

Court File No. BK-25-03267656-0032  
Estate No. 32-3267656

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

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C.  
B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF 3MOTIONAI INC. FILED IN THE  
CITY OF MISSISSAUGA, IN THE PROVINCE OF  
ONTARIO**

**AIDE MEMOIRE OF 3MOTIONAI INC.**  
(returnable November 19, 2025 at 10:00 AM)

November 18, 2025

**GARDINER ROBERTS LLP**  
Bay Adelaide Centre, East Tower  
22 Adelaide St. W., Suite 3600  
Toronto, ON M5H 4E3

**Chris Besant (24882O)**  
[cbesant@grllp.com](mailto:cbesant@grllp.com)  
416-865-4022

**Saisha Mahil (80083T)**  
[smahil@grllp.com](mailto:smahil@grllp.com)  
416-203-9547

Lawyers for 3MotionAI Inc.

**TO: THE SERVICE LIST**

## PART I - OVERVIEW

1. 3motionAI Inc. (“**3Motion**”) attended a motion before the Honourable Justice Steele on November 13, 2025 seeking a Sale Approval and Vesting Order (“**SAVO**”) approving the sale of its assets to SimpleTherapy, Inc. pursuant to an Asset Purchase Agreement executed on October 28, 2025 (the “**APA**”). 3Motion also sought an Ancillary Order granting a stay extension, approval of the Proposal Trustee’s Second Report, sealing of the Confidential Appendices to the Second Report, and a further order re cross border recognition under Chapter 15 of the *US Bankruptcy Code*.
2. The relief being sought as part of the SAVO includes a D&O Release in favour of:
  - a. The past and present directors, officers, employees, agents, advisors, counsel, and representatives of 3Motion; and
  - b. The Proposal Trustee and its legal counsel, and their respective current directors, officers, partners, employees, consultants, and advisors.
3. During the hearing on November 13, 2025, an objection by Garry Derenoski (“**Derenoski**”) was brought to the Court’s attention. Derenoski sent a letter to the Proposal Trustee entitled “Formal Disclosure and Investigation Demand. In his rambling notice, because he believes he has personal claim he wants the Proposal Trustee to investigate for him. Attached at **Tab A** is a copy of Derenoski’s objection dated October 21, 2025.
4. By letter dated October 30, the trustee responded to Mr Derenoski’s claims after consulting with Mr Hanoun of 3Motion. Attached at **Tab B** is a copy is a copy of the Proposal Trustee’s response.

5. On November 12, 2025 (the eve of the hearing), Mr Derenoski replied to advise that while some of his disclosure requests were answered, he was objecting to the Sale Approval and D&O Release because in his view, responses to his pending request for investigation of his personal claim was not complete. He asked the Proposal Trustee to draw that the Court's attention at the sale approval hearing, which both 3Motion and the Trustee did on November 13, 2025. Attached at **Tab C** is a copy of Mr Derenoski's email of November 12, 2025.
6. At the November 13, 2025 hearing Justice Steele granted an extension of the time for 3Motion to file a proposal until December 28, 2025 and also granted an order sealing the Confidential Appendices to the Proposal Trustee's Second Report. The balance of 3Motion's motion was adjourned to November 19, 2025, in order to give Mr Derenoski an opportunity file affidavit materials and legal argument by Noon on the 18<sup>th</sup> and to appear on November 19<sup>th</sup> to make submissions in support of his opposition.
7. 3Motion relies on its factum filed on November 12, 2025 in advance of the November 13, 2025 hearing (the "**Factum**"), and submits this Aide Memoire as a supplement to the Factum and specifically in response to Derenoski's objection.
8. In a nutshell
  - a. Derenoski wants the Proposal Trustee to investigate his personal claim, and said on November 12 that he is objecting because of that;
  - b. That is not an objection based on the conduct of the sale process or the other factors a court is to consider when approving a sale. It is similarly not an objection based on the factors to be considered in approving a D&O release. Its an objection based on the mistaken assumption that Mr Derenoski can use the Proposal Trustee as his personal investigation resource to advance his personal claim.

- c. He has proposed no system for funding any investigation. (3Motion does not have the resources to do so. It has enough cash to complete the sale transaction before the end of December. The DIP Loan by its terms is not available to fund an investigation.);
  - d. The subtext of his claim is based on a misapprehension that the proposed sale of the company is to insiders, when in fact that is not the case. The purchaser, SimpleTherapy Inc. is arm's length and the APA does not provide for the engagement of Mr Hanoun of the Dip Funder West Tech Fitness Inc.<sup>1</sup> in any post-sale role;
  - e. His objection and his affidavit do not clearly set out a cause of action, and he has elected not to retain counsel to marshal and present facts in an organized and relevant way that would meet that burden; and
  - f. The events he complains about relate to the period from 2017-2022 and hence appear to be statute barred absent fraud as they relate to a period more than 2 years ago. If he alleges fraud, that is exempted from the D&O release sought and hence would not be a basis to object to the release or the sale.
9. Derenoski filed an affidavit on November 18, 2025 about his claim. 3Motion has responses to all of the points therein and could file a responding affidavit re same if permitted to detail same, but respectfully submits that is not necessary as the objection can be disposed of on a summary basis without additional evidence as explained below.

## **PART II - ISSUES**

10. The issues are as follows:

- a. Should the sale be approved despite Derenoski's opposition;
- b. Does the court have jurisdiction to grant the D&O Release;
- c. Should the D&O Release be granted despite Derenoski's objection; and

---

<sup>1</sup> 3Motion affidavits in support of the October 1 and November 13 motions in this proceeding disclose that West Tech Fitness Inc. was set up by insiders to provide the DIP and reserve the right to bid its debt to try to acquire the assets and as such it was similar to a stalking horse bidder but without the benefits like a break fee. However an arm's length buyer was picked as the winner of the SISP so the Derenoski objection is misguided on this score.

- d. Has Derenoski established that an investigation under section 163(2) is warranted?

### **PART III – LAW AND ANALYSIS**

#### **A. The Sale Should be Approved Despite Derenoski's Opposition**

11. When his rambling objection is boiled down to its essence, Derenoski claim appears to be as follows:

- a. First, Derenoski states that he is the President of 101052124 Saskatchewan Ltd. which is a corporation that he alleges invested monies into a platform called MyAbilities Technologies Inc. ("**MyAbilities**"). (His November 18 affidavit just filed suggests that investment was 8 years ago). He asserts that MyAbilities was subsequently rolled into 3Motion, and that 3Motion subsequently sold the MyAbilities ClaimX and JobX software divisions (the "**Software**") to VelocityEHS Holdings Inc. ("**Velocity**"). Derenoski states that the sale of the Software to Velocity was a material disposition of assets without shareholder approval, and he seeks an accounting of the sale proceeds of same.<sup>2</sup> The sale happened in 2022, over 2 years ago, and prima facie, the limitation period on a claim over that has expired.
- b. Second, Derenoski states that he is the director of a corporation called Bridges Health Services Inc. ("**Bridges Health**") which allegedly contributed what he claims were \$650,000 in "*staff time, travel and direct expenses toward the development, validation, and commercialization of the MyAbilities software program, including the ClaimX and JobX modules*" and that Bridges Health received no compensation for its contribution. Derenoski's objection in this regard

---

<sup>2</sup> Point 4 of the Derenoski Demand dated November 21 (Tab A hereto)

appears to be grounded somehow in an intellectual property claim over the Software, but his notice does not clarify the basis for any such claim.<sup>3</sup>

12. In his November 12 email, he states that the basis of his objection to the sale and the D&O release is not that he has claims, but that the Proposal Trustee has not investigated them. If Derenoski wants to make a claim against 3Motion, he can file a proof of claim. If he wants to claim a share of the proceeds as an unsecured creditor based on his claim, or to claim an interest in the proceeds of sale of intellectual property on the basis that he has some equitable or proprietary claim, he can file a proof of claim at the appropriate time. The SAVO sought does not pre-empt either step.
13. Derenoski's objection does not suggest there is any way to run or fund another sale process nor does he point to any specific defect in the process which was run.
14. In short, 3Motion submits that Derenoski's objection to the sale based on the foregoing is without foundation. Even taken at their highest, neither objection provides a basis to oppose or delay approval of the present sale. Both asserted grounds—whether framed as a corporate remedy, a historical accounting demand, or an alleged intellectual property interest in MyAbilities and/or the Software—fall squarely within the claims process mandated by the *Bankruptcy and Insolvency Act* (“**BIA**”). Any corporation for which Derenoski acts, or Derenoski himself, may submit a proof of claim asserting (i) that funds were contributed to 3Motion or its predecessors, (ii) that shareholder approval was required for a past asset sale, or (iii) that some sort of ownership or intellectual property interest or equitable interest exists

---

<sup>3</sup> Point 5 of the Derenoski Demand dated November 21 (Tab A hereto)

in the Software or its proceeds. Under the BIA, any such claim properly attaches to the net sale proceeds after satisfaction of the prior Court-approved priority charges, including the DIP Charge and Administration Charge. The SAVO and the statutory process for asserting claims on the proceeds preserves Derenoski's ability to advance and prove these alleged interests at the appropriate time; what it does not permit is the obstruction of a Court-supervised sale or the disruption of value realization for the whole of body of creditors.

