District of Ontario
Division No. 5 - London
Court File No. BK-26-03390093-0035
Estate No. 35-33900932

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
[Commercial List]

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 BLIZZA BRANDS INC.

SECOND REPORT OF THE PROPOSAL TRUSTEE
JULY 21, 2026

TABLE OF CONTENTS

LIST OF APPENDICES

INTRODUCTION

1. On June 23, 2026 (the "**Filing Date**"), Blizza Brands Inc. ("**Blizza**", or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). Goldhar & Associates Ltd., a Licensed Insolvency Trustee, was named proposal trustee (the **"Proposal Trustee"**) in the proceedings initiated by the NOI (the "**Proposal Proceedings**"). A copy of the certificate of filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix "A"**.

2. On June 28, 2026, the Proposal Trustee submitted its first report in these Proposal Proceedings (the "**First Report**") to the Ontario Superior Court of Justice (the "**Court**") in support of the Company's motion Returnable June 29, 2026.

3. An overview of the Company and background of the circumstances leading to the Company's decision to file the NOI are included in the First Report. Further to the overview and background, the First Report details various creditor enforcement measures including the freezing of the Company's bank accounts and post-NOI garnishments made by the Canada Revenue Agency ("**CRA**") as a result of amounts owing to the CRA relating to the Company's excise license. Attached hereto as **Appendix "B"** is a copy of the First Report (without appendices).

4. On June 29, 2026, the Court granted, among other things, the following relief:

    (a) Blizza's motion for an Order that the status quo in respect of the Company's Health Canada and cannabis excise licences be preserved and maintained during the pendency of the stay of proceedings, and to the extent any such licences may expire during the stay of proceedings, the terms of such licences shall be deemed to be extended by a period equal to the stay of proceedings in favour of the Company (the "**Stay Period**");

    (b) Blizza's motion lifting, terminating and suspending any garnishments, freezes, holds, restrictions or limitations imposed on the Company's bank accounts during the NOI proceedings, and directing the Company's financial and banking institutions to permit the Company to access and utilize its bank accounts in the ordinary course of business;

(c) Blizza's motion for an Order authorizing the Company, with the consent of the Proposal Trustee, to pay certain pre-filing amounts owing to critical suppliers, regulatory authorities and service providers (together "**Critical Vendors**") where such payments are necessary to preserve the Company's business, assets, operations, licences or restructuring prospects; and

(d) Blizza's motion for an Order granting the super-priority Administration Charge up to a maximum of $175,000.

5. Attached hereto as **Appendix "C"** is a copy of the signed Order, dated June 29, 2026.

PURPOSE

6. The purpose of this second report of the Proposal Trustee (the "**Second Report**") is to advise the Court with respect to:

(a) the Company's operations and communications with stakeholders since the First Report;

(b) the Proposal Trustee's activities since the First Report;

(c) the Company's actual performance to date versus the first filed cash flow forecast (the "**First Cash Flow Forecast**");

(d) the Company's motion for an Order (the "**Proposed Order**"), which among other things:

(i) extends the period in which Blizza can make a proposal to its creditors, and the stay of proceedings, up to and including September 4, 2026;

(ii) approves the DIP Term Sheet (defined below) and authorizing the Company to obtain and borrow under a debtor-in-possession credit facility (the "**DIP Facility**") from ND Supplies Inc. (in such capacity, the "**DIP Lender**") up to a maximum principal amount of $150,000;

(iii) grants a charge (the "**DIP Lender's Charge**") in favour of the DIP Lender to secure the Company's obligations under the DIP Term Sheet; and

(iv) grants such other relief as the Court may deem just.

(e) the Proposal Trustee's comments and report on the Company's cash flow statement for the period commencing July 18 to October 16, 2026 (the "**Second Cash Flow Forecast**"); and

(f) the Proposal Trustee's recommendations on the relief being sought by the Company.

7. The Proposal Trustee understands that the Company will be relying on the affidavit of Linh Diep sworn July 20, 2026 (the "**Second Diep Affidavit**") in support of the relief sought in the Proposed Order.

8. The first affidavit of Linh Diep sworn July 26, 2026 (the "**First Diep Affidavit**"), the Second Diep Affidavit, the First Report, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's website: https://goldhar.ca/corporate-engagements/blizza-brands-inc (the "**Proposal Trustee's Website**").

TERMS OF REFERENCE

9. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with management of the Company ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Second Report in respect of the First Cash Flow Forecast and Second Cash Flow Forecast:

(a) The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided.

However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

(b) Some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

10. Future oriented financial information referred to in this Second Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

11. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Company and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.

12. The Second Report should be read in conjunction with the Motion Record filed by the Company in connection with the motion returnable June 23, 2026.

