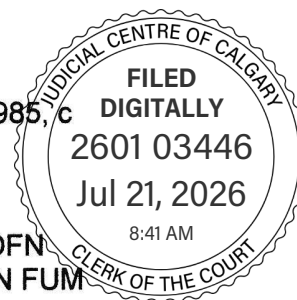


COURT FILE NUMBER 2601-03446
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF RDFN
FUM NATURAL PRODUCTS LTD. and RDFN FUM
NATURAL PRODUCTS INC.



APPLICANTS RDFN FUM NATURAL PRODUCTS LTD. and
RDFN FUM NATURAL PRODUCTS INC.

DOCUMENT **AFFIDAVIT #4 OF BRAEDEN PAULS**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
#2100 – 222 3rd Ave SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara / Kaitlin Ward
Telephone: (403) 693-5420 / 4311
Email: rzahara@mltaikins.com /
kward@mltaikins.com
File No. 0185373.00001

AFFIDAVIT #4 OF BRAEDEN PAULS
Sworn on July 20, 2026

I, Braeden Pauls, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Chief Executive Officer and a co-founder of RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**"; collectively with FUM Canada, the "**Applicants**"). I am a director and shareholder of FUM Canada and the sole director of FUM US. I have primary responsibility for the oversight of, and have been directly involved with the development of, the Applicants' restructuring plan, including the filing of the NOIs (as defined below) and the commencement of the CCAA Proceedings (as defined below).

BP

2. I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case, I verily believe the same to be true. I am authorized to swear this Affidavit on behalf of the Applicants.
3. Additionally, I have reviewed the business records in the possession of the Applicants in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business. Where I do not have direct personal knowledge of the matters deposed to herein, unless otherwise identified, my knowledge is derived from my review of the business records of the Applicants, relevant copies of which are attached to this Affidavit.
4. This Affidavit should be read in conjunction with the Third Report of the Monitor, Alvarez & Marsal Canada Inc. (the "**Monitor**") (the "**Third Report**").
5. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the March 12, 2026 Amended and Restated Initial Order of the Honourable Justice J.S. Little (the "**ARIO**").

I. RELIEF SOUGHT

6. I am authorized to swear this Affidavit in support of an application (the "**Application**") scheduled for July 27, 2026 for the following:
 - (a) an Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") providing for the following relief (the "**Stay Extension Order**"):
 - (i) declaring service of the Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (ii) extending the Stay Period (as defined below) up to and including October 2, 2026 (the "**Stay Extension**");
 - (iii) approving a Key Employee Retention Plan dated July 20, 2026, a redacted copy of which is attached hereto as **Exhibit "A"** (the "**KERP**"), and a corresponding priority charge subject only to the Administration Charge

and Directors' Charge to secure payments under the KERP up to the amount of \$100,000 (the "**KERP Charge**");

- (iv) approving the activities of Monitor, as set out in the Third Report;
 - (v) approving the accounts of the Monitor and the Monitor's legal counsel, Osler, Hoskin & Harcourt LLP, Munsch Hardt Kopf & Harr, P.C., and Norton Rose Fulbright Canada LLP, for their respective fees and disbursements.
- (b) an Order (the "**Sealing Order**") sealing the Confidential Supplement to my Fourth Affidavit, sworn July 20, 2026 (the "**Confidential Supplement**"); and
- (c) such further and other relief as this Honourable Court may deem just.

II. BACKGROUND

7. The Applicants are in the business of developing, producing, and selling nicotine-free smokeless, vaporless, non-electronic flavoured air devices under the FÜM brand (the "**Products**"). The Products are frequently used as a behavioral aid by individuals attempting to quit smoking or vaping.
8. FUM Canada is a federal corporation extra-provincially registered in Alberta with its head office and operations based out of Calgary, Alberta. FUM US is a wholly owned subsidiary of FUM Canada incorporated in the state of Delaware that supports the Applicants' employment and operational activities in the United States.
9. FUM Canada holds various intellectual property rights in relation to the Products, which are manufactured in China and Vietnam and subsequently imported to the United States, Canada, the United Kingdom, and other countries.
10. The Applicants experienced financial strain as a result of tariffs imposed in the United States, significantly increased advertising costs, and a substantially increased debt burden after settling trademark litigation with BFL Metal Products Co., Ltd. ("**BFL**") that required the Applicants to, among other things, pay \$100,000 each month to BFL.

BP

III. NOI PROCEEDINGS AND CCAA PROCEEDINGS

11. Due to the strain on their liquidity, on February 4, 2026, the Applicants each filed a Notice of Intention to Make a Proposal (the "**NOIs**") under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**", and such proceedings, the "**Proposal Proceedings**"). Alvarez and Marsal Canada Inc. ("**A&M**") was appointed as the proposal trustee of the Applicants.
12. On March 2, 2026, the Applicants continued the Proposal Proceedings under the CCAA (the "**CCAA Proceedings**") pursuant to the Initial Order of the Honourable Justice J.T. Nielson (the "**Initial Order**"). Among other things, the Initial Order appointed A&M as the Monitor and granted a stay of proceedings under March 12, 2026 (the "**Stay Period**").
13. On March 12, 2026, the Honourable Justice J.S. Little granted the ARIO, which, among other things, extended the Stay Period up to and including May 26, 2026, approved an Administration Charge up to the maximum amount of \$500,000, approved a Directors' Charge up to the maximum amount of \$200,000, and authorized FUM Canada to act as the Foreign Representative on behalf of itself and FUM US for the purpose of having the CCAA Proceedings recognized in the United States.
14. On April 23, 2026, the Honourable Justice A.G. Kuntz granted an Order extending the Stay Period up to and including July 31, 2026. The April 23, 2026 Order of Justice A.G. Kuntz further extended the stay of proceedings to stay enforcement against any guarantees granted by the Applicants' current or former directors, officer, or employees, including certain guarantees granted in favour of Business Development Bank of Canada by the Applicants' directors, including myself, Daniel Ogden, and Josiah Pauls.
15. Also on April 23, 2026, the Honourable Justice A.G. Kuntz granted a Claims Process Order (the "**Claims Process Order**"), which provided for a Claims Bar Date of June 15, 2026. The Claims Process Order provided claimants with seven calendar days to submit a Notice of Dispute in response to any Notice of Revision or Disallowance issued by the Monitor and required such claimants to schedule an application with the Court of King's Bench of Alberta within 14 days of issuing the Notice of Dispute.

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IV. THE APPLICANTS' ACTIVITIES SINCE THE CLAIMS PROCESS ORDER

16. Since the Claims Process Order was granted on April 23, 2026, the Applicants have been working diligently and in good faith to advance the within CCAA Proceedings. The Applicants' activities have included, but are not limited to, the following:
- (a) working with the Monitor to review claims submitted in accordance with the Claims Process Order;
 - (b) engaging with various creditors and stakeholders to negotiate, and where possible, resolve the claims submitted pursuant to the Claims Process Order;
 - (c) engaging with the Applicants' professional advisors and the Monitor to formulate a plan or plans of arrangement for the benefit of the Applicants' creditors;
 - (d) assisting the Monitor in completing a liquidation analysis of the Applicants' Business and Property;
 - (e) working with the Applicants' professional advisors and the Monitor to start preparing materials in respect of a Creditors' Meeting;
 - (f) working with the Monitor to prepare a Fourth Cash Flow Forecast (as defined below); and
 - (g) continuing to operate their business in the ordinary course.
17. I verily believe the Applicants have acted, and continue to act, in good faith and with due diligence to advance these CCAA Proceedings for the benefit of their creditors and stakeholders.

V. EXTENSION OF THE STAY PERIOD

18. Currently, the Stay Period is scheduled to expire on July 31, 2026. The Applicants are seeking an extension of the Stay Period up to and including October 2, 2026 in order to continue advancing these CCAA Proceedings as a going-concern, fully operational business.

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19. The Stay Extension is necessary to provide the Applicants with continued protection from creditor enforcement while they:
- (a) work with the Monitor to resolve all outstanding claims submitted through the Claims Process Order;
 - (b) finalize the total amount of accepted claims against the Applicants;
 - (c) negotiate with creditors and stakeholders to generate their support for a proposed plan of arrangement (the “Plan”);
 - (d) work with their professional advisors to complete the materials in support of an application for a Creditors’ Meeting Order, which at this time is anticipated to be sought at a court application scheduled for August 28, 2026;
 - (e) if the Creditors’ Meeting Order is approved, hold a creditors’ meeting for the purpose of voting on the Plan;
 - (f) work with their professional advisors to apply for approval of a Plan Sanction Order; and
 - (g) continue operating in the ordinary course of business.
20. The Stay Extension is necessary and appropriate to continue to provide the Applicants with protection from creditor enforcement while they work to advance their business to the next phase of restructuring.
21. To the best of my knowledge, no stakeholder will suffer material prejudice as a result of the Stay Extension. Rather, the Stay Extension will facilitate the restructuring by providing the Applicants with the time and space needed to finalize all claims, negotiate a Plan, and proceed to hold a creditors’ meeting.
22. The Fourth Cash Flow Forecast appended to the Third Report (the “**Fourth Cash Flow Forecast**”) indicates that the Applicants have sufficient liquidity to operate as a going-concern during the requested Stay Extension.

VI. STAY EXTENSION FOR DIRECTORS' GUARANTEES

23. The Applicants seek to extend the stay of proceedings granted pursuant to the April 23, 2026 order of the Honourable Justice Kuntz in respect of any of the current or former directors, officers, or employees of the Applicants (collectively, the **"Guarantee Stay Parties"**) with respect to any claim that arose before February 4, 2026 in respect of any guarantee granted by the Guarantee Stay Parties (the **"Guarantor Stay"**).
24. For context, pursuant to a Letter of Offer dated August 15, 2024 (the **"BDC Loan Agreement"**), Business Development Bank of Canada (**"BDC"**) advanced FUM Canada an unsecured term loan (the **"BDC Loan"**). As at February 4, 2026, BDC was owed approximately \$312,000 in respect of the BDC Loan. Attached hereto as **Exhibit "B"** is a copy of the BDC Loan.
25. Pursuant to personal guarantees dated August 22, 2024, Daniel Ogden (**"Mr. Ogden"**), Josiah Pauls (**"Mr. Pauls"**), and I (collectively, the **"Personal Guarantors"**) each personally guaranteed all of FUM Canada's obligations owing under the BDC Loan, including interest, fees, and costs (the **"Personal Guarantees"**). Collectively attached hereto as **Exhibit "C"** are copies of the Personal Guarantees.
26. All of the Personal Guarantors are either an employee, in a critical role, or a director of the Applicants. Specifically:
- (a) I am the Chief Executive Officer and director of FUM Canada and have primary responsibility for the Applicants' leadership and operations, as well as the Applicants' restructuring within these CCAA Proceedings;
 - (b) Mr. Ogden is the Chief Marketing Officer of FUM Canada and has primary responsibility for marketing the Applicants' products. Digital marketing is a critical aspect of FUM Canada's business, the primary form of advertising for FUM Canada's products, and a critical revenue driver. Accordingly, Mr. Ogden holds a key role in customer acquisition; and
 - (c) Mr. Pauls is a graphic designer employed by FUM Canada and a director of FUM Canada. Mr. Pauls plays an important role in customer relations and customer

retention matters, including managing a significant amount of FUM Canada's customer correspondence. Mr. Pauls is a critical member of the operations team and will play an important role in operating the Applicants' business as a going concern going forward.

27. As set out in further detail in my Third Affidavit sworn April 15, 2026, on April 9, 2026, a BDC representative emailed me indicating that if certain pre-authorized debit payments processed after the Applicants initiated their NOI Proceedings were not resolved, "the bank will proceed to demand the loan against the guarantors." Attached hereto as **Exhibit "D"** is a true copy of the email chain exchanged between myself and the BDC representative.
28. Based on the email correspondence from BDC, the Applicants are concerned that BDC will initiate enforcement action against the Personal Guarantees during the CCAA Proceedings.
29. To the best of the Applicants' knowledge, BDC holds the only executed guarantee agreements from the Guarantee Stay Parties. However, the Amex Loan Agreement (a true copy of which is attached to my First Affidavit, filed February 24, 2026 as Exhibit "R"), which I signed on behalf of FUM Canada, includes certain terms that appear to contemplate a personal indemnity or personal guarantee given on behalf of the individual signing the Amex Loan Agreement. The Applicants have not completed a review of all of their agreements with trade creditors, including those governed by other jurisdictions, to assess whether any such agreements contain similar terms.
30. On April 23, 2026, the Applicants applied for an Order staying enforcement of the Personal Guarantees, which was granted by Justice Kuntz. The April 23, 2026 Order of Justice Kuntz provides that during the Stay Period, no Proceedings shall be commenced or continued against or in respect of any of the Guarantee Stay Parties, which, for certainty, include the Personal Guarantors in respect of the Personal Guarantees.
31. The Applicants are requesting that the Guarantor Stay be extended commensurate with the Stay Extension (if approved) to facilitate the restructuring process.