15. Furthermore, and as outlined in the Factum, subsection 65.13(4) of the BIA provides a non-exhaustive list of factors for the Court to consider in determining whether to approve a sale under section 65.13:

- a. whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- b. whether the trustee approved the process leading to the proposed sale or disposition;
- c. whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- d. the extent to which the creditors were consulted;
- e. the effects of the proposed sale or disposition on the creditors and other interested parties; and
- f. whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.<sup>4</sup>

---

<sup>4</sup> [BIA](#), s 65.13(4).

16. 3Motion states that all of the above factors have been met in this case and relies on paragraphs 45-47 of the Factum in support of same. Nothing in Derenoski's materials provides any evidence to the contrary.

**B. The Court Has Jurisdiction to Grant the D&O Release**

17. As it concerns the Court's jurisdiction to grant a D&O Release in the context of a BIA proceeding, 3Motion submits the following three cases for the Court's consideration:

- a. A recent illustrative decision is *Waygar Capital Inc. v. Quality Rugs of Canada Limited* in which the Honourable Justice Penny approved the final sale process and vesting order (including a full release) of the debtor and its principal parties following a monitored sale under CCAA protection. In *Waygar*, the debtor (Quality Rugs) sought and obtained court-supervised restructuring. It filed for CCAA protection in August 2023, was placed into receivership on October 31, 2023. The court-appointed receiver conducted a sale via a SISP, selected a purchaser and executed an APA in 2024. On May 3, 2024 the court granted the final vesting order, authorising the release of the debtor and further releases of the principals. The endorsement records that at paragraphs 5-7 Justice Penny considered the appropriate protections and releases and ultimately approved same:

[5] The main issue of potential controversy arises from the fact that QSG's directors and officers (D&Os) will be assisting the purchaser, Classic Tile, with its ongoing business and with the realization on QSG's outstanding accounts receivable. Classic Tile has made it a necessary condition of the purchase (and therefore of the enhanced recovery on QSG's outstanding accounts receivable) that the D&Os receive a release.

[6] The terms of the proposed release incorporate the required statutory limitations. The D&O insurance against claims remain in place. The other terms provide for a release from liability in excess of \$8 million but a



staggered release within the \$8 million cap, based, dollar for dollar, on AR recoveries. Thus, the D&Os are incentivized to obtain recoveries on QSG AR of at least \$8 million for the benefit of stakeholders in order to obtain the full benefit of the release. These provisions were heavily negotiated with the stakeholders and, by the time of the hearing, all parties were in agreement with them. The Receiver recommends they be accepted by the court.

[7] I am satisfied that the release strikes an acceptable balance between the D&Os contributions to the restructuring by way of recovery of QSG's assets and insulation from post-receivership liability. Those with a direct financial interest in the matter find the balance struck to be acceptable. I accept their assessment and accept the proposed terms and conditions of release as reasonable in the circumstances.<sup>5</sup>

- b. In The Matter Of The Notice Of Intention To Make A Proposal Of Ayanda Cannabis Corporation, Justice Conway approved a sale structured as a reverse vesting order and granted a D&O Release. Justice Conway's Endorsement (**Tab D**) stated as follows:

The remaining relief is satisfactory to me. Specifically, the releases are in favour of parties that substantially contributed to the restructuring and the released claims are rationally connected to the purpose of the Transaction. The DIP funding is required to enable the company to continue to operate and complete the NOI proceeding. The requested charges are acceptable. The stay extension to April 20, 2022 is approved. Ayanda is acting in good faith and with due diligence and no creditor will be prejudiced by the extension.

The language in the Order signed by Justice Conway regarding the releases (**Tab E**) is in substantially the same form as the release language in the SAVO being sought by 3Motion.<sup>6</sup>

---

<sup>5</sup> *Waygar Capital Inc. vs Quality Rugs of Canada Limited et al*, (unreported): Endorsement of the Honourable Justice Penny made May 3, 2024, paras 5-7, <https://fullerllp.com/wp-content/uploads/2023/11/Endorsement-of-Justice-Penny-QSG-May-3-2024.pdf>; Order of the Honourable Justice Penny made May 3, 2024 para 11.

<sup>6</sup> *In the Matter of the Notice of Intention to Make a Proposal of the Ayanda Cannabis*

- c. In The Matter of The Notice of Intention to Make a Proposal of Omni Conversion Technologies Inc., the Court approved a sale and reverse vesting order (**Tab F**) that contained language in substantially the same form as the release language in the SAVO being sought by 3Motion.<sup>7</sup>

18. Not only is the fact that a party asserts a claim is not a bar to granting a D&O release in connection with a sale, but the *Delta 9 Cannabis* case cited in the 3Motion main factum, found that the timeliness and quality of the evidence presented in support of the objection asserted should be considered. In that case, the court granted the release in the face of an objection by CRA.<sup>8</sup>

### C. The D&O Release Should be Granted Despite Derenoski's Objection

19. 3Motion submits that the Court has jurisdiction to grant the D&O Release and further submits that the D&O Release ought to be granted.

20. In *FT ENE Canada Inc. (Re)*<sup>9</sup>, the court confirmed that, even in the face of an objection to specific releases, the court will apply the criteria for approving releases in determining whether to grant same. Although the motion in *FT ENE* was to approve the proposal of

---

*Corporation*, (March 1, 2022), Ont Sup Ct J [Commercial List], Court File No. BK-22-02802344-0035 (Endorsement and Order of Justice Conway:

<sup>7</sup> In the matter of the Notice of Intention to Make a Proposal of OMNI Conversion Technologies, (March 6, 2025), Ont Sup Ct J [Commercial List], Court File No. BK-24-03155126-0031 (Endorsement of Justice Steele and Approval and Reverse Vesting Order) ("OMNI Endorsement" and "OMNI Order").

Endorsement: <https://docs.doanegrantthornton.ca/document-folder/viewer/docu18LWsxwWho7J/8236668437498474269>

Order: <https://docs.doanegrantthornton.ca/document-folder/viewer/docu18LWsxwWho7J/6985843560016722969>

<sup>8</sup> *Delta 9 Cannabis Inc (Re)*, 2025 ABKB 52 (CanLII), <<https://canlii.ca/t/k95xs>> at par137-142

<sup>9</sup> *FT ENE Canada Inc. (Re)*, 2019 ONSC 5793 [*FT ENE*].

FTE Canada as opposed to a sale, the factors that the court assessed are nonetheless identical:

- a. Whether the claims to be released are rationally connected to the purpose of the restructuring;
  - b. Whether the release contributes to the restructuring;
  - c. Whether the release is fair, reasonable and not overly broad;
  - d. Whether the restructuring can succeed without the release;
  - e. Whether the release benefits the debtor as well as the creditors generally; and
  - f. Whether creditors have knowledge of the nature and effect of the release.<sup>10</sup>
21. In *FT ENE*, its largest creditor, Finetex, opposed the motion with its principal objection relating to the scope of the release being granted to the sole director of FTE Canada. Finetex asserted that the director had engaged in improper accounting practices and self-dealing, including the creation of false sales, amongst other things.<sup>11</sup>
22. After assessing the factors, the court granted the release finding that same was fair and reasonable because, *inter alia*, the scope of the exclusions from the release (i.e. those set out in section 50(14) of the BIA, which for greater certainty includes a claim for oppression, breach of fiduciary duty or that falls within section 178 of the BIA, including

---

<sup>10</sup> *FT ENE* at [para 48](#). See also *Lydian International Limited (Re)*, 2020 ONSC 4006 (CanLII), [para 54](#).