13. Capitalized items used herein, not otherwise defined, are as defined in the previous reports of the Proposal Trustee or other materials filed in connection with these proceedings.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

ACTIVITIES OF THE COMPANY AND PROPOSAL TRUSTEE SINCE THE FIRST REPORT

15. Since the First Report, the Proposal Trustee has observed the Company engage in certain key activities, such as:

    (a) communicating with various stakeholders and creditors regarding the Proposal Proceedings;

    (b) responding to various questions/queries by vendors, occasionally with the assistance of the Proposal Trustee;

    (c) corresponding with the Company's legal counsel, Miller Thomson LLP ("**Miller Thomson**"), and the Proposal Trustee;

    (d) communicating on an ongoing basis with certain creditors and/or their advisors;

    (e) reporting to the Proposal Trustee on progress made with regard to the return of the garnished wages, and on a weekly basis in respect of the Company's receipts and disbursements;

    (f) working with the Proposal Trustee in preparing the Second Cash Flow Forecast; and

    (g) working with Miller Thomson and the Proposal Trustee to prepare materials for this motion.

16. Since the First Report, the Proposal Trustee has performed, but has not been limited to, the following key activities:

    (a) attending ongoing meetings with Management to discuss the proposal process and/or sales process;

    (b) assisting the Company with communications to various stakeholders;

    (c) in accordance with Section 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Company in the preparation of the First Cash Flow Forecast and the related assumptions, and e-filed accordingly;

(d) continuing to review and evaluate the state of the Company's business and financial affairs in accordance with Section 50.4(7)(b)(ii) of the BIA;

(e) monitoring the affairs of the Company's business including reviewing financial information with Management;

(f) attending the London, Ontario facility for a site tour and meetings with on-site management;

(g) corresponding and holding numerous discussions with Management and Miller Thomson with respect to general matters;

(h) corresponding with the CRA, the Department of Justice and the Bank of Montreal ("**BMO**") for the return of the garnished funds (further detailed in the First Report);

(i) responding to calls and emails from creditors, suppliers, customers, employees, shareholders and other stakeholders;

(j) assisting in the preparation of the Second Cash Flow Forecast; and

(k) preparing this Second Report.

VARIANCE ANALYSIS OF THE FIRST CASH FLOW FORECAST

17. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Company's business and financial affairs since the Filing Date.

18. As of the date of this Second Report, the Proposal Trustee has determined that approximately $83,924 in funds garnished after the Filing Date have yet to be returned to the BMO account(s) of the Company.

19. Further, the Ontario Cannabis Store ("**OCS**") garnished approximately $3,615 in funds. As of the date of this Second Report, the Proposal Trustee anticipates that these funds will be returned to the Company as well.

20. As of the date of this Second Report, the CRA, OCS, and BMO confirm that the garnishments have been removed from the bank accounts of Blizza and that the

garnished amounts are being returned by the CRA and OCS. No timeline has been confirmed for the receipt of the garnished funds.

21. Given the shortfall in garnished funds yet to be returned, Management has had to personally cover payroll of $88,114.96 that was originally forecasted to be paid from the Company's cash flow.

22. The Proposal Trustee believes that the payroll disbursement was necessary in maintaining the Company as a going concern to the benefit of its stakeholders and as such, believes that when commercially reasonable, Management should be paid directly from the Company proceeds to offset this disbursement covered personally from the Filing Date to July 17, 2026 (the "**Reporting Period**").

23. Not accounting for the funding of the Company from personal sources of Management, a comparison of Blizza's actual receipts and disbursements against the forecast for the Reporting Period is detailed in **Appendix "D"** of this Second Report.

24. The Company's actual cash flow from operations for the Reporting Period was less than the projected cash flows for that same period by approximately $53,209. This negative discrepancy is primarily attributable to the following material unfavourable and favourable variances:

<u>Unfavourable</u>

(a) Total Receipts were approximately $289,567 less than projected during the reporting period. Management has stated that this was due to timing delays in Milled Sales and that proceeds will be received over the next two to three weeks, remedying this variance. Flower sales are anticipated in a similar timeline; however, it is expected only $25,000 will be received as opposed to the $35,000 originally forecasted during the Reporting Period;

(b) CRA garnishments of approximately $83,924 made a day after the Filing Date hindered the Company. As detailed in this report, it is expected that proceeds will be returned, remedying this variance; and

(c) Bank charges were not contemplated in the First Cash Flow Forecast; however, Management has stated that due to the industry in which they operate, banks typically charge approximately $3,000 per month in fees. This will be accounted for in the Second Cash Flow Forecast and any other forecasts going forward (if necessary).

<u>Favourable</u>

(d) The CRA garnishment resulted in most of the projected disbursements being returned due to lack of funds during the initial weeks of these Proposal Proceedings. Given this, approximately $321,080 in forecasted disbursements were not made during the Reporting Period, leading to a favourable variance. However, these disbursements (much of them critical) will be paid from the proceeds currently held, along with the proposed DIP Facility and sales going forward.

