable BJK/HAB Released Party.

20. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, the directors and officers of the Applicants, Heritage Cannabis Holdings Corp., Heritage Cannabis West Corporation, Heritage Cannabis East Corporation, 333 Jarvis Realty Inc., 5450 Realty Inc., Premium 5 Ltd. and Purefarma Solutions Inc. (collectively, the "**Heritage Entities**") who were directors or officers as at the date of the commencement of these CCAA proceedings (collectively,

the “**Released D&Os**” and each a “**Released D&O**”) shall be and are hereby forever irrevocably released and discharged from any and all claims that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the CCAA Termination Time in respect of any Heritage Entity, the business, operations, assets, property and affairs of any Heritage Entity and/or these CCAA proceedings (collectively, the “**D&O Released Claims**”), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or wilful misconduct on the part of the applicable Released D&O; and (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

GENERAL

21. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

22. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Monitor, the Applicants and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

23. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative

body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

24. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.

Schedule “A”

Court File No.: CV-24-00717664-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES’ CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN
MARKET LTD., HERITAGE CANNABIS EXCHANGE CORP.,
and 1000921087 ONTARIO INC.

(collectively, the “**Applicants**”)

MONITOR’S TERMINATION CERTIFICATE

RECITALS

1. KPMG Inc. (“**KPMG**”) was appointed as Monitor (in such capacity, the “**Monitor**”) in the within proceedings commenced under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 3, 2024 (Court File No. CV-24-00717664-00CL).
2. Pursuant to an Order of this Court dated September 27, 2024 (the “**CCAA Termination Order**”), among other things, KPMG shall be discharged as Monitor and these CCAA proceedings shall be terminated upon the service of this Monitor’s Termination Certificate on the service list in these CCAA proceedings, all in accordance with the terms of the CCAA Termination Order.

THE MONITOR HEREBY CERTIFIES the following:

3. To the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time (as defined in the CCAA Termination Order) has occurred.

DATED at Toronto, Ontario this _____ day of _____, 2024.

KPMG INC., solely in its capacity as the Monitor of the Applicants and not in its personal or corporate capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EXCHANGE CORP., and 1000921087 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER
(CCAA TERMINATION ORDER)

BLAKE, CASSELS & GRAYDON LLP

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Lawyers for the Monitor

Court File No.: CV-24-00717664-00CL

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN MARKET LTD.,
HERITAGE CANNABIS EXCHANGE CORP., and 1000921087 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

MOTION RECORD
(Stay Extension and CCAA Termination)
Returnable September 27, 2024

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