<sup>11</sup> *FT ENE* at paras [43-46](#).

without limitation allegations of fraud, embezzlement, misappropriation and/or defalcation) covered any claim articulated by Finetex.<sup>12</sup>

23. 3Motion submits that the requisites for a D&O Release are met as outlined at paragraph 57 of the Factum, and further submits that Derenoski's claims, if any, are statute barred unless they fall within the scope of the exclusions outlined in section 50(14) of the BIA, and if they fell within such exclusions, would not be prevented by the D&O Release. So there is no reason based on the Derenoski objection not to grant the D&O Release.

#### **D. The Test for an Investigation Under S. 163(2) Has Not Been Met**

24. Section 163(2) of the BIA empowers the court to authorize examinations of persons who may have knowledge of the affairs of the bankrupt where the court is satisfied that there is "sufficient cause" to justify such an order.

25. The overall test under section 163(2) requires the applicant to show sufficient cause that the proposed examination is for the general benefit of creditors or the administration of the estate, and not for an improper or collateral purpose, such as for use in unrelated litigation. To do so, a creditor must file evidence with the court demonstrating that:

- a. the examination seeks information relevant to some aspect of the administration of the estate, including the existence of assets or liabilities of the bankrupt or the accounting for them; and
- b. the person sought to be examined likely possesses information which may shed some light on the estate or its administration.<sup>13</sup>

---

<sup>12</sup> *FT ENE* at [para 64](#).

<sup>13</sup> [Alexander Josipovicz \(Re Bankruptcy\)](#), 2012 ONSC 5361 at [para 14](#).

26. Section 163(2) cannot be used to pursue a mere fishing expedition, nor can a creditor attempt to use the section to pursue a private remedy:<sup>14</sup>

[14] An examination under *BIA* s. 163(2) must be for the purpose of investigating the administration of the estate of the bankruptcy and for the general benefit of creditors. The section requires a creditor, or other interested person, to show sufficient cause in order to secure an order to examine. To do so, a creditor must file evidence with the court demonstrating that:

- (i) the examination seeks information relevant to some aspect of the administration of the estate, including the existence of assets or liabilities of the bankrupt or the accounting for them;<sup>[4]</sup> and,
- (ii) the person sought to be examined likely possesses information which may shed some light on the estate or its administration.<sup>[5]</sup>

Section 163(2) cannot be used to pursue a mere fishing expedition, nor can a creditor attempt to use the section to pursue a private remedy.<sup>[6]</sup> The test applied by a court when considering a request under section 163(2) is a low one,<sup>[7]</sup> but it does require the court to review carefully the evidence placed before it.<sup>[8]</sup>

27. 3Motion submits that Derenoski does not meet the test under section 163(2). Derenoski is not seeking to administer 3Motion's estate but is rather seeking a private remedy regarding his own personal/corporate claim he believes he and his company may have. If the point of the investigation is to advance a personal claim to sue third parties, an investigation under the BIA is not appropriate. A lawsuit has its own discovery procedures which Derenoski can pursue if he so chooses, if they are not barred by limitation periods.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED**

Date: November 18, 2025

*CBesant*

---

**Chris Besant  
GARDINER ROBERTS LLP**

---

<sup>14</sup> Ibid.



TABS APPENDED TO 3 MOTION AIDE MEMOIRE

|       |                                                                |
|-------|----------------------------------------------------------------|
| TAB A | Derenoski October 21 Demand for Investigation                  |
| TAB B | Proposal Trustee response to Derenoski                         |
| TAB C | Derenoski November 12 email objecting to Sale and D&O Release. |
| TAB D | Endorsement of Justice Conway in Ayanda Case                   |
| TAB E | Order of Just Conway in Ayanda Case                            |
| TAB F | Order in Omni Case                                             |

## TAB A



October 21, 2025

**FORMAL DISCLOSURE AND INVESTIGATION DEMAND**

(Re: 3MotionAI Inc. - Court File No. BK-25-03267656-0032 / Estate No. 32-3267656)

**To:**

Bryan A. Tannenbaum, CPA, CA, CIRP, LIT  
TDB Restructuring Limited  
700 – 11 King Street West  
Toronto, ON M5H 4C7  
[btannenbaum@tdbadvisory.ca](mailto:btannenbaum@tdbadvisory.ca) / [nthurairatnam@tdbadvisory.ca](mailto:nthurairatnam@tdbadvisory.ca)

**Cc:**

Christopher Besant – Gardiner Roberts LLP [cbesant@grllp.com](mailto:cbesant@grllp.com)  
Office of the Superintendent of Bankruptcy [osbservice-bsfservice@ised-isde.gc.ca](mailto:osbservice-bsfservice@ised-isde.gc.ca)

Subject: Request for Disclosure, Financial Statements, and Verification of Related-Party Transactions (3MotionAI Inc. / West Tech Fitness Group Inc.)

Dear Mr. Tannenbaum,

I am the President of 101052124 Saskatchewan Ltd. ("the Corporation"). The Corporation invested \$100,000 in MyAbilities Technologies Inc., which was subsequently rolled into 3MotionAI Inc. I appear to have been incorrectly listed personally as "Garry Derenoski" among the shareholders in the Motion Record filed September 29, 2025. Accordingly, I request that the shareholder register and all court filings be amended to correctly identify 101052124 Saskatchewan Ltd. as the shareholder of record.

Pursuant to the Bankruptcy and Insolvency Act ("BIA") and your duties as Proposal Trustee to act impartially and transparently toward all stakeholders, I formally request the following disclosures and confirmations:

**1. Disclosure of West Tech Fitness Group Inc. Ownership and Relationships**

Provide a list identifying the current shareholders, directors, officers, and ultimate beneficial owners of West Tech Fitness Group Inc., the Debtor-in-Possession (DIP) lender.

**2. DIP Financing Verification**

Please provide documentary proof of the source and flow of funds advanced under the DIP Financing Term Sheet between 3MotionAI Inc. and West Tech Fitness Group Inc., including:

- Originating bank account(s) and evidence of transfer into 3MotionAI's operating account;

CONFIDENTIAL - Prepared for stakeholder communications in 3MotionAI Inc.  
NOI/Proposal proceedings

- Confirmation that no portion of the \$750,000 DIP advance originated from 3MotionAI, its subsidiaries, or related parties, whether by pre-payment, circular funding, or internal transfers;
  - A copy of the executed DIP Term Sheet and any schedules showing investor participants or capital **contributions**; and
- Confirmation that you have conducted, or will conduct, a related-party transaction review to verify that the DIP financing was bona fide and that no preferential or fraudulent transfers occurred.

### **3. Financial-Statement Disclosure**

Please provide copies of all available audited or unaudited financial statements for:

- MyAbilities Technologies Inc. (from inception to the sale of its PDA and JobMatch divisions to Velocity EHS); and
- 3MotionAI Inc. (for all fiscal years up to and including 2025).

If formal audits were never completed, please produce internal management financials, income statements, and balance sheets relied on by the board and Proposal Trustee. As a shareholder, my corporation has never received these materials despite repeated requests.

### **4. Undisclosed Sale of ClaimX and JobX to Velocity EHS – Request for Documentation and Accounting**

I was verbally advised by Mr. Reed Hanoun that MyAbilities Technologies Inc. sold its ClaimX and JobX software divisions to Velocity EHS for approximately \$2,000,000. I was never provided notice, documentation, or the opportunity to vote on this transaction, despite being a shareholder at the time. I only learned of the sale months after its completion. Despite several requests, I have never received any record of the sale proceeds, their distribution, or their treatment in the subsequent rollover to 3MotionAI inc.