COMPANY'S REQUEST FOR STAY EXTENSION

25. The Company is seeking an extension of the time required to file a proposal from July 22 to September 4, 2026. The Proposal Trustee supports the extension request for the following reasons:

(a) the Company is acting in good faith and with due diligence;

(b) the extension will provide additional time to make a viable proposal to its creditors which will be for the general benefit of the Company's stakeholders;

(c) the extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and suppliers in the amounts contemplated in the Second Cash Flow Forecast; and

(d) it will provide the Company the additional time they require to further advance their restructuring, which is in the interest of the stakeholders.

COMPANY'S REQUEST FOR APPROVAL OF DIP TERM SHEET & DIP LENDER'S CHARGE

26. The Company is seeking approval of a debtor-in-possession term sheet (the "**DIP Term Sheet**") dated July 21, 2026, pursuant to which the DIP Lender, has offered to make available a DIP Facility up to a maximum principal amount of $150,000. A copy of the DIP Term Sheet is attached hereto as **Appendix "E"** of this Second Report.

27. In addition to the approval of the DIP Term Sheet and authority to borrow under the DIP Facility, the Proposed Order also provides for a DIP Lender's Charge to secure the obligations of the Company under the DIP Term Sheet.

28. The priorities of the previously granted Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, are proposed to be as follows:

    (a) First – Administration Charge (to the maximum $175,000); and

    (b) Second – DIP Lender's Charge (to the maximum of $150,000 plus accrued and accruing interest and fees under the DIP Term Sheet).

29. The material items, terms and conditions of the DIP Term Sheet include the following (all terms capitalized but not defined below are as defined in the DIP Term Sheet):

    (a) **DIP Lender**: ND Supplies Inc.

    (b) **DIP Facility**: Non-revolving debtor-in-possession loan facility in the maximum aggregate principal amount of $150,000.

    (c) **Purpose**: The DIP Facility shall be available to fund: (a) working capital needs of the Borrower; (b) professional fees and expenses incurred by the Borrower and the Proposal Trustee in respect of the NOI Proceedings; in each case in accordance with the Cash Flow Forecast; (c) the Recoverable Expenses; and (d) such other costs and expenses of the Borrower as may be agreed to by the Lender and the Proposal Trustee, in writing.

(d) **Advances**: The Borrower shall provide the Lender with no less than two (2) business days' written notice for any requested Advance, which notice shall state the purpose for which the Advance is to be used by the Borrower.

(e) **Commitment Fee**: $3,000, representing 2% of the total amount available under the DIP Facility, earned upon the execution of this Term Sheet, payable on the Maturity Date, and secured by the DIP Lender's Charge.

(f) **Interest Rate**: 12% per annum

(g) **Maturity Date**: The earliest of: (a) October 15, 2026; (b) the implementation of a proposal within the NOI Proceedings that has been approved by the requisite majority of the Borrower's creditors and by an order of the Court; (c) the closing of a sale or investment transaction in respect of the Property, which has been approved by the Court; (d) the date on which the NOI Proceedings are terminated for any reason, including the bankruptcy of the Borrower; and (e) the occurrence of an Event of Default, subject to a cure period.

(h) **Security**: All debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility, this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired, subject only to the Administration Charge.

(i) **Conditions**: The granting of an Order approving the DIP Term Sheet and the DIP Lender's Charge, among other customary conditions.

30. Management has stated that the use of the proceeds from DIP Facility will be operating expenses and repairs necessary for the ongoing operations of the Company. Specifically, the funds will be used for expected capital expenditures and maintenance repairs of

equipment necessary for the operations of the Company, critical disbursements, restructuring fees, payroll and contractors.

31. The Proposal Trustee notes that the DIP Lender is a related party to the Company, with certain members of Management acting as Directors of ND Supplies Inc. However, the Proposal Trustee believes that the terms offered by the DIP Lender are commercially reasonable, consistent with market rates in the circumstances.

32. Furthermore, the Proposal Trustee is of the view that the Company's request for approval of the DIP Term Sheet and the DIP Lender's Charge is required and reasonable in order to provide the Company the necessary financing to maintain the ongoing operations it works through these Proposal Proceedings. Absent approval of this financing, the Company may not be able to continue as a going concern and be forced to shutter operations and commence a liquidation of assets, which would result in the loss of value and jobs and be detrimental to the stakeholders of Blizza.

SECOND CASH FLOW FORECAST

33. Given the request for a DIP Facility, coupled with other factors, the Company has prepared a Second Cash Flow Forecast.

34. The Second Cash Flow Forecast is reported on a weekly basis, for the cash flow period from July 18 to October 16, 2026 (the "**Updated Reporting Period**"). The Second Cash Flow Forecast has been prepared by the Company using probable and hypothetical assumptions set out herein.

