

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PURE GLOBAL CANNABIS INC.,
PURESINSE INC., 237A ADVANCE INC., 237B ADVANCE
INC., SPRQ HEALTH GROUP, and THE GREAT CANADIAN
HEMP COMPANY LTD.

Applicants

**AFFIDAVIT OF CHRISTEL PAUL
(Sworn April 23, 2020)**

I, CHRISTEL PAUL, of the City of Toronto, in the province of Ontario, **MAKE**

OATH AND SAY:

1. I am a legal assistant at Weisz Fell Kour LLP and am assisting counsel with this matter. Accordingly, I have personal knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. Appended as Exhibit "A" are emails between Partheepan Balasubramaniam and Dana Smith at Stericycle Inc. ("**Stericycle**") between April 15 and April 21, 2020 seeking an early date for the destruction of the cannabis.
3. Appended as Exhibit "B" is a term sheet delivered by MedGreen Trading Inc. dated April 22, 2020.

4. Appended as Exhibit “C” is an email from Diane Winters to counsel for the parties dated April 23, 2020 regarding Health Canada’s position on the receivership application.

SWORN before me via video-conference this
23rd day of April 2020:



A Commissioner for Taking Affidavits
Name:



CHRISTEL PAUL

THIS IS **EXHIBIT “A”** REFERRED TO IN THE
AFFIDAVIT OF CHRISTEL PAUL SWORN BEFORE ME,
THIS 23RD DAY OF APRIL, 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

From: [Caitlin Fell](#)
To: [Paterson, Mary](#)
Cc: [Sharon Kour](#)
Subject: FW: Destruction Request
Date: Thursday, April 23, 2020 8:39:20 AM
Attachments: [image003.png](#)
[image001.png](#)

FYI we did ask for a earlier date.



Caitlin Fell

Partner | **Weisz Fell**

Kour LLP

T | [416.613.8282](tel:416.613.8282)

C | [416.258.5843](tel:416.258.5843)

F | [416.613.8290](tel:416.613.8290)

E | cfell@wfkllaw.ca

From: Partheepan Balasubramaniam <parth@puresinse.com>
Sent: Thursday, April 23, 2020 8:38 AM
To: Caitlin Fell <cfell@wfkllaw.ca>
Subject: Fwd: Destruction Request

Caitlin,

Please see below.

Parth

Sent from my iPhone

Begin forwarded message:

From: Partheepan Balasubramaniam <parth@puresinse.com>
Date: April 21, 2020 at 2:54:17 PM EDT
To: "Smith, Dana" <Dana.Smith@STERICYCLE.com>
Subject: Re: Destruction Request

Dana,

We can do May 07, 08 or 11.

The address is as follow:

237B Advance Blvd.
Brampton, Ontario
L6T 4J2

Please arrange a single day pickup and destruction. We will witness the destruction.

Regards,

Parth Balasubramaniam, BSc



Director, Quality Assurance & Regulatory Affairs

Phone [416.985.5133](tel:416.985.5133) **Office** [1.866.840.PURE \(7873\)](tel:1.866.840.PURE(7873))

Email parth@puresinse.com **Website** www.puresinse.com

On Tue, Apr 21, 2020 at 2:45 PM Smith, Dana <Dana.Smith@stericycle.com> wrote:

Hello Parth,

You has asked for the week of May 11th, can you only specifically do May 11th or can it be another day that week?

Or would you like it sooner than that week?

Please also provide me with a full address of your company so I can apply it to your quote.

Thank you,

Dana Smith

Sales Solution Executive – Hazardous Waste

M: 416-528-1023 | stericleenvironmental.com

76 Wentworth Court, Brampton, Ontario, L6T 5M7



From: Partheepan Balasubramaniam [mailto:parth@puresinse.com]

Sent: Monday, April 20, 2020 5:48 PM

To: Smith, Dana

Subject: Re: Destruction Request

Dana,

We would need an earlier date. How about May 11?

Parth

Sent from my iPhone

On Apr 20, 2020, at 4:09 PM, Smith, Dana <Dana.Smith@stericycle.com> wrote:

Hello Parth,

We have you booked in for a destruction on May 15th at 12:00pm.

I will send a waste profile form to please fill out and a quotation.