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32. During this period, the Personal Guarantors have engaged with BDC in good faith and are working to provide certain information regarding the Personal Guarantors. The Personal Guarantors require the continuation of the Guarantor Stay in order to allow them to continue to engage in good faith with BDC and, potentially, find a resolution to BDC's claims under the Personal Guarantees.
33. The prospect of BDC enforcing on the Personal Guarantees risks diverting the attention of key employees and management at a critical point in the Applicants' restructuring. A successful resolution of the within CCAA Proceedings will require the active, committed involvement of all of the Guarantee Stay Parties, including each of the Personal Guarantors. The Applicants' ordinary course operations depend heavily on the strategic oversight, marketing, customer acquisition, and customer retention functions performed by the Personal Guarantors, including because the Business relies on direct to consumer sales and continuous digital marketing.
34. As it appears that there is at least one other potential guarantee claim under the Amex Loan Agreement, the Applicants are seeking a stay of any claims against the Guarantee Parties respecting any guarantee to capture any such claims that may be asserted.
35. The Applicants are requesting that Guarantor Stay only be extended for as long as the Stay Extension, so it will continue in effect only for the period during which it will serve the purpose of ensuring the Guarantee Stay Parties can focus on the restructuring process.

VII. KERP AND KERP CHARGE

36. The Applicants are seeking approval of the KERP, a redacted copy of which is attached hereto as **Exhibit "A"**, and an unredacted copy of which is attached to my Confidential Supplement (the "**Unredacted KERP**").
37. The Applicants have developed the KERP with the assistance of the Monitor to first, retain management personnel of the Applicants that have been identified as critical to the continued business operations during the restructuring (collectively, the "**Key Employees**"); and second, to incentivize the Key Employees to assist in maximizing the Applicants' value as a going concern while they work to finalize a Plan.

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38. Subject to this Court's approval of the KERP, the Applicants are seeking a KERP Charge up to the maximum amount of \$100,000 to secure payment to the Key Employees in accordance with the terms of the KERP (the "**KERP Charge**").
39. Key terms of the KERP include, among others:
- (a) "Eligible Participants" are defined to currently include myself and Daniel Ogden (collectively, the "**Current Eligible Participants**");
 - (b) Eligible Participants may be added or removed with the approval of the Monitor if it is determined they (i) are essential to the stability of the Applicants' Business; (ii) will enhance the effectiveness of a restructuring; and (iii) are necessary to facilitate a restructuring;
 - (c) the total payment to be made to the Eligible Participants is capped at \$100,000 (the "**KERP Cap**"), subject to any increase approved by the Court;
 - (d) if Eligible Participants are added beyond the Current Eligible Participants, the amount of the KERP Cap will not be increased without the approval of the Court, but the allocation of retention payments between Eligible Participants can be amended by the Applicants with the approval of the Monitor and any affected Eligible Participants;
 - (e) retention payments are to be allocated amongst the Eligible Participants based on certain capped amounts for each Eligible Participant; and
 - (f) payments vest in the Eligible Participants upon the successful implementation of a Plan, which shall be confirmed by the Monitor filing a Certificate confirming implementation of the Plan.
40. The Key Employees have significant experience, specialized expertise, and personal relationships with employees, customers, and suppliers that cannot be replicated or easily replaced. The Applicants anticipate that the Key Employees may also be presented with more certain employment opportunities while facing increased workloads during these CCAA Proceedings.

41. The Key Employees include directors and officers that are necessary and integral to the Applicants' business and operations continuing to operate in the normal course. A key component, and part of the intended consideration under the KERP, is that releases be sought for the directors and officers as part of any sales transaction and in conjunction with any plan of arrangement that is approved.
42. I believe the continued retention of the Key Employees is necessary to ensure, among other things, the Applicants will be able to successfully maintain their business operations, preserve and maximize asset values, maintain valuable relationships with critical suppliers and retain other employees.
43. The KERP Charge is necessary and appropriate to secure payment of the total amount of \$100,000 to Eligible Participants. The Applicants are requesting that the KERP Charge rank in priority to all other security interests, trust, liens, charges, and encumbrances, subject only to the Administration Charge and Directors' Charge.

VIII. SEALING RELIEF

44. The Applicants are seeking a direction in the Sealing Order that the Confidential Supplement to this Fourth Affidavit containing the Unredacted KERP be sealed on the court record.
45. The Unredacted KERP contains private and confidential information pertaining to the Key Employees, including details of payments to be made to Key Employees. Accordingly, the Applicants believe that any disclosure of the information in the KERP would be detrimental to the Key Employees, and could potentially provide sufficient information to allow competitors to attempt to lure those Key Employees away to alternative employment. As such, the Applicants are looking to seal the Unredacted KERP on the Court record pursuant to the terms of the Sealing Order.
46. The Applicants are only seeking to seal the limited information in the Unredacted KERP; a redacted copy of the KERP is otherwise available to the public and attached to this Affidavit at Exhibit "A". The Applicants have endeavoured to keep as much information on the public record as possible, and as appropriate in the circumstances. Additionally, the

Unredacted KERP will only be sealed until the Plan is implemented and the Applicants have existed the CCAA Proceedings.

IX. CONCLUSION

47. I swear this Affidavit in support of an Application for an Order approving the Stay Extension Order, the Sealing Order, and for no other or improper purpose.

SWORN BEFORE ME at Calgary, Alberta, this)
20th day of July, 2026)

Commissioner for Oaths in and for the Province
of Alberta

Braeden Pauls
BRAEDEN PAULS

This affidavit was sworn using video technology as Braeden Pauls was not physically present before the Commissioner of Oaths, but was linked with the Commissioner of Oaths utilizing video technology. The process for remote commissioning of affidavits was thoroughly followed as outlined in the Notice to the Profession and Public – Remote Commissioning 2020-02 by the Court of King’s Bench on March 25, 2020.

BP

THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026

A Commissioner for Oaths
In and for the Province of Alberta

BP

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 RDFN FUM NATURAL PRODUCTS LTD. AND RDFN FUM NATURAL PRODUCTS INC.

KEY EMPLOYEE RETENTION PLAN

July 20, 2026

Overview

1. On February 4, 2026, RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**", and together with FUM Canada, "**FUM**") each filed a Notice of Intention to Make a Proposal (collectively, the "**NOIs**") under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**", and such proceedings, the "**Proposal Proceedings**"). Alvarez and Marsal Canada Inc. ("**A&M**") was appointed as the proposal trustee of FUM.
2. On March 12, 2026, FUM was granted protection under the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA Proceedings**") pursuant to an Initial Order granted by Justice J.T. Nielson of the Court of King's Bench of Alberta (the "**Court**").
3. A&M was appointed monitor (in such capacity, the "**Monitor**") of FUM in the CCAA Proceedings.
4. On July 27, 2026, FUM brought an application in the CCAA Proceedings to, among other things: (a) approve this key employee retention plan (the "**KERP**"); and (b) secure the amounts payable under this KERP with a priority charge (the "**KERP Charge**") on all of the property of FUM on the terms and with the priority proposed in the Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 and described in more detail in the Third Report of the Monitor.
5. The eligible participants in this KERP (each, an "**Eligible Participant**") will initially be comprised of the key employees set out on **Schedule A** (each a "**Key FUM Employee**"), including Braeden Pauls and Daniel Ogden. Eligible Participants may be added or removed in accordance with the terms of this KERP.

Eligibility Criteria

6. FUM and the Monitor have determined that each of the Key FUM Employees is essential to ensure the stability of FUM's business and enhances the effectiveness of the proposed restructuring, including any plan or plan(s) of arrangement that may be approved in respect of all or any single member of FUM (collectively, a "**Plan**" or a "**Restructuring**"), and is necessary to facilitate an efficient Restructuring, and should be deemed to be an Eligible Participant as of the date hereof.
7. FUM, with the approval of the Monitor, may designate additional employees, directors or officers of FUM (each an "**Additional FUM Employee**") as Eligible Participants for the purposes of participating in this KERP if the qualifications of Section 6 are met in respect of such Additional FUM Employee (who then shall be Eligible Participants for the purposes of this KERP), provided that the total amount of KERP Payments (as defined below) allocated and/or paid to all Eligible Participants does not exceed the KERP Cap (as defined below), unless Court approval is obtained to increase such KERP Cap.

Allocation

8. The total aggregate amount authorized to be paid to all Eligible Participants under the KERP is \$100,000.00 (the “**KERP Cap**”). The current allocation (the “**KERP Allocation**”) of retention payments (“**KERP Payments**”) as between the initial Eligible Participants is set out in **Schedule A** hereto. Notwithstanding the foregoing, FUM may, with the approval of the Monitor, and any affected Eligible Participants, amend the KERP Allocation from time to time in accordance with the terms hereof; provided that the total amount of KERP Payments allocated and/or paid to all Eligible Participants does not exceed the KERP Cap, unless Court approval is obtained to increase such KERP Cap.
9. Without limiting FUM’s rights under the other provisions of this KERP (including where subject to approval of the Monitor), in the event that any Eligible Participant resigns or is terminated with cause prior to the Vesting Event (as defined below), and FUM is required to: (a) hire a new employee; (b) designate an Additional FUM Employee as a Eligible Participant; or (c) reassign the resigning Eligible Participant’s work to another Eligible Participant (as applicable, the “**Replacement**”), then FUM may, with the approval of the Monitor, revoke the resigning Eligible Participant’s right to participate in this KERP and reallocate to the Replacement the unearned portion of the applicable KERP Payments originally allocated to the resigning Eligible Participant; provided that the total amount of KERP Payments allocated and/or paid to all Eligible Participants does not exceed the KERP Cap, unless Court approval is obtained to increase such KERP Cap.

Vesting Criteria

10. The KERP Payments will vest in those Eligible Participants upon the filing of a certificate by the Monitor confirming that the implementation of a Plan (the “**Vesting Event**”).
11. In addition to any other conditions set out herein, and those which may be established or imposed by FUM with the approval of the Monitor from time to time, Eligible Participants will only be eligible for their applicable KERP Payments if they are: (a) actively employed with FUM as of the date of the Vesting Event; (b) performing their duties and responsibilities, including any reasonable additional or transitional duties, through to the applicable payment date; or (c) terminated without cause before the applicable KERP Payment is due and payable hereunder (and such Eligible Participant has otherwise met all other requirements for payment). An Eligible Participant will lose their entitlements under this KERP if they are terminated for cause, if they resign before the Vesting Event, or otherwise do not otherwise meet the conditions for earning such KERP Payment.

Payment Criteria

12. Subject to the terms hereof, the applicable KERP Payments shall be payable to the Eligible Participants within five (5) days following the Vesting Event.

THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026

A Commissioner for Oaths
In and for the Province of Alberta

BP



BDCID: 10038902929

Letter of Offer dated August 15, 2024

RDFN FUM Natural Products Ltd.

11126 Hidden Valley Dr NW
Calgary, AB
T3A 5Z6

Attention of: Mr. Braeden Pauls

Re: Loan(s) No. 282742-01

In accordance with this letter of offer of credit as amended from time to time (the "**Letter of Offer**"), Business Development Bank of Canada ("**BDC**") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**"). The Letter of Offer is open for acceptance until August 25, 2024 (the "**Acceptance Date**") and must be received by BDC duly signed no later than the Acceptance Date otherwise it shall automatically be deemed withdrawn by BDC.

LOAN PURPOSE AND FUNDING

Loan Purpose

Working Capital	\$350,000.00
	\$350,000.00

Funding

BDC 282742-01	\$350,000.00
	\$350,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

Business Development Bank of Canada
The Edison, Suite 1310, 150 - 9th Avenue SW
Calgary, AB T2P3H9
www.bdc.ca

BP

BORROWER

RDFN FUM Natural Products Ltd. (the "**Borrower**")

GUARANTOR

Braeden Wesley Pauls

Daniel David Ogden

Josiah John Pauls

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 282742-01: \$350,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 282742-01

Floating Rate

BDC's Floating Base Rate plus a variance of 1.00% per year (the "**Variance 01**"). On the date hereof, BDC's Floating Base Rate is 8.80% per year.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following table. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable in full on the Maturity Date indicated below.

Loan 282742-01

BP

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	4,720.00	01/06/2025	01/06/2025
83	Monthly	4,160.00	01/07/2025	01/05/2032

In addition, interest is payable monthly on the 1st day of the month (the “**Payment Date 01**”) commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: May 1, 2032 (the “**Maturity Date 01**”).

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after August 15, 2024. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full. If the loan is prepaid in full within 30 days following receipt of the amount paid as a prepayment privilege, BDC will calculate a prepayment indemnity, effective the day the full balance is repaid, on the amount of the last received prepayment privilege and add it to the prepayment indemnity calculated on the full remaining balance being repaid.

Prepayment Indemnity: In addition to the annual prepayment privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:

- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

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SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the “**Security**”):

Loan 282742-01

1. Joint and Several Guarantee of Braeden Wesley Pauls, Daniel David Ogden and Josiah John Pauls for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 282742-01

1. This Loan will only be disbursed once all Conditions Precedent have been met.

Invoices evidencing working capital improvements expenditures are not required.

The Loan will be disbursed as follows :
(The Borrower shall initial one of the options below)

BDC will disburse the full amount of the Loan directly to the Borrower, as soon as possible.

Unless otherwise indicated above, funds for each Loan account number shall be disbursed to BDC's solicitor or notary mandated by BDC for security taking for the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to each Loan Party and its business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

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LAPSING DATE

Loan 282742-01

Lapsing Date: August 15, 2025 (the "Lapsing Date 01").

Any undisbursed portion of a Loan shall lapse and be cancelled on the occurrence of the earliest of the following events:

- a) on the applicable Lapsing Date indicated above; or
- b) on the date the Borrower notifies BDC of its intention to cancel the Loan; or
- c) on the date BDC issues a notice to the Borrower that an Event of Default has occurred and that BDC has terminated its obligation to make any further advances under the Loan.