35. The Second Cash Flow Forecast along with Management's and the Proposal Trustee's Report in accordance with section 50.4(2)(b) and 50.4(2)(c) of the BIA is attached hereto as **Appendix "F"** of this Second Report.

36. The Second Cash Flow Forecast accounts for the proposed DIP Facility, along with timing variances associated with receipts and disbursements previously noted in this report.

37. As noted earlier in this report, the DIP Facility will be used to cover expected maintenance costs necessary for the ongoing operations of the Company, critical disbursements along with restructuring fees, payroll and contractors.

CONCLUSIONS AND RECOMMENDATIONS

38. For the reasons previously stated in this Second Report, the Proposal Trustee supports the relief being sought by the Company in the Proposed Order.

All of which is respectfully submitted this 21st day of July 2026.

GOLDHAR & ASSOCIATES LTD, in its capacity as Proposal Trustee of Blizza Brands Inc., and not in its corporate or personal capacity.

Clark Lonergan, CA, CPA, CIRP, LIT
Senior Managing Director

APPENDIX A

Industry Canada Industrie Canada

Office of the Superintendent of Bankruptcy Canada

Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 05 - London
Court No.: 35-3390093
Estate No.: 35-3390093

In the Matter of the Notice of Intention to make a proposal of:

Blizza Brands Inc

Insolvent Person

GOLDHAR & ASSOCIATES LTD

Licensed Insolvency Trustee

Date of the Notice of Intention: June 23, 2026

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 24, 2026, 07:28

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

Canada

APPENDIX B

District of Ontario
Division No. 5 - London
Court File No. BK-26-03390093-0035
Estate No. 35-33900932

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

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 BLIZZA BRANDS INC.

FIRST REPORT OF THE PROPOSAL TRUSTEE
JUNE 28, 2026

TABLE OF CONTENTS

LIST OF APPENDICES

INTRODUCTION

1. On June 23, 2026 (the "**Filing Date**"), Blizza Brands Inc. ("**Blizza**", or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI(s)**") pursuant to section 50.4 of the Bankruptcy & Insolvency Act, R.S.C. 1985, c. B-3 (the "**BIA**"). Goldhar & Associates Ltd. ("**Goldhar**"), a Licensed Insolvency Trustee, was named proposal trustee (the "**Proposal Trustee**") in the Company's proposal proceedings (collectively, the "**Proposal Proceedings**"). A copy of the certificate of filing of a Notice of Intention to Make a Proposal (the "**Certificate of Filing**") issued by the Office of the Superintendent of Bankruptcy (the "**OSB**") is attached hereto as **Appendix "A"**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the "**First Report**") is to advise the Court with respect to:

    (a) an overview of the Company;

    (b) background on the circumstances leading to the Company's decision to commence the Proposal Proceeding;

    (c) the Company's creditors;

    (d) the Company's operations and communications with stakeholders since the commencement of the Proposal Proceeding;

    (e) the Proposal Trustee's activities since its appointment;

    (f) the Company's motion to seek an order (the **"Proposed Order"**):

        (i) ordering that the status quo in respect of the Company's Health Canada and cannabis excise licences shall be preserved and maintained during the pendency of the stay of proceedings, and to the extent any such licences may expire during the stay of proceedings, the terms of such licences shall be deemed to be extended by a period equal to the stay of proceedings in favour of the Company (the **"Stay Period"**);

(ii) ordering that any garnishments, freezes, holds, restrictions or limitations imposed on the Company's bank accounts be lifted, terminated or suspended during the NOI proceedings, and directing the Company's financial and banking institutions to permit the Company to access and utilize its bank accounts in the ordinary course of business;

(iii) authorizing the Company, with the consent of the Proposal Trustee, to pay certain pre-filing amounts owing to critical suppliers, regulatory authorities and service providers (together **"Critical Vendors"**) where such payments are necessary to preserve the Company's business, assets, operations, licences or restructuring prospects;

(iv) granting the super-priority Administration Charge (herein defined); and

(v) such other relief as this Court may deem just.

(g) the Proposal Trustee's recommendations on the relief being sought by the Company.

3. The Proposal Trustee understands that the Company will be relying on the affidavit of Mr. Manh Linh Diep ("**Mr. Diep**") sworn June 26, 2026 (the "**Diep Affidavit**") in support of the relief sought in the Proposed Order.

4. The Diep Affidavit, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's websites at:

https://goldhar.ca/corporate-engagements/blizza-brands-inc (the "**Proposal Trustee's Websites**").

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with management of the Company ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecasts:

   (a) The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

   (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

6. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not

ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.

7. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this First Report concerning the Company and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE COMPANY

9. This First Report should be read in conjunction with the Diep Affidavit for additional background and financial information with respect to the Company. Any terms not expressly defined herein are otherwise defined in the Diep Affidavit.

10. Blizza is a privately held corporation, that was formed by amalgamation on May 19, 2021, pursuant to the Business Corporations Act (Ontario) (the "**OBCA**") with its registered head office at 371 Neptune Crescent, London, Ontario.

11. The Company is a federally licensed cannabis cultivator and processor, producing and selling premium branded cannabis products for the Canadian recreational market through provincial wholesalers including the Ontario Cannabis Store ("**OCS**"). Blizza markets products under several consumer brands, including VOLO, OP, KWALL, Deep Value and KEFF. In addition to marketing and distributing its own branded products, the Company maintains business-to-business supply relationships with other participants in

the cannabis industry and derives revenue from wholesale cannabis sales and processing activities.

12. The Company owns and operates a facility located at 371 Neptune Crescent, London, Ontario (the "**Facility**"), which houses approximately 9,000 square-feet of indoor cannabis cultivation and processing space. The Company has eight (8) full-time employees and two (2) independent contractors.

13. Blizza holds two (2) licences that are essential to its operations:

    (a) a cannabis licence issued by Health Canada pursuant to the *Cannabis Act* and the *Cannabis Regulations* (the **"Health Canada Licence"**); and

    (b) a cannabis excise licence issued by Canada Revenue Agency (**"CRA"**) pursuant to the *Excise Act*, 2001 (the **"Excise Licence"**, and together with the Health Canada Licence, the **"Licences"**).

14. The Licences are among the Company's most significant assets. The Licences are non-transferable and are critical to the Company's operations and going-concern value. Without the Licences, the Company cannot lawfully cultivate, process, package or sell cannabis products in Canada.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

15. The Proposal Trustee understands that the Company's financial difficulties arose from a combination of operational, financial and industry-specific factors in or around 2024. At that time, the Company was experiencing significant deficiencies in its finance and accounting functions, which contributed to delays and inaccuracies in tax reporting, remittance obligations and other regulatory compliance matters. These issues resulted in

audits, assessments, penalties and growing liabilities owing to CRA and other governmental authorities.

16. These difficulties were further impacted by broader challenges facing the Canadian cannabis industry, including regulatory and taxation concerns, , compressed margins, and intense market competition.

17. As a result, the Company's excise tax arrears and other trade payables have increased over time and despite efforts to reduce costs, improve operations, negotiate payment arrangements with creditors and governmental authorities, and raise additional capital, the Company's liquidity position continues to deteriorate.

18. By June 2026, the Company was facing substantial tax arrears, escalating CRA enforcement measures, including liens, garnishments and requirements to pay, and the imminent loss of the Excise Licence. These enforcement measures included the registration of tax liens against title to the Facility; attendance by CRA representatives at the Facility including the destruction of certain cannabis inventory and cannabis products, and the garnishment of the Company's main operating bank accounts at the Bank of Montreal (the **"Bank Accounts"**).

19. Based on the Company's accounts payable listing dated June 23, 2026, the Company had estimated unsecured obligations totalling approximately $1.44 million, including $599,196 of amounts owed to CRA.

20. As of the date of the filing of the NOI, the Company had no ability to access funds in its Bank Accounts to pay obligation as they come due (accounts locked down due to the garnishments), employees not required for the Health Canada Licence were laid off (management/ownership funded the last payroll personally), and operations were ceased as the Licenses were at imminent risk of being terminated.

21. The above necessitated the filing of the NOI in order to preserve enterprise value, maintain the Licences and pursue a restructuring for the benefit of its stakeholders.

22. As described below, as of the date of the First Report, the Proposal Trustee understands that the Company has had discussions with Department of Justice ("**DOJ**") who has confirmed on behalf of CRA that the Excise Licence will be extended; however, the Company has not yet received formal documentation from CRA confirming same.

23. Under the BIA, the initial stay of proceedings will expire on July 22, 2026 (the **"Stay Period"**).

CREDITORS

Secured Claims

24. The Company has one (1) secured lending facility made available by 0933805 BC Limited and Pierino Alberto Papa (collectively, the "**Mortgage Lenders**"), pursuant to which the Mortgage Lenders advanced a loan in the original principal amount of $1,100,000 (the "**Mortgage Loan**"). Title to the Facility is subject to a first-ranking registered charge in favour of the Mortgage Lenders securing the Mortgage Loan.

Crown Claims

25. The Company estimates that it owes approximately $599,196.79 to the CRA as of the NOI Filing Date, comprised of approximately $430,011.63 in Excise Arrears, $139,214.35 in payroll-related obligations and $29,970.81 in GST/HST obligations.