Thank you,

Dana Smith

Sales Solution Executive – Hazardous Waste

M: 416-528-1023 | stericycleenvironmental.com

76 Wentworth Court, Brampton, Ontario, L6T 5M7

<image004.png>

From: Partheepan Balasubramaniam [mailto:parth@puresinse.com]

Sent: Thursday, April 16, 2020 9:34 AM

To: Smith, Dana

Subject: Re: Destruction Request

Good Morning Dana,

Just following up on yesterday's discussion regarding the destruction quote and schedule.

Can you please provide us with an update.

Thank You.

Regards,

<image005.jpg>

Parth Balasubramaniam, BSc

Director, Quality Assurance & Regulatory Affairs

Phone [416.985.5133](tel:416.985.5133)

Office [1.866.840.PURE \(7873\)](tel:1.866.840.PURE(7873))

Email parth@puresinse.com

Website www.puresinse.com

On Wed, Apr 15, 2020 at 12:05 PM Partheepan Balasubramaniam <parth@puresinse.com> wrote:

Hi Dana,

Please provide availability for Cannabis Destruction.

Regards,

<image005.jpg>

Parth Balasubramaniam, BSc

Director, Quality Assurance & Regulatory Affairs

Phone [416.985.5133](tel:416.985.5133)

Office [1.866.840.PURE \(7873\)](tel:1.866.840.PURE(7873))

Email parth@puresinse.com

Website www.puresinse.com

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transmitting computer viruses. We do not guarantee, however, that any attachments to this Email are virus-free. AVIS DE CONFIDENTIALITÉ: L'information contenue dans ce courriel est privilégiée et confidentielle et est exclusivement adressée à son destinataire principal et aux autres destinataires indiqués. Si vous avez reçu ce message alors que vous n'êtes pas un destinataire désigné, tout usage, divulgation, copie ou distribution sont défendues. Veuillez en aviser immédiatement l'émetteur en indiquant « Reçu par erreur » en objet et détruire ce courriel et ses pièces jointes. Stericycle, Inc. utilise des logiciels régulièrement mis à jour pour réduire la possibilité de transmission de virus informatiques. Il est toutefois impossible de garantir que les pièces jointes sont exemptes de tout virus.

CONFIDENTIALITY NOTICE: The information in this Email is confidential and may be privileged. This Email is intended solely for the named recipient or recipients. If you are not the intended recipient, any use, disclosure, copying or distribution of this Email is prohibited. If you are not the intended recipient, please inform us by replying with the subject line marked "Wrong Address" and then deleting this Email and any attachments. Stericycle, Inc. uses regularly updated anti-virus software in an attempt to reduce the possibility of transmitting computer viruses. We do not guarantee, however, that any attachments to this Email are virus-free. AVIS DE CONFIDENTIALITÉ: L'information contenue dans ce courriel est privilégiée et confidentielle et est exclusivement adressée à son destinataire principal et aux autres destinataires indiqués. Si vous avez reçu ce message alors que vous n'êtes pas un destinataire désigné, tout usage, divulgation, copie ou distribution sont défendues. Veuillez en aviser immédiatement l'émetteur en indiquant « Reçu par erreur » en objet et détruire ce courriel et ses pièces jointes. Stericycle, Inc. utilise des logiciels régulièrement mis à jour pour réduire la possibilité de transmission de virus informatiques. Il est toutefois impossible de garantir que les pièces jointes sont exemptes de tout virus.

THIS IS **EXHIBIT “B”** REFERRED TO IN THE
AFFIDAVIT OF CHRISTEL PAUL SWORN BEFORE ME,
THIS 23RD DAY OF APRIL, 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

APRIL 22, 2020

Mr. Malay Panchal
Founder, President and CEO
Pure Global Cannabis Inc.
PO BOX 2247
Brampton, Ontario, L6T 3Y9

Dear Mr. Panchal:

MedGreen Trading Limited, a St. Vincent and The Grenadines corporation (“**MEDGREEN**” or the “**INVESTOR**”), is pleased to submit this proposal (“**Letter of Intent**”) to finance, directly or indirectly, the required capital (and other equity interests, if any) of PURE GLOBAL (“**PURE**”), an Ontario Public Corporation and all of its related and affiliated companies, collectively with PURE the “**Company**,” which is in the business of producing and selling various cannabis products on a national basis (the “**Business**”). The parties expect the funding of the Business to close (the “**Closing**”) on or before May 31, 2020 (the “**Target Closing Date**”). The principal terms and conditions of our proposal are as follows:

1. CONSIDERATION. MEDGREEN is pleased to offer to **PURE** up to C\$5,000,000 (subject to adjustments set forth herein) payable as follows:
 - i. at Closing, C\$1,000,000 payable against all liabilities of Pure Sense;
 - ii. at Closing, C\$2,500,000 payable in cash to repay and replace the existing mortgage secure by the property located at 237B Advance Blvd, Brampton, Province of Ontario;
 - iii. at Closing, C\$1,200,000 payable for all of the assets of Pure Sense;
 - iv. at Closing, C\$300,000 maximum for working capital of Pure Sense.
2. CONDITIONS. This Letter of Intent and the proposed investment are subject to and conditioned upon each of the following:
 - a. Due Diligence. INVESTOR’s completion of satisfactory due diligence as quickly as possible prior to execution of definitive documentation, which will include, but not be limited to (a) financial and accounting matters; (b) customer, vendor and other material agreements; (c) legal matters; (d) technology and systems; (e) customer contracts review performed by a representative of the INVESTOR; (f) local, state, provincial, federal, and international taxes; (g) employee, independent contractor and operational matters; and (h) distribution or resects agreements. It is understood that customer contract verification will be an essential part of INVESTORs due diligence and that such reasonable checks will not proceed without the express written permission of PURE, which permission shall not be unreasonable withheld or delayed.

- b.** Definitive Agreements. INVESTOR and PURE shall have negotiated and executed binding, definitive documentation. The definitive agreements shall include among other things indemnification obligations of PURE for breaches representations and warranties, covenants, fraud, misrepresentations, certain pre-closing liabilities/obligations and such other obligations. Further, the parties acknowledge and agree that INVESTOR shall have set off rights set forth in the definitive agreement around such indemnification obligations. The parties will negotiate customary indemnities, survival periods and caps on liability as may be customary for a transaction of this nature.
 - c.** Approvals. All necessary governmental approvals and other material third-party approvals and consents (including written customer consents, if contractually obligated) and the approval of this transaction by each party's Board of Directors (which will be obtained prior to the execution of definitive documentation) and by the shareholder of the Company to effect the Purchase, including but not limited to those approvals, notices or compliance requirements.
 - d.** Ordinary Course. PURE and the Company shall operate the Business in the ordinary course, consistent with past practices, through the Closing and shall pay all liabilities of the Business as they become due and payable and collect all receivables as they become owed and payable and consistent with past practices.
 - e.** Retained Liabilities. At Closing, PURE or the Company shall have discharged all Retained Liabilities, including all outstanding indebtedness to financial institutions and to the Company's shareholder, employees and former employees if any.
- 3.** EXCLUSIVITY. Until May 15, 2020, the Company and the PURE listed on the signature pages attached hereto, directly and indirectly (a) shall cease all negotiations with others, (b) will negotiate exclusively with INVESTOR, and (c) will not (whether directly or through any other person) solicit or encourage any other offers for the Business (or any substantial portion of its assets, capital stock, or securities convertible into capital stock), or provide any further information to any prospective INVESTOR or potential investor other than INVESTOR. This section shall constitute a legally binding obligation of the Company and PURE notwithstanding any other provision of this letter.
- 4.** EXPENSES. Each party shall bear its own fees and expenses in connection with the proposed transaction.
- 5.** DUE DILIGENCE. PURE and the Company agree to use commercially reasonable best efforts to cooperate with INVESTOR's due diligence investigation of the Business and to provide INVESTOR and its representatives with prompt and reasonable access to key employees and to books, records, contracts and other information pertaining to the Business; provided, however, that INVESTOR shall not contact employees, customers or suppliers of the Business without PURE's or the Company's express consent. The parties further agree that neither party will use Confidential Information (as defined in the NDA) about each other's customers disclosed during the term of this Letter of Intent to solicit each other's customers. Notwithstanding anything to the contrary contained herein, this shall not preclude either party from responding to requests for proposals from any customer, including each other's customers, or from soliciting any customers, including each other's customers, in each case without the use of Confidential Information.
- 6.** COUNTERPARTS. This Letter of Intent may be executed in one or more counterparts which, when taken together, shall represent a fully executed Letter of Intent.