Each of the above is hereby considered a "Lapsing Event" and shall be subject to Cancellation Fees as provided for in this Letter of Offer.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

1. Notwithstanding the Annual Prepayment Privilege paragraph of this Letter of Offer, provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 months period, prepay up to 25% of the outstanding principal on the Loan without indemnity. All other terms and conditions of the Annual Prepayment Privilege paragraph and the Prepayment section shall continue to apply.

REPRESENTATIONS AND WARRANTIES

The Loan Parties make the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

COVENANTS

Each Loan Party shall perform the covenants in Schedule "A" – Section III. These covenants shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

REPORTING OBLIGATIONS

The Borrower shall provide to BDC the following financial statements and other documents:

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Company	Type	Frequency	Period Ending
RDFN FUM Natural Products Ltd.	Compilation Engagement prepared by a CPA	Annual	August

The above annual financial statements and other documents indicated as required annually shall be provided to BDC within 90 days following the applicable Period Ending.

If financial statements or other documents are required more frequently than on an annual basis, same shall be provided to BDC within 30 days following each applicable Frequency.

In addition, the Borrower shall provide any other financial and operating statements and reports as and when BDC may reasonably require.

The Loan Parties also agree that the Reporting Obligations above shall apply to all other existing BDC loans to the same Borrower, if any, and the letter(s) of offer for such existing loans are deemed amended accordingly. Furthermore, such amended Reporting Obligations shall continue to be effective in respect of said existing letters of offer notwithstanding that this Letter of Offer may be reimbursed or cancelled.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "**Event of Default**"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security. Notwithstanding any other provision of this Letter of Offer or any other Loan Document, the parties hereto agree that the time limited for commencement of any action to enforce the obligations of the Borrowers and Guarantors, including the enforcement of any Security, shall not commence until BDC has issued a written demand for full payment of the Loan.

The exercise by BDC of any of its rights shall not preclude it from exercising any other rights resulting from this Letter of Offer or Loan Documents, as BDC's rights are cumulative and not alternative. No action or omission on the part of BDC shall constitute or imply a renunciation of its rights to determine that a Default or Event of Default has occurred or to avail itself of its rights resulting therefrom.

FEES

Cancellation Fee

If the Loan is not fully disbursed due to a Lapsing Event, regardless of the reason for the Lapsing Event, the Loan Parties shall pay BDC a cancellation fee in proportion to the percentage of the Loan that is cancelled, based on the amount below being the fee if 100% of the Loan is cancelled. No cancellation fee will be payable if less than 50% of the Loan is cancelled. If the Loan includes funds to refinance an existing BDC Loan, those funds shall be excluded from the calculation of the percentage of the Loan that is cancelled.

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The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 282742-01

Cancellation Fee: \$10,500.00 (the "Cancellation Fee 01").

Standby Fee

The Loan Parties shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 282742-01

Rate: 1.50% per annum

Date: February 15, 2025

Legal Fees and Other Expenses

The Loan Parties shall pay, on demand, all legal fees and expenses and other out-of-pocket costs of BDC, incurred in connection with the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Loan Parties.

All costs, fees, expenses and protective disbursements incurred for the enforcement of the Loan and the Loan Documents are payable by the Loan Parties, including the full amount of all legal and professional fees and expenses paid by BDC at the rate at which those amounts are billed to BDC.

Loan Management Fee

The Loan Parties shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change at BDC's sole discretion, acting reasonably, effective upon the Borrower's receipt of written notification from BDC, to cover additional costs or fees incurred in the management of the Loan, including, but not limited to, resulting from the Borrower's failure to remit financial statements or other documents as required under the Letter of Offer.

Loan 282742-01

\$350.00 per year (the "Management Fee 01").

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

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CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Loan Parties. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on each Loan Party and BDC and their respective permitted successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under the Loan or the Loan Documents to any third party, and the Loan Parties agree to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under the Loan Documents as if it were a party to them, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under the Loan or Loan Documents it assigns. BDC may disclose information it has in connection with the Borrower or any Loan Party to any actual or prospective transferee. No Loan Party shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be signed and accepted by an original ink signature or by electronic signature as permitted by BDC, and may be delivered on paper, fax, or in an electronic format (PDF) through BDC's electronic client portal, or any other electronic means of communication acceptable to BDC. It may also be signed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

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LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

Nataya Stephens

Nataya Stephens
Senior Account Manager
Phone: (403) 407-9231
Nataya.STEPHENS@bdc.ca

Sahra Sheikhabukar

Sahra Sheikhabukar
Client Support Coordinator
Phone: (403) 407-9235
Sahra.SHEIKHABUKAR@bdc.ca

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ACCEPTANCE

Each Loan Party hereby accepts the terms and conditions set forth above and in the attached Schedule "A".

This _____ day of _____ 20____.

RDFN FUM Natural Products Ltd.

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTOR(S)

Braeden Wesley Pauls

Daniel David Ogden

Josiah John Pauls

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August 15, 2024

SECTION I - DEFINITIONS

A. General Definitions:

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Change of Control" – means any operation or series of transactions pursuant to which the Control of a Person is transferred from one Person to another or required by a Person, or any binding undertaking to proceed with any such operations.

"Control" – means the power to, directly or indirectly, acting alone or together with other Persons, direct or cause the direction of the management, business, affairs or policies of a Loan Party, whether through ownership of partnership interests, trust interests, or voting securities, by contract or otherwise, including, but without limiting the generality of the foregoing, in the case of a corporation, a Person is deemed to control a corporation if such Person (or such Person and its affiliates) holds, directly or indirectly, more than fifty per cent (50%) of the voting rights of the corporation. For the purposes of this definition, indirect control will include, without limitation, control that is exercised by one Person over another, through an intermediary that is controlled by the first.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"Equity Interests" – means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan for any portion of the Loan on a fixed interest rate plan or the selection by the Borrower of a new interest rate plan prior to the Interest Expiration Date, if, on the date of the prepayment or the selection of the new plan, as applicable, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment,

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the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the *Interest Act*.

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Loan Party" – means either the Borrower or the Guarantor and "Loan Parties" means collectively each of the Borrower and the Guarantor.

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise), or prospects, of any Loan Party, or any Person who Controls a Loan Party;
- (ii) a material impairment of the ability of any Loan Party to perform any of their obligations under any Loan Document; or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, limited liability company, trust, joint venture, association, partnership, limited partnership, governmental authority or other entity, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.

"Public Issuer" – means any Loan Party whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

"Public Issuer Notice" – means a written notice delivered by a Public Issuer to BDC as described in the Covenants section of this Schedule "A".

B. Financial Definitions – the following definitions apply if used in this Letter of Offer:

"Adjusted EBITDA" – means EBITDA adjusted by gains/losses on disposal of assets, other non-cash adjustments presented in the statement of cash flow and all extraordinary items presented as per GAAP financial measures.

"ASPE" – means accounting standards for private enterprises. ASPE are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for private enterprises in Canada who have not elected to adopt IFRS.

"Available Funds" – means in respect of any Loan Party for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the Current Portion of Term Debt.

"Capital Expenditures" – means, with respect to any period of 12 consecutive months, all payments or accruals for any (i) property, plant and equipment, (ii) intangible assets and (iii) development costs that are required to be capitalized under GAAP.

"Current Portion of Term Debt or CPTD" – means the scheduled principal payments on Term Debt and lease payments on capital leases over the next 12-month period.

"Debt-to-capital ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) the sum of (i) outstanding operating line of credit, (ii) Term Debt, and (iii) Tangible Equity.

"Distributions" – means, for any period of 12 consecutive months, the total of the following:

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- (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust);
 - (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid);
 - (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and
 - (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities.
- The sum of items (i), (ii), (iii) and (iv) cannot be negative.

"EBITDA" – means earnings before Interest Expenses, taxes, depreciation, and amortization.

"Fixed Charge Coverage Ratio or FCCR" – means the ratio of (A) Adjusted EBITDA for such period less (i) current income taxes during such period taken from the annual financial statements, (ii) Unfunded Capital Expenditures incurred during the applicable period, (iii) Distributions paid during such period; by (B) the sum of (i) CPTD and (ii) the Interest Expenses for such period.

"GAAP" – means Generally Accepted Accounting Principles, with respect to broad principles and conventions of general application as well as rules and procedures that determine accepted accounting practices at a particular time (including, without limitation, IFRS, ASPE, US GAAP, etc., as the case may be). Unless otherwise specifically provided herein, any accounting term used in this Letter of Offer shall have the meaning customarily given such term in accordance with GAAP and all financial computations hereunder shall be computed in accordance with GAAP consistently applied.

"IFRS" – means International Financial Reporting Standards. IFRS are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for publicly accountable enterprises and other categories of reporting entities who are permitted, but not required, to apply this set of standards.

"Interest Expenses" – means financial expenses (i.e., bank charges as well as interest on short-term and long-term debt, on Subordinated Debt, and on capital leases) as reflected in the statement of earnings.

"Subordinated Debt" – means debt with or without a convertible feature and with or without a variable return that normally ranks behind that of the senior secured lenders. Depending on the structure, the instrument of return may include interest, fixed/variable bonuses, royalties, bonus equity, warrants, or dividends.

"Tangible Equity" – means the sum of the share capital (owners' capital for non-incorporated businesses); plus retained earnings (accumulated net income); plus contributed surplus; plus postponed loans or advances from the shareholders (owners) and related businesses; minus loans or advances to the shareholders (owners), directors, related or non-related entities; minus the book value of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt" – means the sum of the long-term debt, the Subordinated Debt, and the capital leases including the current portion to be paid over the next 12 months; plus the redemption amount of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Total Debt/Adjusted EBITDA Ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) Adjusted EBITDA.

"Unfunded Capital Expenditures" – means, with respect to any period of 12 consecutive months, the aggregate of all Capital Expenditures incurred less the sum of (i) net cash proceeds generated from the sales of tangible and intangible assets, (ii) issuance of net new Term Debt, and (iii) issuance of new equity.

"Working Capital" – means the total of current assets minus the total of current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

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SECTION II - REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to BDC that:

1. For any Loan Party other than an individual guarantor, it is a sole-proprietorship, partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery, and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no ongoing, pending or threatened claim, action, prosecution or proceeding of any kind before any court, tribunal, government board or agency including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
8. Neither the Loan Party, nor any Person who Controls the Loan Party, nor any officer, director or shareholder of a Loan Party, has been charged with, pled guilty to, or has been convicted of, a criminal offence (other than a conviction for which a Pardon has been granted or other than a criminal offence which has been disclosed in writing to BDC prior to issuing this Letter of Offer).
9. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

Each Loan Party shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Observe BDC's insurance requirements:
 - a. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security;
 - b. Maintain adequate Marine and/or Aviation insurance for all secured Aircraft or Marine vessels;
 - c. If required as further Security, assign or hypothecate all insurance proceeds to BDC;
 - d. If requested by BDC, maintain adequate Commercial General Liability insurance, and/or Environmental Liability and Clean-Up insurance, including BDC as additional insured to protect it against any losses or claims arising from pollution or contamination incidents, or other risks associated with the Borrower's business, or any other type of insurance BDC may reasonably require;
 - e. Ensure that all insurance policies include a 30-days prior notice of cancellation clause in favour of BDC;
 - f. Provide certificates of insurance for all such policies; and
 - g. Maintain all insurance policies in effect to BDC's standards for the duration of the Loan.



6. Notify BDC immediately of any material loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations, projects and all assets of any nature, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes and provide BDC with proof of payments as BDC may request from time to time. Specifically regarding real estate property or other taxes on lands mortgaged to BDC, if a Loan Party fails to pay any instalment of such taxes when due, BDC may, in its sole discretion, provide written notice to the Borrower requiring the Loan Parties to pay BDC monthly payments as calculated by BDC to establish a tax reserve account, and in such event, the Loan Parties hereby authorize BDC to collect monthly pre-authorized payments and to pay the relevant taxing authority as required. No further consent from the Loan Parties shall be required. Should there be insufficient funds to satisfy the taxes owing, the Loan Parties will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. The Loan Parties shall either instruct the taxing authority to forward a copy of the tax notice to BDC or shall deliver a copy to BDC upon receipt. Funds in this reserve account will earn interest in accordance with BDC's policy then in effect and will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxes and any funds in the reserve account may be applied towards any amounts owing to BDC.
9. Promptly furnish to BDC such information, reports, certificates, and other documents concerning any Loan Party as BDC may reasonably request from time to time, including, but not limited to, information regarding the ownership and control of any Loan Party.
10. Not, without the prior written consent of BDC:
 - a. Change the nature of their business;
 - b. Change their jurisdiction of incorporation, formation or continuance, or the jurisdiction in which their chief place of business, chief executive office or registered office is located;
 - c. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license; or
 - d. Permit or allow any transaction, including but not limited to the sale, transfer, or issuance of an Equity Interest, that would result in a Person who is not a Loan Party acquiring:
 - (i) a direct Equity Interest in a Loan Party; or
 - (ii) an indirect Equity Interest in a Loan Party of 25% or more. For the purposes of this subparagraph (ii), an indirect Equity Interest means an Equity Interest held by a Person through one or more intermediaries.