Accordingly, I request that the Proposal Trustee:

- 1) Provide full documentation evidencing the sale of ClaimX and JobX to Velocity EHS, including the purchase agreement, closing statement, and board resolutions authorizing the sale;
- 2) Provide a detailed accounting of how the \$2,000,000 in proceeds were received, recorded, and applied; and
- 3) Confirm how these funds were treated in the formation and capitalization of 3MotionAI Inc., and whether any portion of the proceeds benefited related parties or West Tech Fitness Group Inc.

This transaction appears to have been a material disposition of corporate assets without shareholder approval or disclosure. Given its significance to the present insolvency proceeding, full transparency and traceability of these funds are necessary.

Given the apparent-related-party context, the Proposal Trustee should ensure that all supporting documentation, accounting treatment, and distributions are reviewed for compliance with disclosure and fiduciary standards under the Bankruptcy and Insolvency Act.

#### **5. Bridges Health Services Inc. – Contribution to MyAbilities and IP**

I wish to place on record that Bridges Health Services Inc., a company under my direction and legally distinct from my numbered investment corporation, contributed approximately \$650,000 CAD in staff time, travel, and direct expenses toward the development, validation, and commercialization of the MyAbilities software platform, including the ClaimX and JobX modules.

These contributions directly supported the design and functionality of the Physical Job Demands, risk-assessment and job-matching components that were later separated following the sale of the MyAbilities platform to Velocity EHS. Bridges Health received no compensation or acknowledgment for its contribution, nor was it notified of or consulted on the sale of these assets, despite its material involvement in creating the underlying intellectual property and value from which it was derived.

For clarity, Bridges Health had no involvement with the “ROSA” technology, which was developed independently by Dr. Mike Sonne and contributed by him to MyAbilities. Bridges Health also had no participation in the subsequent redevelopment of the 3MotionAI products after the sale to Velocity EHS.

It is therefore necessary that the Proposal Trustee confirm how the value created by Bridges Health’s contribution was recognized, allocated, and disclosed in both the Velocity EHS transaction and the subsequent restructuring of 3MotionAI.

I therefore request that the Proposal Trustee:

- 1) Confirm whether any portion of MyAbilities software, the Risk-AI or related risk-profiling intellectual property originated from or incorporated work product developed under Bridges Health Services Inc.;
- 2) Provide disclosure of how that intellectual property and its value were treated in the \$2,000,000 Velocity EHS transaction; and
- 3) Ensure that all related-party benefits and predecessor contributions are fully disclosed to the Court and stakeholders as part of the ongoing insolvency and SISP review.

## **6. SISP and Transparency Assurances**

Please confirm that:

- The Sale and Investment Solicitation Process (SISP) will treat all bidders equally and require full disclosure of any non-arm's-length transactions; and
- No sale or credit-bid by West Tech Fitness Group Inc. will be approved without disclosure of its ownership structure to stakeholders and formal Court approval.

## **7. Response Timeline**

Please acknowledge receipt of this correspondence and provide a substantive written response within ten (10) business days.

If a written response is not provided within ten (10) business days, I will consider this a failure to provide material disclosure and will proceed under the Bankruptcy and Insolvency Act to compel production and examination before the Ontario Superior Court of Justice (Commercial List).

I trust that, as Proposal Trustee, you will ensure full transparency and protect the interests of all stakeholders, including minority shareholders whose investments and expertise were instrumental to the development of the MyAbilities and 3MotionAI products.

Thank you for your prompt attention to this matter.

Sincerely,



Garry Derenoski  
President, 101052124 Saskatchewan Ltd.  
President & CEO, Bridges Health Services Inc.  
#10-2220 Northridge Drive, Saskatoon, SK  
306-668-9261 | garry@bridgeshealth.com

## **TAB B**



October 30, 2025

**Garry Derenoski**  
10-2220 Northridge Dr,  
Saskatoon, SK S7L 6X8  
garry@bridgeshealth.com

msassi@cassels.com  
tel: +1 416 860 6886

Dear Mr. Derenoski,

**Re: 3MotionAI Inc. Court File No. BK-25-03267656-0032**

As you are aware, on September 3, 2025, 3MotionAI Inc. ("**3Motion**" or the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of *the Bankruptcy and Insolvency Act* ("**BIA**"). TDB Restructuring Limited was appointed as the Proposal Trustee under the NOI (in such capacity, the "**Proposal Trustee**"). We are counsel to the Proposal Trustee.

The Proposal Trustee is in receipt of your correspondence dated October 21, 2025 (the "**October Letter**").

The Proposal Trustee's role and authority are derived from the BIA and the order granted by the Ontario Superior Court of Justice (the "**Court**") on October 1, 2025, (the "**Initial Order**").

Pursuant to the terms of the Initial Order, the Proposal Trustee has not taken possession of 3Motion's property or its books and records. Therefore, the scope of information that the Proposal Trustee is able to provide in response to your disclosure requests is limited.

Under the BIA, the Proposal Trustee is required to file a report on the state of the Company's business and financial affairs with the Court at any time that the court may order. This was done in the Proposal Trustee's First Report dated September 29, 2025 (the "**First Report**"), which is available on the Proposal Trustee's website. Certain financial information regarding the Company is also set out in the Affidavit of Mr. Reed Hanoun sworn September 29, 2025. As indicated below, certain of your requests are addressed in these filed materials.

The Proposal Trustee has reviewed your request for information and received input and information from the principal of 3Motion. Based on this information, the Proposal Trustee understands that:

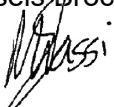
- a) The review of the shareholder register and subscription agreement indicates "Garry Derenoski" as the shareholder and not 101052124 Saskatchewan Ltd.
- b) **Request 1: Disclosure of West Tech Fitness Group Inc. Ownership and Relationships:** The Proposal Trustee does not have this information.

- c) **Request 2: DIP Financing Verification:** A copy of the DIP Term sheet is attached to the Motion Record of the 3MotionAI Inc. dated September 29, 2025, and the First Report. The Proposal Trustee will report on utilization of DIP funds in its next Court report.
- d) **Request 3: Statement Disclosure:** Copies of 3Motion's 2024 Income statements and balance sheet and internal income and balance sheet current to September 29, 2025, are attached to the Motion Record of the 3MotionAI Inc. dated September 29, 2025. The Proposal Trustee does not have any further information regarding this request.
- e) **Request 4: Undisclosed Sale of ClaimX and JobX:** The Proposal Trustee does not have this information.
- f) **Request 5: Bridge Health Services:** The Proposal Trustee does not have this information.
- g) **Request 6: SISP:** The order of the Court approved the court approved SISP which was conducted by the Proposal Trustee. The Proposal trustee has complied with all obligations under the SISP and will report to Court in due course, in accordance with the Order.

We anticipate these responses are satisfactory at this time.

Yours truly,

Cassels Brock & Blackwell LLP



Monique Sassi  
Partner

MS

## TAB C



**Archived:** Tuesday, November 18, 2025 10:55:39 AM

**Subject:** 3MotionAI Inc. – Formal Objection re: Sale Approval, Vesting Order, and D&O Releases

**Importance:** Normal

**Sensitivity:** None

**From:** Garry Derenoski <garry@bridgeshealth.com>

**Sent:** Wednesday, November 12, 2025 2:14 PM

**To:** btannenbaum@tdbadvisory.ca; nthurairatnam@tdbadvisory.ca; Ly, Janice <jly@grllp.com>; Besant, Chris <cbesant@grllp.com>; Mahil, Saisha <smahil@grllp.com>; msassi@cassels.com; ehderman@cassels.com

**Cc:** jgrubin@barclaydamon.com; imarkus@barclaydamon.com; dleon@bakerlaw.com; rosner@teamrosner.com; jwolf@blaney.com; bjones@blaney.com; joseph@chiumminto.com; pat.confalone@cra-arc.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; insolvency.unit@ontario.ca; osbservice-bsfservice@ised-isde.gc.ca; info.ca@victorinsurance.com; newclaims.ca@victorinsurance.com

**Subject:** 3MotionAI Inc. – Formal Objection re: Sale Approval, Vesting Order, and D&O Releases

**This message needs your attention**

- \* Some Recipients have never replied to this person.
- \* The subject has non-English characters.