7. PUBLIC ANNOUNCEMENT. The parties mutually agree that no press release or any other public announcement be made of the transactions contemplated under this Letter of Intent and that a press release or public announcement be made only upon the Closing or as otherwise required by law; provided however, if INVESTOR elects to make a public disclosure at Closing, INVESTOR will give PURE an ability to review and comment on any such disclosure. Employees, however, may be informed by PURE of INVESTOR's interest on a "need to know" basis in conjunction with its due diligence efforts. Additionally, we hereby confirm to each other that our mutual confidentiality and nondisclosure agreement, the NDA, remains in full force and effect
8. EXPIRATION. This Letter of Intent will expire at the close of business at 5:00 pm MDT on April 27, 2020, unless executed by the Company and the PURE designated on the signature page hereof and delivered to INVESTOR prior to that time. Once executed, this Letter of Intent will expire at the close of business at 5:00 pm MDT on the Target Closing Date if the Closing has not occurred, unless the parties agree in writing on or prior to such date to extend this Letter of Intent.
9. EMPLOYMENT AGREEMENTS AND NON-COMPETITION/NON-SOLICITATION AGREEMENTS.
- a. Not later than 5 business days prior to the closing, (unless mutually agreed upon by the INVESTOR and PURE), the INVESTOR and PURE shall agree upon the employees of the Company that shall be kept by INVESTOR and the terms and conditions on which such employees shall be employed going forward and provided further. The Parties will endeavor to offer employment to such assumed employees on terms no less favorable than those currently enjoyed by the assumed employees as employees of the Company; and
- b. At Closing the INVESTOR shall enter into non-competition/non-solicitation agreements with the shareholder and certain key members of the Company's management team, including but not limited to its management. The parties agree to negotiate in good faith and include terms that are standard and customary in these agreements of these types considering similar transaction size and similar companies in similar industries.
10. LETTER OF INTENT. It is understood and agreed that this Letter of Intent is not a binding or legally enforceable agreement and imposes no obligations upon nor grants any rights with respect to the acquisition of the Business to the parties hereto and that the rights and obligations of the parties with respect to the acquisition of the Business will be set forth in a definitive agreement to be executed by the parties. However, the parties intend that the covenants contained in sections 3 (Exclusivity), 4 (Expenses) and 5 (Due Diligence) and 7 (Public Announcement/Confidentiality) of this Letter of Intent be enforceable and binding and that the rights and obligations contained in such sections will inure to the benefit of the parties' successors and assigns. A binding commitment with respect to the proposed transaction will result only upon the execution and delivery of the definitive documents referred to in section 3.b. The Shareholder joins in this Letter of Intent as an expression of their interest in continuing to discuss the possibility of the transaction described in this Letter of Intent.
11. GOVERNING LAW. This letter shall be governed by and construed in accordance with the laws of Ontario without regard to the conflicts-of-laws rules thereof.

[Signatures on the following page.]

If the foregoing is acceptable, please so indicate on behalf of PURE and the Company by signing this Letter of Intent in the space provided and returns one fully executed letter to my attention.

Very truly yours,

MEDGREEN TRADING, INC.



By: _____

Name: Jagdish Singh

Title: CEO

AGREED AND ACCEPTED:

PURE GLOBAL CANNABIS INC.

By: _____

Name: _____

Title: _____

SHAREHOLDER

Mr.

THIS IS **EXHIBIT “C”** REFERRED TO IN THE
AFFIDAVIT OF CHRISTEL PAUL SWORN BEFORE ME,
THIS 23RD DAY OF APRIL, 2020



A COMMISSIONER FOR TAKING AFFIDAVITS

From: [Winters, Diane](#)
To: [Caitlin Fell](#); [Sharon Kour](#); [Paterson, Mary](#); [Steven Weisz](#); [Harvey G. Chaiton](#); ["Jeffrey Levine"](#); ["Wojtek Jaskiewicz"](#)
Cc: [Lotta, Shona](#); [Vujnovic, Maria](#)
Date: Thursday, April 23, 2020 10:01:33 AM

Hello. The following is the most recent response from HC : , Health Canada is not opposed to the receivership order. However, it does not take a position on whether the secured creditors or the company's proposal should be adopted. The only priority for Health Canada is that any proposal that is adopted cannot be used as a waiver of obligations or requirements under the *Cannabis Act* and its *Regulations*, for any party.

For example, in addition to the provisions that I flagged in my earlier email, the parties may want to pay attention to the physical security requirements including s. 68, which requires the licence holder to restrict access to storage and operations areas to individuals whose presence in the area is required by their duties.

Hope this helps. Diane

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PURE GLOBAL CANNABIS INC. et al.

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

Proceedings commenced at Toronto

**AFFIDAVIT OF CHRISTEL PAUL
(sworn April 23, 2020)**

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