This paragraph (d) shall not apply to the sale, transfer, or issuance of any Equity Interests in a Public Issuer.
11. When a Loan Party is Public Issuer:
 - a. deliver a notice to BDC for its review and approval, within 5 business days after any Person or group of Persons, acting jointly or in concert, directly or indirectly, acquire Equity Interests resulting in the ownership of 20% or more of the Equity Interests of such Public Issuer. This Public Issuer Notice shall contain the names and addresses of any Person or group of Persons that acquired such Equity Interests together with the details of the Equity Interests so acquired; and
 - b. repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days from the date on which BDC notifies the Borrower in writing that BDC, in its sole discretion, is not satisfied with the issuance or transfer of Equity Interests identified in the notice required by paragraph (a) above.

Additional Covenants: Ineligible Activities

In addition to the above list of Covenants, no Loan Party shall engage in, or permit their respective shareholders, directors or officers to engage in, or permit their premises to be used by a tenant or other Person for, any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that: 1) are engaged in or associated with illegal activities or fail to comply with applicable Canadian legislation that restricts dealings, including trade, between Canadians and governments or

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- residents of countries that are proscribed by the Canadian government or illegally trade in proscribed goods; 2) violate applicable laws with respect to human rights, labour, the environment and anti-corruption; or 3) violate standards with respect to public health and safety or professional conduct, in each case as prescribed by applicable law or by a professional governing body;
- b. businesses that: 1) promote or incite violence, cruel behaviour or hatred; 2) organize, produce, advertise, sell or disseminate intense violent content (18+ or unrated content); 3) discriminate on any basis protected under the Canadian Human Rights Act; 4) participate in, support, engage or indirectly promote any form of human rights abuse; or 5) operate a business organizing or perpetrating violent or cruel behaviour; or
 - c. businesses that operate any form of sexually exploitive business or promote sexually explicit content, including, but not limited to, produce, advertise, sell or disseminate pornographic content or sexually explicit content (18+ or unrated content).

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this section shall also apply to any entity that directly or indirectly controls, is controlled by, or that is under the common control with, any Loan Party.

SECTION IV - EVENTS OF DEFAULT

1. Any Loan Party fails to pay any amount owing under or pursuant to the Loan Documents.
2. Any Loan Party fails to satisfy, comply with, or perform any covenant or other obligation under the Loan Documents.
3. Any Loan Party is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied or unwaived after any cure period provided in such other agreement.
4. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by or on behalf of any Loan Party to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The occurrence of a Material Adverse Change.
7. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.
8. Any Loan Party ceases or threatens to cease to carry on all or a substantial part of its business.
9. The death of any individual Loan Party or any person that Controls any Loan Party.
10. The occurrence of a Change of Control of a Loan Party without BDC's written consent.
11. Any Loan Party, who is a Public Issuer, fails to deliver a Public Issuer Notice when required to do so, or fails to repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days after receiving written notice that BDC is not satisfied with the Public Issuer Notice.
12. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
13. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of trade and economic sanctions imposed by the Parliament of Canada.

SECTION V - GENERAL TERMS AND CONDITIONS

Each Loan Party agrees to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the date on which the written request is received by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, BDC reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans – Not applicable to Equipment Line Loans

If the Borrower selects a floating rate interest plan at the time the Letter of Offer is accepted and subsequently switches to a fixed interest rate plan, the Standby Fee applicable to the Loan shall become payable as follows:

- a. if the change is made within 2 months after the Loan Authorization Date, the Standby Fee shall become payable 2 months after the Loan Authorization Date; or
- b. if the change is made more than 2 months after the Loan Authorization Date, the Standby Fee shall become payable on the date the new fixed interest plan takes effect.

There will be no change to the Standby Fee payment schedule if the Borrower elects to switch from a fixed rate interest plan to a floating rate interest plan.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment

All payments provided for in the Letter of Offer must be made by pre-authorized payments from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);
4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Loan Parties hereby consent to BDC:

- a. collecting personal and business information and using such information for business, analytics and marketing purposes as described in the *Policy on confidentiality and use of personal and business information* (the "Policy") available at bdc.ca/en/confidentiality;
- b. sharing the personal and business information with BDC service providers only for them to provide the services BDC asks from them, such as processing credit verification, background checks and other matters explained in the Policy; and
- c. sharing the personal and business information with authorities in case of fraud or suspected fraud, and with other financial institutions to prevent or control fraud or when there is a breach of a financing agreement with BDC.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Loan Party shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents in accordance with the provisions thereof.

Anti-Money Laundering/Know Your Client

Each Loan Party acknowledges that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Loan Parties, their directors, officers, Persons holding direct or indirect Equity Interests in a Loan Party, and other Persons in Control of each Loan Party. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

The Loan Parties shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Loan Party adopts any changes in its accounting standards which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.

BP

THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026

A Commissioner for Oaths
In and for the Province of Alberta

BP



GUARANTEE

The Business Development Bank of Canada ("BDC") has agreed to make a loan of \$350,000.00, account number 282742-01 (the "Loan"), to "RDFN FUM Natural Products Ltd." (the "Borrower") according to the terms of the letter of offer dated August 15, 2024 (the "Letter of Offer") and the guarantor(s) agree(s) to guarantee the obligations of the Borrower under the Loan.

Each party signing below (the "Guarantor"), on a joint and several basis, unconditionally guarantees payment to BDC of 100 % of all amounts owing by the Borrower under the Loan at the date BDC demands the Loan, together with interest from the date of demand plus fees and costs incurred by BDC in the enforcement of this Guarantee.

This guarantee extends to all future advances and readvances of the Loan.

The Guarantor warrants that there are no agreements, representations and conditions that have been relied upon by the Guarantor that are not expressed in this Guarantee. Furthermore, the Guarantor shall not rely upon any representation made by BDC in respect of the liability of the Guarantor under this Guarantee unless such representation is in writing executed by BDC and no agreement has the effect of diminishing or discharging the liability of the Guarantor under this Guarantee unless the agreement is in writing and executed by BDC.

This obligation to pay will not be reduced or discharged for any reason, including, without limitation:

- The giving of time or other indulgences to the Borrower.
- Changes to the Loan terms and conditions including changes in the rate of interest or repayment terms.
- Amendments or extensions or renewals to the Letter of Offer and this Guarantee.
- Any agreement or compromise that has the effect of diminishing or extinguishing the liability of the Borrower.
- Any other event, circumstance or fact, including without limitation, any act or omission (whether negligent or otherwise), of BDC or the Borrower, which would, at law or at equity, constitute or give rise to a defence to this Guarantee.
- Failure of BDC to seek recourse against the Borrower.
- The release of any obligation to pay including the obligation of any Guarantor. If more than one person guarantees any of the obligations of the Borrower to BDC under this Guarantee, BDC may release any Guarantor without reducing or discharging the liability of any remaining Guarantor.

The Guarantor's liability under this Guarantee will continue until all liabilities of the Borrower under the Loan are repaid in full. By signing below the Guarantor acknowledges having read and understood this Guarantee and has either obtained independent legal advice in connection with this Guarantee or has voluntarily determined not to seek such independent legal advice. This guarantee may be signed in counterparts, each of which shall be deemed an original.

Signed this 22 day of August 2024.

Signature of Witness:

Etiani

Print witness name: Elizabeth Abidogun

Address: #303 – 8 Varsity Estates Circle NW
Calgary, Alberta, T3A 2Z3
587-333-4409

Signature of Guarantor: Braeden Wesley Pauls

Braeden Wesley Pauls

Signed this 22 day of August 2024.

Signature of Witness:

Etiani

Print witness name: Elizabeth Abidogun

Address: #303 – 8 Varsity Estates Circle NW
Calgary, Alberta, T3A 2Z3
587-333-4409

Signature of Guarantor: Daniel David Ogden

Daniel David Ogden

Signed this 22nd day of Aug 2024.

Signature of Witness:

Signature of Guarantor:

Josiah John Pauls

Print witness name:

Address:

JAMES G. SPENCER

Notary Public

Saskatchewan

Expires 31 / 10 / 2027

1101 - 2nd Ave SE - Suite 201
Swift Current, SK
S9H 5M6

FORM

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **BRAEDEN WESLEY PAULS**, one of the Guarantors in the guarantee dated 22 August 2024 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Elizabeth Abidogun, Lawyer, at the City of Calgary, in the Province of Alberta, this 22 day of Aug, 2024.

ELIZABETH ABIDOGUN
Barrister, Solicitor and Notary Public
in and for the Province of Alberta

Elizabeth

Signature

I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Braeden Wesley Pauls
Braeden Wesley Pauls

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☐ ensure the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☐ complete paragraph 1 of this Certificate using the guarantee date, **not** the date of the Letter of Offer
- ☐ date the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☐ print or stamp the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☐ attach this Certificate to the related guarantee
- ☐ deliver the signed Certificate and related guarantee to BDC – both must have original ink signatures

BP

FORM

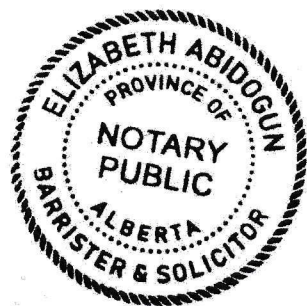
GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **DANIEL DAVID OGDEN**, one of the Guarantors in the guarantee dated August 22, 2024 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Elizabeth Abidogun Lawyer, at the City of Calgary, in the Province of Alberta, this 22 day of Aug, 2024.



ELIZABETH ABIDOGUN

Barrister, Solicitor and Notary Public
in and for the Province of Alberta

Elizabeth Abidogun
Signature

I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Daniel David Ogden
Daniel David Ogden

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☐ ensure the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☐ complete paragraph 1 of this Certificate using the guarantee date, not the date of the Letter of Offer
- ☐ date the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☐ print or stamp the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☐ attach this Certificate to the related guarantee
- ☐ deliver the signed Certificate and related guarantee to BDC – both must have original ink signatures

BP

FORM

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **JOSIAH JOHN PAULS**, one of the Guarantors in the guarantee dated Aug 22nd, 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Notary Public, SK, Lawyer, at the City of Swift Current, in the Province of Saskatchewan, this 22nd day of Aug, 2024.



Signature

Notary Public SK
I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

JAMES G. SPENCER
Notary Public
Saskatchewan
Expires 31 / 10 / 2027

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Josiah John Pauls
Josiah John Pauls

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☐ ensure the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☐ complete paragraph 1 of this Certificate using the guarantee date, not the date of the Letter of Offer
- ☐ date the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☐ print completely the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☐ attach this Certificate to the related guarantee
- ☐ deliver the signed Certificate and related guarantee to BDC – both must have original ink signatures

BP

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026

A Commissioner for Oaths
In and for the Province of Alberta

BP

----- Forwarded message -----

From: "LEE, Tanya (VAN)" <Tanya.LEE@bdc.ca>
Date: Thursday, April 9 2026 at 9:38 AM MDT
Subject: RE: Special Accounts Dept.
To: Braeden Pauls <braeden@breathefum.com>
Cc: Micah Loewen <micah@breathefum.com>

Hi Braeden,

Yes, we will refund these two payments. I want to let you know that since the borrower has entered into CCAA, if the payments are not resolved, the bank will proceed to demand the loan against the guarantors.

Let me know if you have any questions.

Thanks,

Tanya Lee

Senior Account Manager, Special Accounts | Directrice de comptes principale, Comptes spéciaux
T 604-666-2657 C 604-360-5236 F 604-666-7251

bdc.ca

From: Braeden Pauls <braeden.pauls@bdc.ca>

Sent: April 8, 2026 2:15 PM

To: LEE, Tanya (VAN) <>

Cc: Micah Loewen <>

Subject: RE: Special Accounts Dept.

Courriel externe / external email

Hi Tanya,

We saw that another auto-debit went through from BDC. We have attempted to block these payments with our bank and it seems they are still processing. Our lawyer has asked us to request that these payments are returned to comply with the CCAA process. We are needing the payments that went through post-stay (Feb 4): We are going to need the following payments returned;

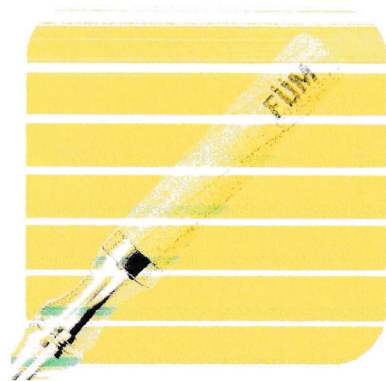
March 2nd \$5,967.04

April 1st for \$6,133.97

Thanks for helping us get this resolved,

Braeden

BP



Braeden Pauls

Co-Founder/Chief Executive Officer

WWW.FLIM.COM



No Vapor. No Nicotine.
Just Delicious Flavored Air

Sent via

DP

Clerk's stamp

COURT FILE NUMBER 2601-03446
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF RDFN
FUM NATURAL PRODUCTS LTD. and RDFN FUM
NATURAL PRODUCTS INC.

APPLICANTS RDFN FUM NATURAL PRODUCTS LTD. and
RDFN FUM NATURAL PRODUCTS INC.