[Mark Safe](#)

[Report](#)

Powered by Mimecast

Dear Mr. Tannenbaum and Counsel,

**Re: In the Matter of the Notice of Intention to Make a Proposal of 3MotionAI Inc.**

**Court File No. BK-25-03267656-0032 / Estate No. 32-3267656**

I acknowledge receipt of the *Factum of 3MotionAI Inc.* dated November 12, 2025, the Proposal Trustee's *Second Report* dated November 9, 2025, and the Trustee's letter to me dated October 30, 2025.

I note that my **Formal Disclosure and Investigation Demand** (dated October 19, 2025) remains outstanding. The Trustee's October 30 letter confirms that material information including:

- \* ownership and control of *West Tech Fitness Group Inc.*;
- \* details and consideration of the *ClaimX* and *JobX* sale to Velocity EHS; and
- \* Bridges Health Services Inc.'s approximately \$650,000 in work-in-kind contributions and expenses has not yet been disclosed or reviewed.

Given these material information gaps, I hereby **formally object** to the Court's approval of any:

1. Sale Approval and Vesting Order; or
2. Director and Officer Release

until the Proposal Trustee completes a full investigation and disclosure of the above matters and corrects the shareholder record to reflect **101052124 Saskatchewan Ltd.** as the beneficial holder of the shares issued in my name.

Please ensure that this objection is noted on the record for the hearing scheduled for **November 13, 2025**, and confirm acknowledgment of receipt.

Respectfully submitted,

Garry Derenoski RRP, CIP, Pro.Dir TM  
President & CEO  
1-877-202-3472  
Direct 306-668-9261  
Cell 306-222-0999

I use dictation software, please excuse any unintended errors, dictated but not read



*When "I" is replaced with "We" – even illness becomes Wellness*

[www.bridgeshealth.com](http://www.bridgeshealth.com)



## **TAB D**

# COUNSEL SLIP

COURT FILE

March 1, 2022

NO.: BK-22-02802344-0035

DATE: \_\_\_\_\_

NO. ON LIST 3

TITLE OF  
PROCEEDING

AYANDA CANNABIS CORP

---

**COUNSEL FOR:**

☐ PLAINTIFF(S)

PHONE \_\_\_\_\_

APPLICANT(S)

Erin Craddock

X

David Ward

FAX \_\_\_\_\_

Sam Massie

☐ PETITIONER(S)

EMAIL

[ecraddock@millerthompson.com](mailto:ecraddock@millerthompson.com)

[dward@millerthompson.com](mailto:dward@millerthompson.com)

[smassie@millerthompson.com](mailto:smassie@millerthompson.com)

---

**COUNSEL FOR:**

☐ DEFENDANT(S)

PHONE \_\_\_\_\_

RESPONDENT(S)

X

Mitch Grossell

FAX \_\_\_\_\_

EMAIL

[mgrossell@tgf.ca](mailto:mgrossell@tgf.ca)

---

**JUDICIAL NOTES:**

**Conway J. Endorsement**

Ayanda, a niche cannabis company that has filed an NOI, brings this motion for approval of a share purchase transaction with 12830353 Canada Inc. (the “**Transaction**”), structured as a reverse vesting order (“**RVO**”). Ayanda also seeks a stay extension order with various ancillary orders. The motion is unopposed, except as set out below.

I am satisfied that the Transaction should be approved. While no formal sales process was conducted, Ayanda conducted a process through a professional sale advisor and cannabis consultant (Hyde Advisory) for several months. The evidence before me is that the purchase price represents the highest realizable price achievable and materially exceeds the liquidation value of the company’s assets. The Proposal Trustee supports the Transaction. All of the secured and unsecured creditors’ claims will be covered by the proceeds of the Transaction, with additional left over for shareholders. My consideration of the factors set out in s. 65.13 of the BIA and the *Soundair* principles support the conclusion that the Transaction should be approved. In particular, the sales process was reasonable, the Proposal Trustee supports the Transaction, stakeholders were consulted during the sales process, and both the company and the Proposal Trustee consider that the purchase price is fair and reasonable under the circumstances.

With respect to the structure of the Transaction as an RVO, I have considered the factors set out in the recent case of *Harte Gold (Re)*, 2022 ONSC 653. In particular, the RVO structure will preserve the company’s licenses that are critical to its business. The purchase price reflects the value of these licenses. Further, and as noted, all of the creditors will be paid from the sale proceeds, with money left over for the shareholders. I approve the RVO structure.

The remaining relief is satisfactory to me. Specifically, the releases are in favour of parties that substantially contributed to the restructuring and the released claims are rationally connected to the purpose of the Transaction. The DIP funding is required to enable the company to continue to operate and complete the NOI proceeding. The requested charges are acceptable. The stay extension to April 20, 2022 is approved. Ayanda is acting in good faith and with due diligence and no creditor will be prejudiced by the extension.

Finally, the references to the purchase price in the confidential appendices are properly subject to a sealing order pending the closing of the Transaction. The *Sierra Club/Sherman Estates* tests have been met for sealing this limited information pending closing.

A former employee, Ms. Natalie Cain, attended the hearing today. She has certain Ayanda records in her possession. She says that she has a claim against the company. Counsel advised her that her claims would be considered. Nonetheless, I told her that she must return the records to the company quite apart from any claims she may have.

I have signed the Stay Extension Order and the AVO. They are attached to this endorsement. The orders are effective from today's date and are enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

## **TAB E**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

THE HONOURABLE  
  
JUSTICE CONWAY

)  
)  
)  
)

TUESDAY, THE 1st  
  
DAY OF MARCH, 2022

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
AYANDA CANNABIS CORPORATION**

**ORDER  
(Approval and Vesting Order)**

**THIS MOTION**, made by Ayanda Cannabis Corporation (the “**Corporation**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for an order, among other things: (i) approving the Share Purchase Agreement (the “**SPA**”) between the Corporation and 12830353 Canada Inc., or its assignee (the “**Purchaser**”), dated February 2, 2022, and the transactions contemplated thereby (the “**Transactions**”), (ii) vesting all of the right, title and interest in and to the New Common Shares (as defined in the SPA) in the Purchaser; (iii) transferring and vesting all of the Corporation’s right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the SPA) to and in a corporation to be incorporated (“**ResidualCo**”); and (iv) approving the Cannabis Consultant Agreement (as defined below), was heard this day by video conference due to the COVID-19 pandemic.

**ON READING** the Applicant’s Notice of Motion, the affidavit of Michael Sioen sworn February 22, 2022, the affidavit of David Hyde sworn February 22, 2022 and the First Report of Richter Advisory Group Inc., in its capacity as Proposal Trustee of the Corporation (the “**Proposal Trustee**”), to be filed, and on hearing the submissions of counsel for the Corporation, counsel for the Proposal Trustee, and counsel for those other parties appearing as indicated by the counsel slip, no one appearing for any other

party, although duly served as appears from the affidavit of service of Darlene Moffett, filed.

## **SERVICE**

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

## **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SPA.

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the Transactions be and are hereby approved and that the execution of the SPA by the Corporation is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Proposal Trustee. The Corporation is hereby authorized and directed to perform its obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the New Common Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Corporation to proceed with the Transactions (including, for certainty, the Pre-Closing Reorganization), and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Proposal Trustee's certificate to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), the following



shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

- (a) first, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below), shall continue to attach to the Excluded Assets and to the Proceeds (as defined below) in accordance with paragraph 8 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (b) second, all Excluded Contracts and Excluded Liabilities (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Corporation (other than the Assumed Liabilities), including the obligations of the Corporation in connection with any proposal put forward in these proposal proceedings (“**NOI Proceedings**”), shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Corporation, and the Corporation and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including, for certainty, the Transferred Assets and the Retained Assets, the “**Corporation’s Property**”) shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Corporation’s Property are hereby expunged and discharged as against the Corporation’s Property;
- (c) third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or

commitments of any character whatsoever that are held by any Person (defined below) and are convertible or exchangeable for any securities of the Corporation or which require the issuance, sale or transfer by the Corporation, of any shares or other securities of the Corporation and/or the share capital of the Corporation, or otherwise relating thereto, shall be deemed terminated and cancelled; and

- (d) fourth, all of the right, title and interest in and to the New Common Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including without limiting the generality of the foregoing: (i) any encumbrances or charges created in these NOI Proceedings (including the Administration Charge and the DIP Lender’s Charge); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; (iii) those Claims listed on Schedule “B” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “C” hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares.