Unsecured Creditors

26. The Company has unpaid trade debt and other unsecured obligations incurred in the ordinary course of business. Based on the Company's books and records, as of June 23, 2026, its trade accounts payable were approximately $837,290.29.

27. The affidavit of mailing and the associated creditor package for the Company is attached hereto as **Appendix "B"**.

UPDATE ON THE COMPANY'S ACTIVITIES

28. Since the Filing Date, the Company has been taking steps and focusing on stabilizing operations, including on June 26, 2026, the Company, through its counsel, engaged in discussions with DOJ regarding the status of the Excise Licence and the renewal applicable. The DOJ confirmed, among other things, that the Excise Licence will be renewed for a period equal to the stay of proceedings in favour of the Company. The Company and its advisors are in continued discussions with the DOJ regarding the motion returnable June 29, 2026, including with respect to the terms of the draft Order sought. The Company is currently awaiting formal documentation reflecting the extension.

29. The Company has also maintained an ongoing relationship with the Mortgage Lenders and has been advised that the Mortgage Lenders are supportive of the Company's restructuring efforts and, if required, are prepared to consider extending the Mortgage Loan beyond its current maturity date, if necessary, while the Company pursues a restructuring through these NOI proceedings.

30. The Proposal Trustee also understands that in light of the discussions with the Company following the filing of the NOI, DOJ does not intend to attend or take a position on the Company's motion returnable June 29, 2026 and the relief sought therein.

PROPOSAL TRUSTEE'S ACTIVITIES TO DATE

31. The Proposal Trustee established the Proposal Trustee's Website for these Proposal Proceedings. All court documents and certain other relevant documents have and will continue to be posted as they are made available.

32. In accordance with its obligations under the BIA, the Proposal Trustee prepared and sent a notice on June 26, 2026, which includes information about the Proposal Proceedings, to all known creditors, based on the contact information of such known creditors who have a claim against the Company of more than $250, by prepaid ordinary mail and email where unknown.

33. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee is assisting the Company in the preparation of their respective cash-flow projections and related assumptions

34. The Proposal Trustee also completed statutory forms and e-filed such reports with the OSB.

35. Furthermore, since the issuance of the Certificates of Filing, the Proposal Trustee, among other things, has:

    (a) participated in various calls with Management to gain a better understanding of the Company's books and records and operations;

    (b) participated in various meetings with the Company and its legal counsel regarding motion materials; and

    (c) responded to calls, e-mails and letters received from creditors and other parties with respect to the Proposal Proceedings.

36. Prepared this First Report, including reviewing the Company's assets and operations in, reviewing various financial reports, appraisals and valuations and other related analysis.

THE RELIEF AND ORDER BEING SOUGHT BY THE COMPANY

Status Quo of Licences

37. The Company is seeking an order that the status quo in respect of the Company's Licences be preserved and maintained during the pendency of the proposed Stay Period, and that to the extent that any Licence may expire during the Stay Period, the term of such licence shall be deemed to be extended for so long as the stay of proceedings under the BIA remains in effect in respect of the Company.

38. We understand the DOJ has confirmed and is in support of this course of action and the Company is waiting for official correspondence regarding the same from CRA.

Lifting of Bank account freezes and holds

39. The Company seeks an Order directing that such freezes, holds, restrictions or limitations imposed on the bank accounts be lifted, terminated or suspended during the NOI proceedings, and directing the financial and banking institutions to permit the Company to access and utilize its bank accounts in the ordinary course of business.

40. Although the Company has been advised that CRA has commenced withdrawing the requirements to pay issued in respect of the Company (of which 16 were issued by CRA to various recipients), the Company has not received confirmation from its banking institutions that all restrictions, freezes and holds affecting its bank accounts have been lifted. Efforts to regain access to the operating bank accounts are ongoing.

41. The Proposal Trustee is supportive of an Order that would facilitate the Company regaining access to its banking facilities in order to preserve the value of its business and assets, maintain its Licences, pay ongoing operating expenses, and pursue a restructuring for the benefit of its stakeholders.

Proposed Priority Charges

42. The Proposed Order provides for a first-in-priority charge against the assets, undertakings and properties of the Company, up to a maximum amount of $175,000 (the "**Administration Charge**") in favour of counsel to the Company, the Proposal Trustee and its independent counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the Proposal Proceedings. It is intended

that professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding from operations.

43. The Proposal Trustee is of the view that given the current liquidity constraints of the Company, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

44. The Proposal Trustee understands that the Company has provided their secured creditors with notice, with such secured creditors having been included on the service list in connection with these Proposal Proceedings, prior to the relief being sought in the Proposed Order.

Critical Vendors

45. The Company seeks authority, with the consent of the Proposal Trustee, to pay certain Critical Vendors up to the aggregate amount of $75,000, where such payments are necessary to preserve the Company's business, assets, operations, licences or restructuring prospects.