DOCUMENT **AFFIDAVIT #4 OF BRAEDEN PAULS**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP

Barristers and Solicitors
#2100 – 222 3rd Ave SW
Calgary, AB T2P 0B4

Attention: Ryan Zahara / Kaitlin Ward

Telephone: (403) 693-5420 / 4311

Email: rzahara@mltaikins.com /
kward@mltaikins.com

File No. 0185373.00001

AFFIDAVIT #4 OF BRAEDEN PAULS
Sworn on July 20, 2026

I, Braeden Pauls, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Chief Executive Officer and a co-founder of RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**"; collectively with FUM Canada, the "**Applicants**"). I am a director and shareholder of FUM Canada and the sole director of FUM US. I have primary responsibility for the oversight of, and have been directly involved with the development of, the Applicants' restructuring plan, including the filing of the NOIs (as defined below) and the commencement of the CCAA Proceedings (as defined below).

2. I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case, I verily believe the same to be true. I am authorized to swear this Affidavit on behalf of the Applicants.
3. Additionally, I have reviewed the business records in the possession of the Applicants in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business. Where I do not have direct personal knowledge of the matters deposed to herein, unless otherwise identified, my knowledge is derived from my review of the business records of the Applicants, relevant copies of which are attached to this Affidavit.
4. This Affidavit should be read in conjunction with the Third Report of the Monitor, Alvarez & Marsal Canada Inc. (the "**Monitor**") (the "**Third Report**").
5. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the March 12, 2026 Amended and Restated Initial Order of the Honourable Justice J.S. Little (the "**ARIO**").

I. RELIEF SOUGHT

6. I am authorized to swear this Affidavit in support of an application (the "**Application**") scheduled for July 27, 2026 for the following:
 - (a) an Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") providing for the following relief (the "**Stay Extension Order**"):
 - (i) declaring service of the Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (ii) extending the Stay Period (as defined below) up to and including October 2, 2026 (the "**Stay Extension**");
 - (iii) approving a Key Employee Retention Plan dated July 20, 2026, a redacted copy of which is attached hereto as **Exhibit "A"** (the "**KERP**"), and a corresponding priority charge subject only to the Administration Charge

and Directors' Charge to secure payments under the KERP up to the amount of \$100,000 (the "**KERP Charge**");

- (iv) approving the activities of Monitor, as set out in the Third Report;
 - (v) approving the accounts of the Monitor and the Monitor's legal counsel, Osler, Hoskin & Harcourt LLP, Munsch Hardt Kopf & Harr, P.C., and Norton Rose Fulbright Canada LLP, for their respective fees and disbursements.
- (b) an Order (the "**Sealing Order**") sealing the Confidential Supplement to my Fourth Affidavit, sworn July 20, 2026 (the "**Confidential Supplement**"); and
- (c) such further and other relief as this Honourable Court may deem just.

II. BACKGROUND

7. The Applicants are in the business of developing, producing, and selling nicotine-free smokeless, vaporless, non-electronic flavoured air devices under the FUM brand (the "**Products**"). The Products are frequently used as a behavioral aid by individuals attempting to quit smoking or vaping.
8. FUM Canada is a federal corporation extra-provincially registered in Alberta with its head office and operations based out of Calgary, Alberta. FUM US is a wholly owned subsidiary of FUM Canada incorporated in the state of Delaware that supports the Applicants' employment and operational activities in the United States.
9. FUM Canada holds various intellectual property rights in relation to the Products, which are manufactured in China and Vietnam and subsequently imported to the United States, Canada, the United Kingdom, and other countries.
10. The Applicants experienced financial strain as a result of tariffs imposed in the United States, significantly increased advertising costs, and a substantially increased debt burden after settling trademark litigation with BFL Metal Products Co., Ltd. ("**BFL**") that required the Applicants to, among other things, pay \$100,000 each month to BFL.

III. NOI PROCEEDINGS AND CCAA PROCEEDINGS

11. Due to the strain on their liquidity, on February 4, 2026, the Applicants each filed a Notice of Intention to Make a Proposal (the "**NOIs**") under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**", and such proceedings, the "**Proposal Proceedings**"). Alvarez and Marsal Canada Inc. ("**A&M**") was appointed as the proposal trustee of the Applicants.
12. On March 2, 2026, the Applicants continued the Proposal Proceedings under the CCAA (the "**CCAA Proceedings**") pursuant to the Initial Order of the Honourable Justice J.T. Nielson (the "**Initial Order**"). Among other things, the Initial Order appointed A&M as the Monitor and granted a stay of proceedings under March 12, 2026 (the "**Stay Period**").
13. On March 12, 2026, the Honourable Justice J.S. Little granted the ARIO, which, among other things, extended the Stay Period up to and including May 26, 2026, approved an Administration Charge up to the maximum amount of \$500,000, approved a Directors' Charge up to the maximum amount of \$200,000, and authorized FUM Canada to act as the Foreign Representative on behalf of itself and FUM US for the purpose of having the CCAA Proceedings recognized in the United States.
14. On April 23, 2026, the Honourable Justice A.G. Kuntz granted an Order extending the Stay Period up to and including July 31, 2026. The April 23, 2026 Order of Justice A.G. Kuntz further extended the stay of proceedings to stay enforcement against any guarantees granted by the Applicants' current or former directors, officer, or employees, including certain guarantees granted in favour of Business Development Bank of Canada by the Applicants' directors, including myself, Daniel Ogden, and Josiah Pauls.
15. Also on April 23, 2026, the Honourable Justice A.G. Kuntz granted a Claims Process Order (the "**Claims Process Order**"), which provided for a Claims Bar Date of June 15, 2026. The Claims Process Order provided claimants with seven calendar days to submit a Notice of Dispute in response to any Notice of Revision or Disallowance issued by the Monitor and required such claimants to schedule an application with the Court of King's Bench of Alberta within 14 days of issuing the Notice of Dispute.

IV. THE APPLICANTS' ACTIVITIES SINCE THE CLAIMS PROCESS ORDER

16. Since the Claims Process Order was granted on April 23, 2026, the Applicants have been working diligently and in good faith to advance the within CCAA Proceedings. The Applicants' activities have included, but are not limited to, the following:
- (a) working with the Monitor to review claims submitted in accordance with the Claims Process Order;
 - (b) engaging with various creditors and stakeholders to negotiate, and where possible, resolve the claims submitted pursuant to the Claims Process Order;
 - (c) engaging with the Applicants' professional advisors and the Monitor to formulate a plan or plans of arrangement for the benefit of the Applicants' creditors;
 - (d) assisting the Monitor in completing a liquidation analysis of the Applicants' Business and Property;
 - (e) working with the Applicants' professional advisors and the Monitor to start preparing materials in respect of a Creditors' Meeting;
 - (f) working with the Monitor to prepare a Fourth Cash Flow Forecast (as defined below); and
 - (g) continuing to operate their business in the ordinary course.
17. I verily believe the Applicants have acted, and continue to act, in good faith and with due diligence to advance these CCAA Proceedings for the benefit of their creditors and stakeholders.

V. EXTENSION OF THE STAY PERIOD

18. Currently, the Stay Period is scheduled to expire on July 31, 2026. The Applicants are seeking an extension of the Stay Period up to and including October 2, 2026 in order to continue advancing these CCAA Proceedings as a going-concern, fully operational business.

19. The Stay Extension is necessary to provide the Applicants with continued protection from creditor enforcement while they:
- (a) work with the Monitor to resolve all outstanding claims submitted through the Claims Process Order;
 - (b) finalize the total amount of accepted claims against the Applicants;
 - (c) negotiate with creditors and stakeholders to generate their support for a proposed plan of arrangement (the “**Plan**”);
 - (d) work with their professional advisors to complete the materials in support of an application for a Creditors’ Meeting Order, which at this time is anticipated to be sought at a court application scheduled for August 28, 2026;
 - (e) if the Creditors’ Meeting Order is approved, hold a creditors’ meeting for the purpose of voting on the Plan;
 - (f) work with their professional advisors to apply for approval of a Plan Sanction Order; and
 - (g) continue operating in the ordinary course of business.
20. The Stay Extension is necessary and appropriate to continue to provide the Applicants with protection from creditor enforcement while they work to advance their business to the next phase of restructuring.
21. To the best of my knowledge, no stakeholder will suffer material prejudice as a result of the Stay Extension. Rather, the Stay Extension will facilitate the restructuring by providing the Applicants with the time and space needed to finalize all claims, negotiate a Plan, and proceed to hold a creditors’ meeting.
22. The Fourth Cash Flow Forecast appended to the Third Report (the “**Fourth Cash Flow Forecast**”) indicates that the Applicants have sufficient liquidity to operate as a going-concern during the requested Stay Extension.

VI. STAY EXTENSION FOR DIRECTORS' GUARANTEES

23. The Applicants seek to extend the stay of proceedings granted pursuant to the April 23, 2026 order of the Honourable Justice Kuntz in respect of any of the current or former directors, officers, or employees of the Applicants (collectively, the "**Guarantee Stay Parties**") with respect to any claim that arose before February 4, 2026 in respect of any guarantee granted by the Guarantee Stay Parties (the "**Guarantor Stay**").
24. For context, pursuant to a Letter of Offer dated August 15, 2024 (the "**BDC Loan Agreement**"), Business Development Bank of Canada ("**BDC**") advanced FUM Canada an unsecured term loan (the "**BDC Loan**"). As at February 4, 2026, BDC was owed approximately \$312,000 in respect of the BDC Loan. Attached hereto as **Exhibit "B"** is a copy of the BDC Loan.
25. Pursuant to personal guarantees dated August 22, 2024, Daniel Ogden ("**Mr. Ogden**"), Josiah Pauls ("**Mr. Pauls**"), and I (collectively, the "**Personal Guarantors**") each personally guaranteed all of FUM Canada's obligations owing under the BDC Loan, including interest, fees, and costs (the "**Personal Guarantees**"). Collectively attached hereto as **Exhibit "C"** are copies of the Personal Guarantees.
26. All of the Personal Guarantors are either an employee, in a critical role, or a director of the Applicants. Specifically:
- (a) I am the Chief Executive Officer and director of FUM Canada and have primary responsibility for the Applicants' leadership and operations, as well as the Applicants' restructuring within these CCAA Proceedings;
 - (b) Mr. Ogden is the Chief Marketing Officer of FUM Canada and has primary responsibility for marketing the Applicants' products. Digital marketing is a critical aspect of FUM Canada's business, the primary form of advertising for FUM Canada's products, and a critical revenue driver. Accordingly, Mr. Ogden holds a key role in customer acquisition; and
 - (c) Mr. Pauls is a graphic designer employed by FUM Canada and a director of FUM Canada. Mr. Pauls plays an important role in customer relations and customer

retention matters, including managing a significant amount of FUM Canada's customer correspondence. Mr. Pauls is a critical member of the operations team and will play an important role in operating the Applicants' business as a going concern going forward.

27. As set out in further detail in my Third Affidavit sworn April 15, 2026, on April 9, 2026, a BDC representative emailed me indicating that if certain pre-authorized debit payments processed after the Applicants initiated their NOI Proceedings were not resolved, "the bank will proceed to demand the loan against the guarantors." Attached hereto as **Exhibit "D"** is a true copy of the email chain exchanged between myself and the BDC representative.
28. Based on the email correspondence from BDC, the Applicants are concerned that BDC will initiate enforcement action against the Personal Guarantees during the CCAA Proceedings.
29. To the best of the Applicants' knowledge, BDC holds the only executed guarantee agreements from the Guarantee Stay Parties. However, the Amex Loan Agreement (a true copy of which is attached to my First Affidavit, filed February 24, 2026 as Exhibit "R"), which I signed on behalf of FUM Canada, includes certain terms that appear to contemplate a personal indemnity or personal guarantee given on behalf of the individual signing the Amex Loan Agreement. The Applicants have not completed a review of all of their agreements with trade creditors, including those governed by other jurisdictions, to assess whether any such agreements contain similar terms.
30. On April 23, 2026, the Applicants applied for an Order staying enforcement of the Personal Guarantees, which was granted by Justice Kuntz. The April 23, 2026 Order of Justice Kuntz provides that during the Stay Period, no Proceedings shall be commenced or continued against or in respect of any of the Guarantee Stay Parties, which, for certainty, include the Personal Guarantors in respect of the Personal Guarantees.
31. The Applicants are requesting that the Guarantor Stay be extended commensurate with the Stay Extension (if approved) to facilitate the restructuring process.

32. During this period, the Personal Guarantors have engaged with BDC in good faith and are working to provide certain information regarding the Personal Guarantors. The Personal Guarantors require the continuation of the Guarantor Stay in order to allow them to continue to engage in good faith with BDC and, potentially, find a resolution to BDC's claims under the Personal Guarantees.
33. The prospect of BDC enforcing on the Personal Guarantees risks diverting the attention of key employees and management at a critical point in the Applicants' restructuring. A successful resolution of the within CCAA Proceedings will require the active, committed involvement of all of the Guarantee Stay Parties, including each of the Personal Guarantors. The Applicants' ordinary course operations depend heavily on the strategic oversight, marketing, customer acquisition, and customer retention functions performed by the Personal Guarantors, including because the Business relies on direct to consumer sales and continuous digital marketing.
34. As it appears that there is at least one other potential guarantee claim under the Amex Loan Agreement, the Applicants are seeking a stay of any claims against the Guarantee Parties respecting any guarantee to capture any such claims that may be asserted.
35. The Applicants are requesting that Guarantor Stay only be extended for as long as the Stay Extension, so it will continue in effect only for the period during which it will serve the purpose of ensuring the Guarantee Stay Parties can focus on the restructuring process.