6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee’s Certificate, forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from the Corporation and the Purchaser regarding the fulfilment of conditions to closing

under the SPA and shall have no liability with respect to delivery of the Proposal Trustee's Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the New Common Shares (including, for greater certainty, the Deposit and the Cash Purchase Price) (collectively, the "**Proceeds**") shall stand in the place and stead of the Corporation's Property, and that from and after the delivery of the Proposal Trustee's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Corporation's Property immediately prior to the sale.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Corporation or the Proposal Trustee, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Corporation's records pertaining to past and current employees of the Corporation. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Corporation.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Corporation shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Corporation (provided, as it relates to the Corporation, such release shall not apply to Taxes in respect of the business and operations conducted by the Corporation after the Effective Time), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Corporation (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5<sup>th</sup> Supp.), or any provincial equivalent, in connection with the Corporation. For greater certainty, nothing in this

paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all Contracts to which the Corporation is a party at the time of delivery of the Proposal Trustee's Certificate will be and remain in full force and effect upon and following delivery of the Proposal Trustee's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Corporation);
- (b) the insolvency of the Corporation or the fact that the Corporation sought or obtained relief under the BIA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transactions or the provisions of this Order, or any other Order of the Court in these NOI Proceedings; or
- (d) any transfer or assignment, or any change of control of the Corporation arising from the implementation of the SPA, the Transactions or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Corporation in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Corporation's right to dispute the existence, validity or

quantum of any such Assumed Liability, and (c) nothing in this Order or the SPA shall affect or waive the Corporation's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Corporation then existing or previously committed by the Corporation, or caused by the Corporation, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Contract existing between such Person and the Corporation (including for certainty, those Contracts constituting Retained Assets) arising directly or indirectly from the filing of the Corporation under the BIA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 11 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Corporation from performing its obligations under the SPA or be a waiver of defaults by the Corporation under the SPA and the related documents.

14. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Corporation relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

15. **THIS COURT ORDERS** that from and after the Effective Time:

- (a) the nature of the Assumed Liabilities retained by the Corporation, including, without limitation, their amount and their secured or unsecured

status, shall not be affected or altered as a result of the Transactions or this Order;

- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Effective Time had a valid right or claim against the Corporation under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Corporation but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Corporation prior to the Effective Time.

16. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these NOI Proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of ResidualCo and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of ResidualCo;

the SPA, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the New Common Shares in

and to the Purchaser) and any payments by or to the Purchaser, ResidualCo or the Proposal Trustee authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### **CANNABIS CONSULTANT**

17. **THIS COURT ORDERS** that the success fee agreement between the Corporation and Hyde Advisory & Investments Inc. (“**Hyde Advisory**”), dated November 11, 2021 (“**Cannabis Consultant Agreement**”), be and is hereby approved and the Corporation is authorized to pay Hyde Advisory the success fee payable under the Cannabis Consultant Agreement on the Closing of the Transaction.

### **RELEASES**

18. **THIS COURT ORDERS** that, at the Effective Time, (i) the current directors, officers, employees, and independent contractors who provided legal or financial services to the Corporation, (ii) legal counsel and advisors of the Corporation, and (iii) the Proposal Trustee and its legal counsel (collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Effective Time and that relate in any manner whatsoever to the Corporation or any of its assets (current or historical), obligations, business or affairs, or these NOI

Proceedings, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Transactions (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 50(14) of the BIA.

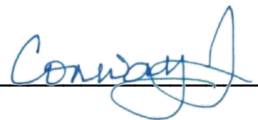
## **GENERAL**

19. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the New Common Shares.

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

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

22. **THIS COURT ORDERS** that each of ResidualCo and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



---



**Schedule A – Form of Proposal Trustee’s Certificate**

Court File No.: BK-22-02802344-0035

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
AYANDA CANNABIS CORPORATION**

**RECITALS**

A. On February 4, 2022, Ayanda Cannabis Corporation (the “**Corporation**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 198, c. B-3 (the “**BIA**”).

B. Pursuant to the terms of the NOI, Richter Advisory Group Inc. was named Proposal Trustee to the NOI (in such capacity, the “**Proposal Trustee**”).

C. Pursuant to the Approval and Vesting Order of the Court, dated March 1, 2022 (the “**Order**”), the Court approved the transactions (the “**Transactions**”) contemplated by the Share Purchase Agreement dated February 2, 2022 (the “**SPA**”) between the Corporation and 12830353 Canada Inc., or its assignee (the “**Purchaser**”) and ordered, *inter alia*, that: (i) all of the Corporation’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo; and (iii) all of the right, title and interest in and to the New Common Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that the Proposal Trustee has received written confirmation in the form and substance satisfactory to the Proposal Trustee from the Purchaser and the Corporation that all conditions to closing have been satisfied or waived by the parties to the SPA.

D. Capitalized terms not defined herein shall have the meaning given to them in the Order.

**THE PROPOSAL TRUSTEE CERTIFIES** the following:

1. The Proposal Trustee has received written confirmation from the Purchaser and from the Corporation, in form and substance satisfactory to the Proposal Trustee, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Proposal Trustee's Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ on \_\_\_\_\_, 2022.

**Richter Advisory Group Inc., in its capacity as Proposal Trustee of the Corporation, and not in its personal capacity.**

Per:

\_\_\_\_\_  
Name:

Title:

## **Schedule B – Claims to be Deleted or Expunged**

*Personal Property Security Act* (Ontario) - File No. 777253887 registered in favour of Michael Sioen Farms Ltd. on October 13, 2021.

**Schedule C – Permitted Encumbrances and Restrictive Covenants**  
**(unaffected by the Vesting Order)**

N/A

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
AYANDA CANNABIS CORPORATION**

Court File No.: BK-22-02802344-0035

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER  
(Approval and Vesting Order)**

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON Canada M5H 3S1

**David S. Ward LSO#: 33541W**  
Tel: 416.595.8625  
dward@millerthomson.com

**Larry Ellis LSO#: 49313K**  
Tel: 416.595.8639  
lellis@millerthomson.com

**Erin Craddock LSO#: 62828J**  
Tel: 416.595.8631  
ecraddock@millerthomson.com

Counsel for Ayanda Cannabis Corporation

## **TAB F**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY THE 6<sup>th</sup>  
)  
JUSTICE STEELE ) DAY OF MARCH, 2025

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.,  
1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF OMNI CONVERSION TECHNOLOGIES INC.

Applicant

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by OMNI Conversion Technologies Inc. (“**OMNI**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for an order, among other things, (i) approving the Subscription Agreement dated February 18, 2025 (the “**Subscription Agreement**”) between OMNI and 16771505 Canada Inc. (previously known as 1001130973 Ontario Inc., the “**Purchaser**”), *nunc pro tunc*; (ii) approving the purchase and sale, issuance and subscription, and all related steps contemplated in the Subscription Agreement (collectively, the “**Transaction**”); (iii) adding 1001152347 Ontario Inc. (“**ResidualCo**”) as an Applicant to this proceeding (the “**NOI Proceeding**”) and removing OMNI as an Applicant in this NOI Proceeding; (iv) transferring and vesting all of OMNI’s right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Subscription Agreement) in and to ResidualCo; (v) approving the release of the Released Parties (as defined below); (vi) approving and authorizing all such reorganization transactions contemplated in Section 2.7 and Schedule “G” of the Subscription Agreement and forming part of this Order

(collectively the “**Implementation Steps**”); and (vii) extending the stay of proceedings to and including April 21, 2025, was heard this day by judicial teleconference via Zoom.