46. The critical suppliers identified by Management include, but are not limited to, flower suppliers, geneticists, and proprietary intellectual property providers.

47. The Proposal Trustee supports limited payments to certain critical pre-filing obligations may be necessary to maintain key relationships, preserve the value of the business and facilitate the formulation of a viable proposal for the benefit of creditors.

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

CONCLUSIONS AND RECOMMENDATIONS

49. For the reasons previously stated in this First Report, the Proposal Trustee supports the relief being sought by the Company and the Proposed Order.

All of which is respectfully submitted this 28th day of June 2026.

GOLDHAR & ASSOCIATES LTD, in its capacity as Proposal Trustee of Blizza Brands Inc., and not in its corporate or personal capacity.

Clark Lonergan, CA, CPA, CIRP, LIT
Senior Managing Director

APPENDIX C

Court File No.: BK-26-03390093-0035
Estate No.: 35-3390093

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 29TH DAY
	)	
JUSTICE W.D. BLACK	)	OF JUNE, 2026

IN THE MATTER OF NOTICE OF INTENTION TO MAKE
A PROPOSAL OF
BLIZZA BRANDS INC.

ORDER

THIS MOTION, made by Blizza Brands Inc. (the "**Company**"), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") was heard this day by video conference at 330 University Avenue, Toronto, Ontario in accordance with the Guidelines to Determine Mode of Proceeding in Civil.

ON READING the Notice of Motion, the Affidavit of Linh Diep sworn June 26, 2026 and the exhibits thereto (the "**Diep Affidavit**"), the first report dated June 28, 2026 (the "**First Report**") of Goldhar & Associates Ltd. (in such capacity, the "**Proposal Trustee**"), and on being advised that the secured creditors who are likely affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Company and counsel for the Proposal Trustee, and those other parties present, no one else appearing although duly served as appears from the Affidavit of Service, filed,

SERVICE AND INTERPRETATION

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

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Diep Affidavit or the First Report, as applicable.

STATUS QUO RELIEF

3. **THIS COURT ORDERS** that the status quo in respect of the excise licence issued by the Canada Revenue Agency held by the Company shall be preserved and maintained during the pendency of the Stay Period, and to the extent that such licence may expire during the stay of proceedings in favour of the Company (the "**Stay Period**"), the term of the licence shall be deemed to be extended by a period equal to the Stay Period.

FILING OF TAX RETURNS AND REMITTANCES

4. **THIS COURT ORDERS** that the Company shall file all returns that have become due since June 23, 2026 (the "**NOI Date**") and all returns as and when they become due subsequent to the date of this Order.

5. **THIS COURT ORDERS** that the Company shall remit or pay, in accordance with legal requirements, for the period on or after the NOI Date the following amounts:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, (iv) income taxes, and (v) and all other amounts related to such deductions or employee wages payable for periods following the Initial Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after NOI Date, or where such Sales Taxes were accrued or collected prior to the NOI Date but not required to be remitted until on or after the NOI Date;

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company; and

(d) any taxes, duties or other amounts required under the *Excise Act, 2001* to the Crown in right of Canada or of any Province thereof or any other taxation authority on or after the NOI Date.

UNFREEZING OF BANK ACCOUNTS

6. **THIS COURT ORDERS** that any garnishments, freezes, holds, restrictions, limitations or other enforcement measures affecting the Company's bank accounts arising from pre-filing collection or enforcement activity are hereby stayed, suspended and lifted for the duration of the Stay Period.

7. **THIS COURT ORDERS** that the Company's financial institutions are authorized and directed to permit the Company to access and utilize its bank accounts and banking facilities in the ordinary course of business during the Stay Period.

POSSESSION OF PROPERTY AND OPERATIONS

8. **THIS COURT ORDERS** that the Company shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"). The Company is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

9. **THIS COURT ORDERS** that the Company shall be entitled, but not required, to pay the following expenses, whether incurred prior to, on or after the date of this Order:

(a) all outstanding and future wages, salaries, employee benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements of the Company;

(b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges; and

(c) amounts owing for goods or services actually provided to the Company prior to the date of this Order by third parties if, in the opinion of the Company, such third party is critical to the Company's business and ongoing operations of the Company, provided that such payments shall: (i) not exceed an aggregate amount of $75,000, and (ii) be approved in advance by the Proposal Trustee or by further Order of the Court.

PROFESSIONAL FEES

10. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and counsel for the Company on a weekly basis.

11. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time and, for this purpose, the accounts of the Proposal Trustee and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

ADMINISTRATION CHARGE

12. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $175,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Company's counsel, the Proposal Trustee and its counsel both before and after the making of this Order in respect of these proceedings.

13. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

14. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except any validly perfected security interest in favour of equipment lessors.

15. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this

Order shall derogate from the protections afforded to the Proposal Trustee under the BIA or any applicable legislation.