VII. KERP AND KERP CHARGE

36. The Applicants are seeking approval of the KERP, a redacted copy of which is attached hereto as **Exhibit "A"**, and an unredacted copy of which is attached to my Confidential Supplement (the "**Unredacted KERP**").
37. The Applicants have developed the KERP with the assistance of the Monitor to first, retain management personnel of the Applicants that have been identified as critical to the continued business operations during the restructuring (collectively, the "**Key Employees**"); and second, to incentivize the Key Employees to assist in maximizing the Applicants' value as a going concern while they work to finalize a Plan.

38. Subject to this Court's approval of the KERP, the Applicants are seeking a KERP Charge up to the maximum amount of \$100,000 to secure payment to the Key Employees in accordance with the terms of the KERP (the "**KERP Charge**").
39. Key terms of the KERP include, among others:
- (a) "Eligible Participants" are defined to currently include myself and Daniel Ogden (collectively, the "**Current Eligible Participants**");
 - (b) Eligible Participants may be added or removed with the approval of the Monitor if it is determined they (i) are essential to the stability of the Applicants' Business; (ii) will enhance the effectiveness of a restructuring; and (iii) are necessary to facilitate a restructuring;
 - (c) the total payment to be made to the Eligible Participants is capped at \$100,000 (the "**KERP Cap**"), subject to any increase approved by the Court;
 - (d) if Eligible Participants are added beyond the Current Eligible Participants, the amount of the KERP Cap will not be increased without the approval of the Court, but the allocation of retention payments between Eligible Participants can be amended by the Applicants with the approval of the Monitor and any affected Eligible Participants;
 - (e) retention payments are to be allocated amongst the Eligible Participants based on certain capped amounts for each Eligible Participant; and
 - (f) payments vest in the Eligible Participants upon the successful implementation of a Plan, which shall be confirmed by the Monitor filing a Certificate confirming implementation of the Plan.
40. The Key Employees have significant experience, specialized expertise, and personal relationships with employees, customers, and suppliers that cannot be replicated or easily replaced. The Applicants anticipate that the Key Employees may also be presented with more certain employment opportunities while facing increased workloads during these CCAA Proceedings.

41. The Key Employees include directors and officers that are necessary and integral to the Applicants' business and operations continuing to operate in the normal course. A key component, and part of the intended consideration under the KERP, is that releases be sought for the directors and officers as part of any sales transaction and in conjunction with any plan of arrangement that is approved.
42. I believe the continued retention of the Key Employees is necessary to ensure, among other things, the Applicants will be able to successfully maintain their business operations, preserve and maximize asset values, maintain valuable relationships with critical suppliers and retain other employees.
43. The KERP Charge is necessary and appropriate to secure payment of the total amount of \$100,000 to Eligible Participants. The Applicants are requesting that the KERP Charge rank in priority to all other security interests, trust, liens, charges, and encumbrances, subject only to the Administration Charge and Directors' Charge.

VIII. SEALING RELIEF

44. The Applicants are seeking a direction in the Sealing Order that the Confidential Supplement to this Fourth Affidavit containing the Unredacted KERP be sealed on the court record.
45. The Unredacted KERP contains private and confidential information pertaining to the Key Employees, including details of payments to be made to Key Employees. Accordingly, the Applicants believe that any disclosure of the information in the KERP would be detrimental to the Key Employees, and could potentially provide sufficient information to allow competitors to attempt to lure those Key Employees away to alternative employment. As such, the Applicants are looking to seal the Unredacted KERP on the Court record pursuant to the terms of the Sealing Order.
46. The Applicants are only seeking to seal the limited information in the Unredacted KERP; a redacted copy of the KERP is otherwise available to the public and attached to this Affidavit at Exhibit "A". The Applicants have endeavoured to keep as much information on the public record as possible, and as appropriate in the circumstances. Additionally, the

THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026



A Commissioner for Oaths
In and for the Province of Alberta

TAYLOR ELTOM
STUDENT-AT-LAW

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 RDFN FUM NATURAL PRODUCTS LTD. AND RDFN FUM NATURAL PRODUCTS INC.

KEY EMPLOYEE RETENTION PLAN

July 20, 2026

Overview

1. On February 4, 2026, RDFN FUM Natural Products Ltd. ("**FUM Canada**") and RDFN FUM Natural Products Inc. ("**FUM US**", and together with FUM Canada, "**FUM**") each filed a Notice of Intention to Make a Proposal (collectively, the "**NOIs**") under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**", and such proceedings, the "**Proposal Proceedings**"). Alvarez and Marsal Canada Inc. ("**A&M**") was appointed as the proposal trustee of FUM.
2. On March 12, 2026, FUM was granted protection under the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA Proceedings**") pursuant to an Initial Order granted by Justice J.T. Nielson of the Court of King's Bench of Alberta (the "**Court**").
3. A&M was appointed monitor (in such capacity, the "**Monitor**") of FUM in the CCAA Proceedings.
4. On July 27, 2026, FUM brought an application in the CCAA Proceedings to, among other things: (a) approve this key employee retention plan (the "**KERP**"); and (b) secure the amounts payable under this KERP with a priority charge (the "**KERP Charge**") on all of the property of FUM on the terms and with the priority proposed in the Fourth Affidavit of Braeden Pauls, sworn July 20, 2026 and described in more detail in the Third Report of the Monitor.
5. The eligible participants in this KERP (each, an "**Eligible Participant**") will initially be comprised of the key employees set out on **Schedule A** (each a "**Key FUM Employee**"), including Braeden Pauls and Daniel Ogden. Eligible Participants may be added or removed in accordance with the terms of this KERP.

Eligibility Criteria

6. FUM and the Monitor have determined that each of the Key FUM Employees is essential to ensure the stability of FUM's business and enhances the effectiveness of the proposed restructuring, including any plan or plan(s) of arrangement that may be approved in respect of all or any single member of FUM (collectively, a "**Plan**" or a "**Restructuring**"), and is necessary to facilitate an efficient Restructuring, and should be deemed to be an Eligible Participant as of the date hereof.
7. FUM, with the approval of the Monitor, may designate additional employees, directors or officers of FUM (each an "**Additional FUM Employee**") as Eligible Participants for the purposes of participating in this KERP if the qualifications of Section 6 are met in respect of such Additional FUM Employee (who then shall be Eligible Participants for the purposes of this KERP), provided that the total amount of KERP Payments (as defined below) allocated and/or paid to all Eligible Participants does not exceed the KERP Cap (as defined below), unless Court approval is obtained to increase such KERP Cap.

Allocation

8. The total aggregate amount authorized to be paid to all Eligible Participants under the KERP is \$100,000.00 (the "**KERP Cap**"). The current allocation (the "**KERP Allocation**") of retention payments ("**KERP Payments**") as between the initial Eligible Participants is set out in Schedule A hereto. Notwithstanding the foregoing, FUM may, with the approval of the Monitor, and any affected Eligible Participants, amend the KERP Allocation from time to time in accordance with the terms hereof; provided that the total amount of KERP Payments allocated and/or paid to all Eligible Participants does not exceed the KERP Cap, unless Court approval is obtained to increase such KERP Cap.
9. Without limiting FUM's rights under the other provisions of this KERP (including where subject to approval of the Monitor), in the event that any Eligible Participant resigns or is terminated with cause prior to the Vesting Event (as defined below), and FUM is required to: (a) hire a new employee; (b) designate an Additional FUM Employee as a Eligible Participant; or (c) reassign the resigning Eligible Participant's work to another Eligible Participant (as applicable, the "**Replacement**"), then FUM may, with the approval of the Monitor, revoke the resigning Eligible Participant's right to participate in this KERP and reallocate to the Replacement the unearned portion of the applicable KERP Payments originally allocated to the resigning Eligible Participant; provided that the total amount of KERP Payments allocated and/or paid to all Eligible Participants does not exceed the KERP Cap, unless Court approval is obtained to increase such KERP Cap.

Vesting Criteria

10. The KERP Payments will vest in those Eligible Participants upon the filing of a certificate by the Monitor confirming that the implementation of a Plan (the "**Vesting Event**").
11. In addition to any other conditions set out herein, and those which may be established or imposed by FUM with the approval of the Monitor from time to time, Eligible Participants will only be eligible for their applicable KERP Payments if they are: (a) actively employed with FUM as of the date of the Vesting Event; (b) performing their duties and responsibilities, including any reasonable additional or transitional duties, through to the applicable payment date; or (c) terminated without cause before the applicable KERP Payment is due and payable hereunder (and such Eligible Participant has otherwise met all other requirements for payment). An Eligible Participant will lose their entitlements under this KERP if they are terminated for cause, if they resign before the Vesting Event, or otherwise do not otherwise meet the conditions for earning such KERP Payment.

Payment Criteria

12. Subject to the terms hereof, the applicable KERP Payments shall be payable to the Eligible Participants within five (5) days following the Vesting Event.

THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026



A Commissioner for Oaths
In and for the Province of Alberta

TAYLOR ELTOM
STUDENT-AT-LAW

TE



BDCID: 10038902929

Letter of Offer dated August 15, 2024

RDFN FUM Natural Products Ltd.
11126 Hidden Valley Dr NW
Calgary, AB
T3A 5Z6

Attention of: Mr. Braeden Pauls

Re: Loan(s) No. 282742-01

In accordance with this letter of offer of credit as amended from time to time (the "**Letter of Offer**"), Business Development Bank of Canada ("**BDC**") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**"). The Letter of Offer is open for acceptance until August 25, 2024 (the "**Acceptance Date**") and must be received by BDC duly signed no later than the Acceptance Date otherwise it shall automatically be deemed withdrawn by BDC.

LOAN PURPOSE AND FUNDING

Loan Purpose

Working Capital	\$350,000.00
	\$350,000.00

Funding

BDC 282742-01	\$350,000.00
	\$350,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

Business Development Bank of Canada
The Edison, Suite 1310, 150 - 9th Avenue SW
Calgary, AB T2P3H9
www.bdc.ca

TE

BORROWER

RDFN FUM Natural Products Ltd. (the "**Borrower**")

GUARANTOR

Braeden Wesley Pauls

Daniel David Ogden

Josiah John Pauls

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 282742-01: \$350,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 282742-01

Floating Rate

BDC's Floating Base Rate plus a variance of 1.00% per year (the "**Variance 01**"). On the date hereof, BDC's Floating Base Rate is 8.80% per year.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following table. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable in full on the Maturity Date indicated below.

Loan 282742-01

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	4,720.00	01/06/2025	01/06/2025
83	Monthly	4,160.00	01/07/2025	01/05/2032

In addition, interest is payable monthly on the 1st day of the month (the **"Payment Date 01"**) commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: May 1, 2032 (the **"Maturity Date 01"**).

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after August 15, 2024. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full. If the loan is prepaid in full within 30 days following receipt of the amount paid as a prepayment privilege, BDC will calculate a prepayment indemnity, effective the day the full balance is repaid, on the amount of the last received prepayment privilege and add it to the prepayment indemnity calculated on the full remaining balance being repaid.

Prepayment Indemnity: In addition to the annual prepayment privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:

- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the “**Security**”):

Loan 282742-01

1. Joint and Several Guarantee of Braeden Wesley Pauls, Daniel David Ogden and Josiah John Pauls for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 282742-01

1. This Loan will only be disbursed once all Conditions Precedent have been met.

Invoices evidencing working capital improvements expenditures are not required.

The Loan will be disbursed as follows :
(The Borrower shall initial one of the options below)

BDC will disburse the full amount of the Loan directly to the Borrower, as soon as possible.

Unless otherwise indicated above, funds for each Loan account number shall be disbursed to BDC's solicitor or notary mandated by BDC for security taking for the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to each Loan Party and its business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

LAPSING DATE

Loan 282742-01

Lapsing Date: August 15, 2025 (the "**Lapsing Date 01**").

Any undisbursed portion of a Loan shall lapse and be cancelled on the occurrence of the earliest of the following events:

- a) on the applicable Lapsing Date indicated above; or
- b) on the date the Borrower notifies BDC of its intention to cancel the Loan; or
- c) on the date BDC issues a notice to the Borrower that an Event of Default has occurred and that BDC has terminated its obligation to make any further advances under the Loan.

Each of the above is hereby considered a "Lapsing Event" and shall be subject to Cancellation Fees as provided for in this Letter of Offer.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

1. Notwithstanding the Annual Prepayment Privilege paragraph of this Letter of Offer, provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 months period, prepay up to 25% of the outstanding principal on the Loan without indemnity. All other terms and conditions of the Annual Prepayment Privilege paragraph and the Prepayment section shall continue to apply.

REPRESENTATIONS AND WARRANTIES

The Loan Parties make the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

COVENANTS

Each Loan Party shall perform the covenants in Schedule "A" – Section III. These covenants shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

REPORTING OBLIGATIONS

The Borrower shall provide to BDC the following financial statements and other documents:

Company	Type	Frequency	Period Ending
RDFN FUM Natural Products Ltd.	Compilation Engagement prepared by a CPA	Annual	August

The above annual financial statements and other documents indicated as required annually shall be provided to BDC within 90 days following the applicable Period Ending.

If financial statements or other documents are required more frequently than on an annual basis, same shall be provided to BDC within 30 days following each applicable Frequency.

In addition, the Borrower shall provide any other financial and operating statements and reports as and when BDC may reasonably require.

