

COURT FILE NO.: 2301- 02578

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ENZIO HOLDINGS LTD.

DEFENDANTS CANDRE CANNABIS INC., FRONDIS HOLDINGS LTD.,
CALYPTRA CULTIVATION INC. and JASMINE VENTURES LTD.

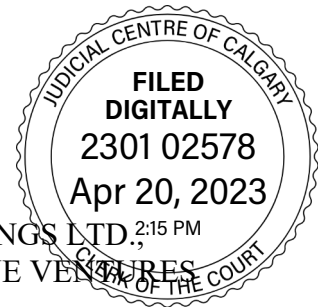
DOCUMENT **ORDER (Approve Cannabis
Destruction Process and Other Relief)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

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DATE ON WHICH ORDER WAS PRONOUNCED: April 19, 2023

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B. Johnston

LOCATION OF HEARING: Calgary, AB (via Webex)

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as court-appointed receiver (in such capacity, the "**Receiver**") of certain of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of Candre Cannabis Inc. (the "**Debtor**"), for an order approving, among other things: (i) approval of a cannabis destruction protocol; and (ii) the activities of the Receiver to date; and (iii) professional fees incurred to date by the Receiver and its counsel Bennett Jones LLP;

AND UPON HAVING read the First Report of the Receiver dated March 15, 2023, and the Amended Second Report of the Receiver, dated April 11, 2023 (the "**Amended Second Report**");

AND UPON HEARING from counsel to the Receiver, counsel to Enzo Holdings Ltd. and Censeo Capital Ltd., and counsel to and any other interested party in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Amended Second Report, as applicable.

Service

2. Service of notice of this this Application and materials in support of this Order are hereby declared to be good and sufficient and time for service of the Application and supporting materials is hereby abridged to that actually given.

Approval of the Cannabis Destruction Protocol

3. The Receiver is authorized and directed to enter into the Master Services and Supply Agreement with Novem Pharmaceuticals Inc. ("**Novem**") pertaining to the licensed destruction of the Excluded Cannabis Products (as defined in the Amended Second Report), a copy of which is attached as Appendix "A" to the Amended Second Report (the "**Destruction Contract**").
4. The protocol for the destruction of the Excluded Cannabis Products, as set out in the Destruction Contract, is hereby approved.
5. It is hereby declared that the Receiver, by performing its obligations under the Destruction Contract, shall not have taken possession of, nor be deemed to have taken possession of, the Excluded Cannabis Products.
6. The Receiver shall forthwith serve this Order, via email, on the Health Canada representatives for whom it has email addresses. Novem shall not take possession of the

Excluded Cannabis Products for the purposes of carrying out its services under the Destruction Contract until the earlier of:

- (a) May 17, 2023; or
- (b) the date on which Health Canada confirms to the Receiver that it has no objection to the protocol for the destruction of the Excluded Cannabis Products, as set out in the Destruction Contract.

Approval of Receiver's Activities

- 7. The Receiver's actions, conduct and activities as reported in the First Report and the Amended Second Report, are hereby ratified and approved.

Approval of Professional Fees

- 8. The Receiver's accounts for fees and disbursements as set out in the Amended Second Report are hereby approved without the necessity of a formal assessment of its accounts.
- 9. The accounts of the Receiver's legal counsel, Bennett Jones LLP, for its fees and disbursements as set out in the Amended Second Report are hereby approved without the necessity of a formal assessment of its accounts.

General

- 10. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
- 11. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order; and

(iii) any other parties attending or represented at the application for this Order;
and

(b) Posting a copy of this Order on the Receiver's website at
<http://alvarezandmarsal.com/candre>.

12. Service of this Order may be effected by facsimile, electronic mail, personal delivery, recorded mail or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

BB Johnston

Justice of the Court of King's Bench of
Alberta