**ON READING** the Affidavit of Jonathan Lundy sworn February 21, 2025, and the Exhibits thereto (the “**Third Lundy Affidavit**”), and the Third Report of Grant Thornton Limited (“**GT**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) dated February 26, 2025 and on hearing the submissions of counsel for OMNI, counsel for the Proposal Trustee, counsel for the Purchaser, and those other parties listed on the Counsel Slip, no one else appearing although duly served as appears from the affidavit of service of Kim Sellers dated February 24, 2025, filed:

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Third Lundy Affidavit or the Subscription Agreement, as applicable.

### **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transaction are hereby approved and the execution of the Subscription Agreement by OMNI is hereby authorized, ratified and approved, *nunc pro tunc*, with such minor amendments as the parties may deem necessary, with the consent of the Proposal Trustee. OMNI is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction, including, without



limitation, (a) filing the Articles of Amendment, (b) terminating and cancelling all outstanding Equity Interests in OMNI, including any agreement, contract, plan, indenture, deed, certificate, subscription, rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), warrants, or other documents or instruments governing and/or having been created or granted in connection with the share capital of OMNI (other than the rights of the Purchaser under the Subscription Agreement) for no consideration, and (c) issuing the Purchased Shares to the Purchaser, including any such additional documents contemplated in the Subscription Agreement.

4. **THIS COURT ORDERS** that notwithstanding any provision of this Order, the closing of the Transaction shall be deemed to occur in the manner, order and sequence set out in the Subscription Agreement, including in accordance with the Implementation Steps, with such alterations, changes or amendments as may be agreed to by OMNI and the Purchaser, with the prior written consent of the Proposal Trustee, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which OMNI or its stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by OMNI, the Proposal Trustee and ResidualCo to proceed with the Transaction and Implementation Steps and that no director, shareholder or other approval shall be required in connection therewith, including, without limitation, as necessary to approve or file any articles of amendment in respect of OMNI or authorize and effect any cancellation of Equity Interests of OMNI.

6. **THIS COURT ORDERS** that, upon the delivery of a copy of the Proposal Trustee's certificate (the "**Proposal Trustee's Certificate**") to the Purchaser (the time of such delivery being

referred to herein as the “**Closing Time**”), substantially in the form attached as **Schedule “A”** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time, all in accordance with the Implementation Steps set out in the Subscription Agreement and the steps contemplated thereunder:

- (a) first, ResidualCo shall be added to this NOI Proceeding as an Applicant;
- (b) second, all of OMNI’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and any and all Claims and Encumbrances (each as defined herein) shall continue to attach to the Excluded Assets and the Proceeds (as defined below) in accordance with paragraph 10 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (c) third, all Excluded Liabilities (which, for greater certainty, shall include all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims (as defined herein), including any Claims in respect of any Terminated Employee (including any claims for wages (as defined in the *Wage Earners Protection Program Act*, S.C. 2005, c.47, s.1, as amended)), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise)) of OMNI shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of OMNI. For greater clarity, all assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including,

for certainty, the Retained Assets) (but excluding, for greater certainty, the Excluded Assets) (the “**OMNI Property**”) shall be and are hereby forever released and discharged from such Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the OMNI Property are hereby expunged and discharged as against OMNI and the OMNI Property;

- (d) fourth, upon OMNI filing the Articles of Amendment, all Equity Interests, as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Applicant shall be deemed terminated and cancelled for no consideration;
- (e) fifth, in consideration for the Purchase Price, OMNI shall issue the Purchased Shares and the Purchaser shall subscribe for and purchase the Purchased Shares, and all right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any kind (including any cross-claim or counterclaim), demand, investigation, chose in action, default, assessment, litigation, third party action, judgement, or proceedings by or before any person, security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, reservations of ownership, rights of retention, royalties, options, rights of pre-emption, privileges, assignments (as security), any and all restrictions on the transfer of shares, equity securities, partnership or membership units or interests or other interests in property, including rights of first refusal, rights of first

offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders, members or lenders in respect of such interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, writs of enforcement, writs of seizure, or any other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the DIP Financing and Priority Order or any other Order in this NOI Proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems, with the exception of the Permitted Encumbrances (all of which are collectively referred to as “**Encumbrances**”); for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares or the Retained Assets are hereby expunged and discharged as against the Purchased Shares or the Retained Assets, and, for greater certainty, this Court orders that, notwithstanding anything else in this Order, the Encumbrances and the Claims do not include the Permitted Encumbrances;

- (f) sixth, the Proposal Trustee shall be directed to pay, on behalf of OMNI, from the Cash Consideration, any claims ranking in priority to the amounts secured by the DIP Lender’s Charge, including any amounts secured by the Charges;
- (g) seventh, the DIP Facility shall be deemed to have been repaid in full and terminated and the DIP Lender’s Charge shall be expunged, discharged and released; and

- (h) eighth, OMNI shall be removed as an Applicant in this NOI Proceeding in accordance with paragraph 8 hereof.

7. **THIS COURT ORDERS AND DECLARES** that, effective immediately following the Closing Time, any and all Liabilities arising from or relating to: (a) the change of control resulting from the Transaction; and (b) the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; and to which OMNI may be bound at the Closing Time, including, for greater certainty, any Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and OMNI shall have no obligation in connection with such Liabilities and Taxes.

8. **THIS COURT ORDERS AND DECLARES** that, following the Closing Time, the NOI Proceeding shall be terminated in respect of OMNI, its business and property, and OMNI shall be deemed to be released from the purview of the DIP Financing and Priority Order and all other Orders of this court granted in respect of this NOI Proceeding, save and except for this Order, the provisions of which (as they relate to OMNI) shall continue to apply in all respects. For greater certainty, this NOI Proceeding shall continue in respect of the remaining Applicant (being ResidualCo).

9. **THIS COURT ORDERS AND DECLARES** that, following the Closing Time, OMNI shall not be deemed to have made an assignment in bankruptcy under Section 50.4(8) of the BIA. The Proposal Trustee shall file a copy of the Proposal Trustee's Certificate with the Office of the Superintendent in Bankruptcy (the "**OSB**") and, upon receipt of the Proposal Trustee's Certificate, the OSB is directed to take any and all steps as may be necessary to ensure that the provisions of this Order, as they relate to the OSB, are carried out, including, but not limited to, registering the Company's NOI as void and reflecting the same in the OSB's records and registry. For the avoidance of doubt, OMNI shall not be deemed to be bankrupt by reason only of: (i) there being

no proposal filed with the OSB and approved by OMNI's creditors; (ii) there being no Court approval of a proposal; or (iii) this Order causing any other irregularity in respect of the NOI and proposal process under the BIA.

10. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of any Claims, the net proceeds from the issuance and sale of the Purchased Shares (the "**Proceeds**") shall stand in the place and stead of the Purchased Shares and Retained Assets and that from and after the delivery of the Proposal Trustee's Certificate, all Claims and Encumbrances shall attach to the Excluded Assets, which, for greater certainty, includes the Proceeds, with the same priority as they had with respect to the Purchased Shares and Retained Assets immediately prior to the sale.

11. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof in connection with the Transaction.

12. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from OMNI and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate.

13. **THIS COURT ORDERS** that, upon delivery of the Proposal Trustee's Certificate, the Purchaser, its counsel, Cassels Brock & Blackwell LLP, and/or their respective agents, shall be authorized to file or register, as applicable, all such financing change statements and other instruments as may be necessary to cancel and discharge all registrations, with the sole exception of the Permitted Encumbrances, against the Company or the OMNI Property pursuant to the

*Personal Property Security Act* (Ontario) or any similar legislation, including those listed on **Schedule “B”**.

14. **THIS COURT ORDERS** that upon delivery and filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to OMNI, the Retained Assets or the Excluded Assets (collectively, the “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Proposal Trustee’s Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement. Presentment of this Order and the Proposal Trustee’s Certificate shall be the sole and sufficient authority for all Governmental Authorities to make and register transfers of interest against any of the OMNI Property, and the Proposal Trustee and the Purchaser are hereby specifically authorized to discharge the registrations, with the sole exception of the Permitted Encumbrances, on the OMNI Property and the Excluded Assets, as applicable.

15. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, OMNI or the Proposal Trustee, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of OMNI pertaining to past and current employees of OMNI. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by OMNI prior to the Closing Time.

16. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraphs 6 and 10 hereof, OMNI shall be released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) owed or owing, including assessed or accrued Taxes, against OMNI prior to the Closing Time. For greater certainty, nothing in this Order or the Subscription Agreement precludes the Minister of National Revenue from exercising its rights with respect to any Taxes owed or owing, including assessed or accrued Taxes, against OMNI on or after the Closing Time.

17. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Retained Contracts (for greater certainty, excluding the Excluded Contracts) to which OMNI is party to upon delivery of the Proposal Trustee's Certificate will be and remain in full force and effect upon and following delivery of the Proposal Trustee's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of OMNI);
- (b) the insolvency of OMNI or the fact that OMNI sought or obtained relief under the BIA;



- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the court in this NOI Proceeding; or
- (d) any transfer or assignment, or any change of control of OMNI arising from the implementation of the Subscription Agreement, the Transaction or the provisions of this Order.

18. **THIS COURT ORDERS** that for greater certainty, (a) nothing in paragraph 17 hereof shall waive, compromise or discharge any obligations of OMNI or the Purchaser, in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to OMNI's or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive any of OMNI's or the Purchaser's rights and defenses, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

19. **THIS COURT ORDERS** that, from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of OMNI then existing or previously committed by OMNI, or caused by OMNI, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract or lease existing between such Person and OMNI arising directly or indirectly from the commencement of the NOI Proceeding and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 17 hereof and any and all notices of default and demands for payment or any step or proceeding taken

or commenced in connection therewith under a contract or lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse OMNI from performing its obligations under the Subscription Agreement or be a waiver of defaults by OMNI under the Subscription Agreement or related documents.

20. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against OMNI relating in any way to or in respect of any Taxes, Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

21. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Retained Liabilities retained by OMNI, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against OMNI under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against OMNI but will have

- an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against OMNI prior to the Closing Time.

22. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, all references in any Order of this court in respect of this NOI Proceeding to: (i) the “Debtor” shall refer to ResidualCo; and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (collectively, the “**ResidualCo Property**”), and, for greater certainty, each of the Charges shall constitute a charge on the ResidualCo Property.

23. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of this NOI proceeding;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of ResidualCo and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ResidualCo,

the Subscription Agreement and the implementation of the Transaction (including, without limitation, the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the issuance and vesting of the Purchased Shares in and to the Purchaser) and any payments by or to the Purchaser or the Proposal Trustee authorized herein shall

be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or territorial legislation.

### **BANKRUPTCY OF RESIDUALCO**

24. **THIS COURT ORDERS** that (i) the Proposal Trustee is hereby authorized to file an assignment in bankruptcy on behalf of ResidualCo pursuant to the BIA, naming GT as trustee in bankruptcy (in such capacity, the “**Trustee**”), and to take any steps reasonably incidental thereto, and (ii) GT is hereby authorized and empowered to act as Trustee.

25. **THIS COURT ORDERS** that the Proceeds in connection with the Transaction shall be maintained by the Proposal Trustee in a segregated account of the Proposal Trustee, such Proceeds to not form part of the bankruptcy estate of ResidualCo and shall be distributed by the ResidualCo in accordance with this Order.

### **RELEASES**

26. **THIS COURT ORDERS** that at the Closing Time: (i) the current directors, officers, employees, consultants, legal counsels and advisors of OMNI; (ii) the current directors, officers, employees, consultants, legal counsel and advisors to ResidualCo; and (iii) the Proposal Trustee and its legal counsel (collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions,

causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time and arising in connection with or relating in any manner whatsoever to the Subscription Agreement, the Transaction, or the conduct of this NOI Proceeding (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to Section 50(14) of the BIA or any claim with respect to any act or omission that is determined by a court of competent jurisdiction to have constituted actual fraud, wilful misconduct, or gross negligence.

#### **STAY EXTENSION**

27. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the time for OMNI to file a proposal is hereby extended to April 21, 2025.

#### **GENERAL**

28. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and/or OMNI and their representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Retained Assets.

29. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.,  
1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF 1001152347 ONTARIO INC.

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

31. **THIS COURT ORDERS** that each of OMNI and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory, or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

---

## SCHEDULE “A” – FORM OF MONITOR’S CERTIFICATE

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, c. B-3, AS  
AMENDED

AND IN THE MATTER OF A NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
OMNI CONVERSION TECHNOLOGIES INC.

**Applicant**

### RECITALS

On November 19, 2024, OMNI Conversion Technologies Inc. (“**OMNI**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”).

Grant Thornton Limited was appointed as Proposal Trustee (in such capacity, the “**Proposal Trustee**”) under the NOI.

Pursuant to the Approval and Reverse Vesting Order of the Court issued February 27, 2025 (the “**Reverse Vesting Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by the Subscription Agreement dated February 18, 2025 (the “**Subscription Agreement**”) between OMNI and 16771505 Canada Inc. (previously known as 1001130973 Ontario Inc., the “**Purchaser**”) for the subscription and purchase of the Purchased Shares and authorizing and directing OMNI to perform its obligations under the Subscription Agreement; (ii) added 1001152347 Ontario Inc. (“**ResidualCo**”) as an Applicant to this NOI Proceeding and removed OMNI as an Applicant to this NOI Proceeding; (iii) transferred and vested all of OMNI’s right, title and interest in and to the Excluded Liabilities and the Excluded Assets to and in ResidualCo; and (iv) vested in the Purchaser all of the right, title and interest in and to the Purchased Shares and the Retained Assets owned by OMNI on the Closing Time, free and clear



)           **GRANT THORNTON LIMITED**, in its  
) capacity as Proposal Trustee of OMNI and  
) not in its personal capacity  
)  
)  
)  
)  
) Per: \_\_\_\_\_  
) Name: [●]  
) Title: [●]

## **SCHEDULE “B” – PPSA REGISTRATIONS TO BE DISCHARGED**

1. PPSA File No. 710243577 registered September 24, 2015 in favour of North Shore Power Group Inc.
2. PPSA File No. 710243586 registered September 24, 2015 in favour of North Shore Power Group Inc.
3. PPSA File No. 710243595 registered September 24, 2015 in favour of North Shore Power Group Inc.
4. PPSA File No. 710243604 registered September 24, 2015 in favour of North Shore Power Group Inc.
5. PPSA File No. 710246898 registered September 24, 2015 in favour of Canadian Water Projects Inc.
6. PPSA File No. 710246907 registered September 24, 2015 in favour of Canadian Water Projects Inc.
7. PPSA File No. 710246925 registered September 24, 2015 in favour of Canadian Water Projects Inc.
8. PPSA File No. 710246934 registered September 24, 2015 in favour of Canadian Water Projects Inc.
9. PPSA File No. 678892743 registered June 4, 2012 in favour of Canadian Water Projects Inc.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS  
AMENDED

Court File No.: BK-24-03155126-0031  
Estate No.: 31-3155126

AND IN THE MATTER OF A NOTICE OF INTENTION TO MAKE A PROPOSAL OF OMNI  
CONVERSION TECHNOLOGIES INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON Canada M5H 3S1

**Larry Ellis LSO#: 49313K**

lellis@millerthomson.com  
Tel: 416.595.8639

**David S. Ward LSO#: 33541W**

dward@millerthomson.com  
Tel: 416.595.8625

**Matthew Cressatti LSO#: 77944T**

mcressatti@millerthomson.com  
Tel: 416.597.4311

*Lawyers for OMNI Conversion Technologies Inc.*

Court File No. BK-25-03267656-0032  
Estate No. 32-3267656

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, C. B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 3MOTIONAI INC. IN THE CITY OF  
MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

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

PROCEEDING COMMENCED AT  
TORONTO

**AIDE MEMOIRE OF 3MOTIONAI INC.**

**GARDINER ROBERTS LLP**

Bay Adelaide Centre, East Tower  
22 Adelaide Street West, Suite 3600  
Toronto ON M5H 4E3

**Chris Besant (24882O)**

Tel: (416) 865-4022  
[CBesant@GRLLP.com](mailto:CBesant@GRLLP.com)

**Saisha Mahil (80083T)**

Tel: (416) 203-9547  
[SMahil@GRLLP.com](mailto:SMahil@GRLLP.com)

Lawyers for 3MotionAI Inc.