The Loan Parties also agree that the Reporting Obligations above shall apply to all other existing BDC loans to the same Borrower, if any, and the letter(s) of offer for such existing loans are deemed amended accordingly. Furthermore, such amended Reporting Obligations shall continue to be effective in respect of said existing letters of offer notwithstanding that this Letter of Offer may be reimbursed or cancelled.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "**Event of Default**"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security. Notwithstanding any other provision of this Letter of Offer or any other Loan Document, the parties hereto agree that the time limited for commencement of any action to enforce the obligations of the Borrowers and Guarantors, including the enforcement of any Security, shall not commence until BDC has issued a written demand for full payment of the Loan.

The exercise by BDC of any of its rights shall not preclude it from exercising any other rights resulting from this Letter of Offer or Loan Documents, as BDC's rights are cumulative and not alternative. No action or omission on the part of BDC shall constitute or imply a renunciation of its rights to determine that a Default or Event of Default has occurred or to avail itself of its rights resulting therefrom.

FEES

Cancellation Fee

If the Loan is not fully disbursed due to a Lapsing Event, regardless of the reason for the Lapsing Event, the Loan Parties shall pay BDC a cancellation fee in proportion to the percentage of the Loan that is cancelled, based on the amount below being the fee if 100% of the Loan is cancelled. No cancellation fee will be payable if less than 50% of the Loan is cancelled. If the Loan includes funds to refinance an existing BDC Loan, those funds shall be excluded from the calculation of the percentage of the Loan that is cancelled.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 282742-01

Cancellation Fee: \$10,500.00 (the "**Cancellation Fee 01**").

Standby Fee

The Loan Parties shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 282742-01

Rate: 1.50% per annum
Date: February 15, 2025

Legal Fees and Other Expenses

The Loan Parties shall pay, on demand, all legal fees and expenses and other out-of-pocket costs of BDC, incurred in connection with the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Loan Parties.

All costs, fees, expenses and protective disbursements incurred for the enforcement of the Loan and the Loan Documents are payable by the Loan Parties, including the full amount of all legal and professional fees and expenses paid by BDC at the rate at which those amounts are billed to BDC.

Loan Management Fee

The Loan Parties shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change at BDC's sole discretion, acting reasonably, effective upon the Borrower's receipt of written notification from BDC, to cover additional costs or fees incurred in the management of the Loan, including, but not limited to, resulting from the Borrower's failure to remit financial statements or other documents as required under the Letter of Offer.

Loan 282742-01

\$350.00 per year (the "**Management Fee 01**").

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Loan Parties. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on each Loan Party and BDC and their respective permitted successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a “**transfer**”) all or any part of its rights and obligations under the Loan or the Loan Documents to any third party, and the Loan Parties agree to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under the Loan Documents as if it were a party to them, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under the Loan or Loan Documents it assigns. BDC may disclose information it has in connection with the Borrower or any Loan Party to any actual or prospective transferee. No Loan Party shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC’s prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be signed and accepted by an original ink signature or by electronic signature as permitted by BDC, and may be delivered on paper, fax, or in an electronic format (PDF) through BDC’s electronic client portal, or any other electronic means of communication acceptable to BDC. It may also be signed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule “A” which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule “A” has been inserted after the signature page and forms an integral part of the Letter of Offer.

LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

Nataya Stephens

Nataya Stephens
Senior Account Manager
Phone: (403) 407-9231
Nataya.STEPHENS@bdc.ca

Sahra Sheikhabukar

Sahra Sheikhabukar
Client Support Coordinator
Phone: (403) 407-9235
Sahra.SHEIKHABUKAR@bdc.ca

ACCEPTANCE

Each Loan Party hereby accepts the terms and conditions set forth above and in the attached Schedule "A".

This _____ day of _____ 20____.

RDFN FUM Natural Products Ltd.

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTOR(S)

Braeden Wesley Pauls

Daniel David Ogden

Josiah John Pauls

TE

August 15, 2024

SECTION I - DEFINITIONS

A. General Definitions:

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Change of Control" – means any operation or series of transactions pursuant to which the Control of a Person is transferred from one Person to another or required by a Person, or any binding undertaking to proceed with any such operations.

"Control" – means the power to, directly or indirectly, acting alone or together with other Persons, direct or cause the direction of the management, business, affairs or policies of a Loan Party, whether through ownership of partnership interests, trust interests, or voting securities, by contract or otherwise, including, but without limiting the generality of the foregoing, in the case of a corporation, a Person is deemed to control a corporation if such Person (or such Person and its affiliates) holds, directly or indirectly, more than fifty per cent (50%) of the voting rights of the corporation. For the purposes of this definition, indirect control will include, without limitation, control that is exercised by one Person over another, through an intermediary that is controlled by the first.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"Equity Interests" – means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan for any portion of the Loan on a fixed interest rate plan or the selection by the Borrower of a new interest rate plan prior to the Interest Expiration Date, if, on the date of the prepayment or the selection of the new plan, as applicable, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment,

the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the *Interest Act*.

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Loan Party" – means either the Borrower or the Guarantor and "Loan Parties" means collectively each of the Borrower and the Guarantor.

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise), or prospects, of any Loan Party, or any Person who Controls a Loan Party;
- (ii) a material impairment of the ability of any Loan Party to perform any of their obligations under any Loan Document; or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, limited liability company, trust, joint venture, association, partnership, limited partnership, governmental authority or other entity, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.

"Public Issuer" – means any Loan Party whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

"Public Issuer Notice" – means a written notice delivered by a Public Issuer to BDC as described in the Covenants section of this Schedule "A".

B. Financial Definitions – the following definitions apply if used in this Letter of Offer:

"Adjusted EBITDA" – means EBITDA adjusted by gains/losses on disposal of assets, other non-cash adjustments presented in the statement of cash flow and all extraordinary items presented as per GAAP financial measures.

"ASPE" – means accounting standards for private enterprises. ASPE are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for private enterprises in Canada who have not elected to adopt IFRS.

"Available Funds" – means in respect of any Loan Party for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the Current Portion of Term Debt.

"Capital Expenditures" – means, with respect to any period of 12 consecutive months, all payments or accruals for any (i) property, plant and equipment, (ii) intangible assets and (iii) development costs that are required to be capitalized under GAAP.

"Current Portion of Term Debt or CPTD" – means the scheduled principal payments on Term Debt and lease payments on capital leases over the next 12-month period.

"Debt-to-capital ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) the sum of (i) outstanding operating line of credit, (ii) Term Debt, and (iii) Tangible Equity.

"Distributions" – means, for any period of 12 consecutive months, the total of the following:

- (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust);
 - (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid);
 - (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and
 - (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities.
- The sum of items (i), (ii), (iii) and (iv) cannot be negative.

"EBITDA" – means earnings before Interest Expenses, taxes, depreciation, and amortization.

"Fixed Charge Coverage Ratio or FCCR" – means the ratio of (A) Adjusted EBITDA for such period less (i) current income taxes during such period taken from the annual financial statements, (ii) Unfunded Capital Expenditures incurred during the applicable period, (iii) Distributions paid during such period; by (B) the sum of (i) CPTD and (ii) the Interest Expenses for such period.

"GAAP" – means Generally Accepted Accounting Principles, with respect to broad principles and conventions of general application as well as rules and procedures that determine accepted accounting practices at a particular time (including, without limitation, IFRS, ASPE, US GAAP, etc., as the case may be). Unless otherwise specifically provided herein, any accounting term used in this Letter of Offer shall have the meaning customarily given such term in accordance with GAAP and all financial computations hereunder shall be computed in accordance with GAAP consistently applied.

"IFRS" – means International Financial Reporting Standards. IFRS are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for publicly accountable enterprises and other categories of reporting entities who are permitted, but not required, to apply this set of standards.

"Interest Expenses" – means financial expenses (i.e., bank charges as well as interest on short-term and long-term debt, on Subordinated Debt, and on capital leases) as reflected in the statement of earnings.

"Subordinated Debt" – means debt with or without a convertible feature and with or without a variable return that normally ranks behind that of the senior secured lenders. Depending on the structure, the instrument of return may include interest, fixed/variable bonuses, royalties, bonus equity, warrants, or dividends.

"Tangible Equity" – means the sum of the share capital (owners' capital for non-incorporated businesses); plus retained earnings (accumulated net income); plus contributed surplus; plus postponed loans or advances from the shareholders (owners) and related businesses; minus loans or advances to the shareholders (owners), directors, related or non-related entities; minus the book value of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt" – means the sum of the long-term debt, the Subordinated Debt, and the capital leases including the current portion to be paid over the next 12 months; plus the redemption amount of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Total Debt/Adjusted EBITDA Ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) Adjusted EBITDA.

"Unfunded Capital Expenditures" – means, with respect to any period of 12 consecutive months, the aggregate of all Capital Expenditures incurred less the sum of (i) net cash proceeds generated from the sales of tangible and intangible assets, (ii) issuance of net new Term Debt, and (iii) issuance of new equity.

"Working Capital" – means the total of current assets minus the total of current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

SECTION II - REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to BDC that:

1. For any Loan Party other than an individual guarantor, it is a sole-proprietorship, partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery, and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no ongoing, pending or threatened claim, action, prosecution or proceeding of any kind before any court, tribunal, government board or agency including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
8. Neither the Loan Party, nor any Person who Controls the Loan Party, nor any officer, director or shareholder of a Loan Party, has been charged with, pled guilty to, or has been convicted of, a criminal offence (other than a conviction for which a Pardon has been granted or other than a criminal offence which has been disclosed in writing to BDC prior to issuing this Letter of Offer).
9. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

Each Loan Party shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Observe BDC's insurance requirements:
 - a. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security;
 - b. Maintain adequate Marine and/or Aviation insurance for all secured Aircraft or Marine vessels;
 - c. If required as further Security, assign or hypothecate all insurance proceeds to BDC;
 - d. If requested by BDC, maintain adequate Commercial General Liability insurance, and/or Environmental Liability and Clean-Up insurance, including BDC as additional insured to protect it against any losses or claims arising from pollution or contamination incidents, or other risks associated with the Borrower's business, or any other type of insurance BDC may reasonably require;
 - e. Ensure that all insurance policies include a 30-days prior notice of cancellation clause in favour of BDC;
 - f. Provide certificates of insurance for all such policies; and
 - g. Maintain all insurance policies in effect to BDC's standards for the duration of the Loan.

6. Notify BDC immediately of any material loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations, projects and all assets of any nature, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes and provide BDC with proof of payments as BDC may request from time to time. Specifically regarding real estate property or other taxes on lands mortgaged to BDC, if a Loan Party fails to pay any instalment of such taxes when due, BDC may, in its sole discretion, provide written notice to the Borrower requiring the Loan Parties to pay BDC monthly payments as calculated by BDC to establish a tax reserve account, and in such event, the Loan Parties hereby authorize BDC to collect monthly pre-authorized payments and to pay the relevant taxing authority as required. No further consent from the Loan Parties shall be required. Should there be insufficient funds to satisfy the taxes owing, the Loan Parties will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. The Loan Parties shall either instruct the taxing authority to forward a copy of the tax notice to BDC or shall deliver a copy to BDC upon receipt. Funds in this reserve account will earn interest in accordance with BDC's policy then in effect and will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxes and any funds in the reserve account may be applied towards any amounts owing to BDC.
9. Promptly furnish to BDC such information, reports, certificates, and other documents concerning any Loan Party as BDC may reasonably request from time to time, including, but not limited to, information regarding the ownership and control of any Loan Party.
10. Not, without the prior written consent of BDC:
 - a. Change the nature of their business;
 - b. Change their jurisdiction of incorporation, formation or continuance, or the jurisdiction in which their chief place of business, chief executive office or registered office is located;
 - c. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license; or
 - d. Permit or allow any transaction, including but not limited to the sale, transfer, or issuance of an Equity Interest, that would result in a Person who is not a Loan Party acquiring:
 - (i) a direct Equity Interest in a Loan Party; or
 - (ii) an indirect Equity Interest in a Loan Party of 25% or more. For the purposes of this subparagraph (ii), an indirect Equity Interest means an Equity Interest held by a Person through one or more intermediaries.

This paragraph (d) shall not apply to the sale, transfer, or issuance of any Equity Interests in a Public Issuer.
11. When a Loan Party is Public Issuer:
 - a. deliver a notice to BDC for its review and approval, within 5 business days after any Person or group of Persons, acting jointly or in concert, directly or indirectly, acquire Equity Interests resulting in the ownership of 20% or more of the Equity Interests of such Public Issuer. This Public Issuer Notice shall contain the names and addresses of any Person or group of Persons that acquired such Equity Interests together with the details of the Equity Interests so acquired; and
 - b. repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days from the date on which BDC notifies the Borrower in writing that BDC, in its sole discretion, is not satisfied with the issuance or transfer of Equity Interests identified in the notice required by paragraph (a) above.

Additional Covenants: Ineligible Activities

In addition to the above list of Covenants, no Loan Party shall engage in, or permit their respective shareholders, directors or officers to engage in, or permit their premises to be used by a tenant or other Person for, any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that: 1) are engaged in or associated with illegal activities or fail to comply with applicable Canadian legislation that restricts dealings, including trade, between Canadians and governments or

- residents of countries that are proscribed by the Canadian government or illegally trade in proscribed goods; 2) violate applicable laws with respect to human rights, labour, the environment and anti-corruption; or 3) violate standards with respect to public health and safety or professional conduct, in each case as prescribed by applicable law or by a professional governing body;
- b. businesses that: 1) promote or incite violence, cruel behaviour or hatred; 2) organize, produce, advertise, sell or disseminate intense violent content (18+ or unrated content); 3) discriminate on any basis protected under the Canadian Human Rights Act; 4) participate in, support, engage or indirectly promote any form of human rights abuse; or 5) operate a business organizing or perpetrating violent or cruel behaviour; or
 - c. businesses that operate any form of sexually exploitive business or promote sexually explicit content, including, but not limited to, produce, advertise, sell or disseminate pornographic content or sexually explicit content (18+ or unrated content).

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this section shall also apply to any entity that directly or indirectly controls, is controlled by, or that is under the common control with, any Loan Party.

SECTION IV - EVENTS OF DEFAULT

1. Any Loan Party fails to pay any amount owing under or pursuant to the Loan Documents.
2. Any Loan Party fails to satisfy, comply with, or perform any covenant or other obligation under the Loan Documents.
3. Any Loan Party is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied or unwaived after any cure period provided in such other agreement.
4. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by or on behalf of any Loan Party to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The occurrence of a Material Adverse Change.
7. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.
8. Any Loan Party ceases or threatens to cease to carry on all or a substantial part of its business.
9. The death of any individual Loan Party or any person that Controls any Loan Party.
10. The occurrence of a Change of Control of a Loan Party without BDC's written consent.
11. Any Loan Party, who is a Public Issuer, fails to deliver a Public Issuer Notice when required to do so, or fails to repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days after receiving written notice that BDC is not satisfied with the Public Issuer Notice.
12. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
13. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of trade and economic sanctions imposed by the Parliament of Canada.

SECTION V - GENERAL TERMS AND CONDITIONS

Each Loan Party agrees to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the date on which the written request is received by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, BDC reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans – Not applicable to Equipment Line Loans

If the Borrower selects a floating rate interest plan at the time the Letter of Offer is accepted and subsequently switches to a fixed interest rate plan, the Standby Fee applicable to the Loan shall become payable as follows:

- a. if the change is made within 2 months after the Loan Authorization Date, the Standby Fee shall become payable 2 months after the Loan Authorization Date; or
- b. if the change is made more than 2 months after the Loan Authorization Date, the Standby Fee shall become payable on the date the new fixed interest plan takes effect.

There will be no change to the Standby Fee payment schedule if the Borrower elects to switch from a fixed rate interest plan to a floating rate interest plan.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment

All payments provided for in the Letter of Offer must be made by pre-authorized payments from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);
4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Loan Parties hereby consent to BDC:

- a. collecting personal and business information and using such information for business, analytics and marketing purposes as described in the *Policy on confidentiality and use of personal and business information* (the "Policy") available at bdc.ca/en/confidentiality;
- b. sharing the personal and business information with BDC service providers only for them to provide the services BDC asks from them, such as processing credit verification, background checks and other matters explained in the Policy; and
- c. sharing the personal and business information with authorities in case of fraud or suspected fraud, and with other financial institutions to prevent or control fraud or when there is a breach of a financing agreement with BDC.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Loan Party shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents in accordance with the provisions thereof.

Anti-Money Laundering/Know Your Client

Each Loan Party acknowledges that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Loan Parties, their directors, officers, Persons holding direct or indirect Equity Interests in a Loan Party, and other Persons in Control of each Loan Party. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

The Loan Parties shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Loan Party adopts any changes in its accounting standards which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.

THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026



A Commissioner for Oaths
In and for the Province of Alberta

TAYLOR ELTOM
STUDENT-AT-LAW



GUARANTEE

The Business Development Bank of Canada ("BDC") has agreed to make a loan of \$350,000.00, account number 282742-01 (the "Loan"), to "RDFN FUM Natural Products Ltd." (the "Borrower") according to the terms of the letter of offer dated August 15, 2024 (the "Letter of Offer") and the guarantor(s) agree(s) to guarantee the obligations of the Borrower under the Loan.

Each party signing below (the "Guarantor"), on a joint and several basis, unconditionally guarantees payment to BDC of 100 % of all amounts owing by the Borrower under the Loan at the date BDC demands the Loan, together with interest from the date of demand plus fees and costs incurred by BDC in the enforcement of this Guarantee.

This guarantee extends to all future advances and readvances of the Loan.

The Guarantor warrants that there are no agreements, representations and conditions that have been relied upon by the Guarantor that are not expressed in this Guarantee. Furthermore, the Guarantor shall not rely upon any representation made by BDC in respect of the liability of the Guarantor under this Guarantee unless such representation is in writing executed by BDC and no agreement has the effect of diminishing or discharging the liability of the Guarantor under this Guarantee unless the agreement is in writing and executed by BDC.

This obligation to pay will not be reduced or discharged for any reason, including, without limitation:

- The giving of time or other indulgences to the Borrower.
- Changes to the Loan terms and conditions including changes in the rate of interest or repayment terms.
- Amendments or extensions or renewals to the Letter of Offer and this Guarantee.
- Any agreement or compromise that has the effect of diminishing or extinguishing the liability of the Borrower.
- Any other event, circumstance or fact, including without limitation, any act or omission (whether negligent or otherwise), of BDC or the Borrower, which would, at law or at equity, constitute or give rise to a defence to this Guarantee.
- Failure of BDC to seek recourse against the Borrower.
- The release of any obligation to pay including the obligation of any Guarantor. If more than one person guarantees any of the obligations of the Borrower to BDC under this Guarantee, BDC may release any Guarantor without reducing or discharging the liability of any remaining Guarantor.

The Guarantor's liability under this Guarantee will continue until all liabilities of the Borrower under the Loan are repaid in full. By signing below the Guarantor acknowledges having read and understood this Guarantee and has either obtained independent legal advice in connection with this Guarantee or has voluntarily determined not to seek such independent legal advice. This guarantee may be signed in counterparts, each of which shall be deemed an original.

Signed this 22 day of August 2024.

Signature of Witness:

Etiahi

Print witness name: Elizabeth Abidogun

Address: #303 – 8 Varsity Estates Circle NW
Calgary, Alberta, T3A 2Z3
587-333-4409

Signature of Guarantor:

Braeden Wesley Pauls

Braeden Wesley Pauls

Signed this 22 day of August 2024.

Signature of Witness:

Etiahi

Print witness name: Elizabeth Abidogun

Address: #303 – 8 Varsity Estates Circle NW
Calgary, Alberta, T3A 2Z3
587-333-4409

Signature of Guarantor:

Daniel David Ogden

Daniel David Ogden

Signed this 22nd day of Aug 2024.

Signature of Witness:

Signature of Guarantor:

Print witness name:

Josiah John Pauls

Address:

JAMES G. SPENCER
Notary Public
Saskatchewan
Expires 31 / 10 / 2027

1101 - 2nd Ave SE - Suite 201
SWA Current, SK
S9H 5M6

FORM

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **BRAEDEN WESLEY PAULS**, one of the Guarantors in the guarantee dated 22 August 2024 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Elizabeth Abidogun, Lawyer, at the City of Calgary, in the Province of Alberta, this 22 day of Aug, 2024.



ELIZABETH ABIDOGUN
Barrister, Solicitor and Notary Public
in and for the Province of Alberta

Elizabeth Abidogun

Signature

I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Braeden Wesley Pauls
Braeden Wesley Pauls

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☐ **ensure** the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☐ **complete** paragraph 1 of this Certificate using the guarantee date, **not** the date of the Letter of Offer
- ☐ **date** the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☐ **print or stamp** the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☐ **attach** this Certificate to the related guarantee
- ☐ **deliver** the signed Certificate and related guarantee to BDC – both must have original ink signatures

FORM

GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **DANIEL DAVID OGDEN**, one of the Guarantors in the guarantee dated August 22, 2024 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Elizabeth Abidogun Lawyer, at the City of Calgary, in the Province of Alberta, this 22 day of Aug, 2024.



ELIZABETH ABIDOGUN

Barrister, Solicitor and Notary Public
in and for the Province of Alberta

Elizabeth
Signature

I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Daniel David Ogden
Daniel David Ogden

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☒ **ensure** the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☒ **complete** paragraph 1 of this Certificate using the guarantee date, **not** the date of the Letter of Offer
- ☒ **date** the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☒ **print or stamp** the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☒ **attach** this Certificate to the related guarantee
- ☒ **deliver** the signed Certificate and related guarantee to BDC – both must have original ink signatures

FORM
GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

1. **JOSIAH JOHN PAULS**, one of the Guarantors in the guarantee dated Aug 22nd, 2024, made between BUSINESS DEVELOPMENT BANK OF CANADA and **BRAEDEN WESLEY PAULS, DANIEL DAVID OGDEN AND JOSIAH JOHN PAULS** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by Notary Public, SK S., Lawyer, at the city of Current, in the Province of Saskatchewan, this 22nd day of Aug, 2024.



[Signature]

Signature Notary Public S.
 I declare that I am a lawyer entitled to practice law in the jurisdiction in which this certificate has been executed

JAMES G. SPENCER
 Notary Public
 Saskatchewan
 Expires 31 / 10 / 2027

STATEMENT OF GUARANTOR

I am the person named in this certificate.

[Signature]
Josiah John Pauls

CHECKLIST FOR COMPLETION OF THIS FORM

(does not form part of prescribed form)

- ☐ ensure the related guarantee is signed and dated prior to this Certificate and after the Letter of Offer
- ☐ complete paragraph 1 of this Certificate using the guarantee date, not the date of the Letter of Offer
- ☐ date the Certified section in this Certificate using the date it is signed by the certifying lawyer
- ☐ print or stamp the name of the certifying lawyer beneath the lawyer's signature in the Certified section
- ☐ attach this Certificate to the related guarantee
- ☐ deliver the signed Certificate and related guarantee to BDC – both must have original ink signatures

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF BRAEDEN PAULS
SWORN BEFORE ME AT CALGARY, ALBERTA
This 20th day of July 2026



A Commissioner for Oaths
In and for the Province of Alberta

TAYLOR ELTOM
STUDENT-AT-LAW



----- Forwarded message -----

From: "LEE, Tanya (VAN)" <Tanya.LEE@bdc.ca>
Date: Thursday, April 9 2026 at 9:38 AM MDT
Subject: RE: Special Accounts Dept.
To: Braeden Pauls <braeden@breathefum.com>
Cc: Micah Loewen <micah@breathefum.com>

Hi Braeden,

Yes, we will refund these two payments. I want to let you know that since the borrower has entered into CCAA, if the payments are not resolved, the bank will proceed to demand the loan against the guarantors.

Let me know if you have any questions.

Thanks,

Tanya Lee

Senior Account Manager, Special Accounts | Directrice de comptes principale, Comptes spéciaux
T 604-666-2657 C 604-360-5236 F 604-666-7251

bdc.ca

From: Braeden Pauls <braeden@breathefum.com>

Sent: April 8, 2026 2:15 PM

To: LEE, Tanya (VAN) <Tanya.LEE@bdc.ca>

Cc: Micah Loewen <micah@breathefum.com>

Subject: RE: Special Accounts Dept.

Courriel externe / external email

Hi Tanya,

We saw that another auto-debit went through from BDC. We have attempted to block these payments with our bank and it seems they are still processing. Our lawyer has asked us to request that these payments are returned to comply with the CCAA process. We are needing the payments that went through post-stay (Feb 4). We are going to need the following payments returned;

March 2nd \$5,967.04

April 1st for \$6,133.97

Thanks for helping us get this resolved,

Braeden



Braeden Pauls

Co-Founder/Chief Executive Officer

www.tryfum.com



No Vapor. No Nicotine.
Just Delicious Flavored Air

Sent via [Superhuman](#)



COURT FILE NUMBER	2601-03446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC.
APPLICANTS	RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC.
DOCUMENT	CERTIFICATE OF REMOTE COMMISSIONING
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 222 - 3rd Avenue S.W. Calgary, AB T2P 0B4 Attention: Ryan Zahara / Kaitlin Ward Telephone: 403.693.5420 / 4311 Email: rzahara@mltaikins.com / kward@mltaikins.com Fax Number: 403.508.4349 File No.: 0185373.00001

1. I, TAYLOR ELTOM, being a Student-at-Law in and for the Province of Alberta, certify that in witnessing and commissioning the within Fourth Affidavit of Braeden Pauls executed by the affiant herein, on July 20, 2026.
2. I have complied with the requirements and conditions as outlined in the Notice to the Profession and Public-Remote Commissioning 2020-02 by the Court of King's Bench of Alberta on March 25, 2020.
3. I witnessed the signature in a single session during which I was able at all times to see and hear the affiant signing the Fourth Affidavit.
4. I am satisfied that the affiant as named in the Fourth Affidavit is who the person purports to be.
5. I received from the deponent the signed Fourth Affidavit by electronic means.

6. I have maintained in my files, the signed Fourth Affidavit with my signature as a commissioner for oaths, and I have requested that the affiant provide to me the Fourth Affidavit containing the affiant's original signature.

Dated this 20th day of July, 2026



(Signature of lawyer)

Taylor Eltom, Student-at-Law

(Print or type lawyer's name)

This affidavit was affirmed using video technology as Braeden Pauls was not physically present before the Commissioner of Oaths but was linked with the Commissioner of Oaths utilizing video technology.

**TAYLOR ELTOM
STUDENT-AT-LAW**