GENERAL

16. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceedings, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol and shall be accessible by selecting the Company's name from the engagement list at the following URL: https://goldhar.ca/corporate-engagements/blizza-brands-inc

17. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Company and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received

on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

18. **THIS COURT ORDERS** that the Company and the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Company, 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 the Company and 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 the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that each of the Company or the Proposal Trustee shall be at liberty and are 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.

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

IN THE MATTER OF NOTICE OF INTENTION TO MAKE A PROPOSAL OF BLIZZA BRANDS INC.

Court File No.: BK-26-03390093-0035
Estate No.: 35-3390093

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at
Toronto

ORDER
Returnable June 29, 2026

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Lawyers for the Debtor, Blizza Brands Inc.

APPENDIX D

Blizza Brands Inc.
Cumulative Budget to Actual Comparison
June 23 to July 17, 2026

($ CAD)

	Cumulative		
	Budget	**Actual**	**Variance F(U)**
Receipts			
Retail sales	26,000	12,665	(13,335)
Milled sales	313,500	95,874	(217,626)
Flower sales	35,000	-	(35,000)
HST/GST collected	23,606	-	(23,606)
Total receipts	**398,106**	**108,539**	**(289,567)**
Disbursements from operations			
Commissions	30,000	-	30,000
Stock purchases	46,000	-	46,000
Equipment & maintenance	7,000	-	7,000
Cultivation operations	33,000	-	33,000
Lab testing	13,000	-	13,000
Contract employees	5,000	-	5,000
Other direct operating expenses	15,000	9,325	5,675
Retailer costs	20,000	-	20,000
Insurance	3,500	-	3,500
Utilites	2,000	-	2,000
Payroll wages & WSIB/EHT	40,000	3,265	36,735
Property taxes	-	-	-
Professional fees	1,000	-	1,000
Excise tax/licensing	12,500	-	12,500
HST on disbursements	20,670	-	20,670
HST remittances/(refunds)	10,000	-	10,000
Collateral mortgage interest	-	-	-
Restructuring fees	75,000	-	75,000
Contingency	2,250	-	2,250
Bank fees/charges	-	3,048	(3,048)
Post NOI filing garnishment	-	83,924	(83,924)
Total Disbursements	**335,920**	**99,562**	**236,358**
Net Cash Inflow/(Outflow)	62,186	8,977	(53,209)
Funding from DIP facility/deposit	**-**	**8,977**	**8,977**
Opening Cash Balance	**83,924**	**83,924**	**-**
Net Cash Inflow/(Outflow)	62,186	8,977	(53,209)
Closing Cash Balance	**146,110**	**92,901**	**(53,209)**

APPENDIX E

July 20, 2026

Blizza Brands Inc.
371 Neptune Crescent
London, ON N6M 1A2

Attention: Vince Lo and Linh Diep

Re: Debtor-in-Possession ("DIP") financing of Blizza Brands Inc. (the "Borrower")

A. On June 23, 2026, the Borrower commenced proceedings under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") by filing a Notice of Intention to Make a Proposal ("**NOI**"), and Ethos Advisory Ltd. consented to act as proposal trustee (in such capacity, the "**Proposal Trustee**") for the proceedings initiated by the NOI (the "**NOI Proceedings**").

B. On July 29, 2026, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an Order, among other things, establishing an administration charge in favour of administrative professionals in the maximum principal amount of $175,000 (the "**Administration Charge**").

C. The Borrower requires interim financing to continue to fund the NOI Proceedings and satisfy other short-term working capital requirements, and intends to apply to the Court for an order (the "**DIP Approval Order**"), among other things: (i) approving this debtor-in-possession term sheet (this "**Term Sheet**") and the DIP Facility (defined below); (ii) granting the DIP Lender's Charge (as defined herein); and (iii) granting such further and ancillary relief as the Court considers appropriate in the NOI Proceedings.

D. ND Supplies Inc. (the "**Lender**") has agreed to establish a debtor-in-possession loan facility in favour of the Borrower subject to, and in accordance with, the terms and conditions of this Term Sheet.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

1.	**Borrower:**	Blizza Brands Inc.
2.	**Lender:**	ND Supplies Inc.

3.	**DIP Facility:**	Non-revolving debtor-in-possession loan facility in the maximum aggregate principal amount of $150,000 (the "**DIP Facility**"). The DIP Facility shall be available to fund: (a) working capital needs of the Borrower; (b) professional fees and expenses incurred by the Borrower and the Proposal Trustee in respect of the NOI Proceedings; in each case in accordance with the cash flow forecast approved by the Proposal Trustee and the Lender (the "**Cash Flow Forecast**"); (c) the Recoverable Expenses (as defined herein); and (d) such other costs and expenses of the Borrower as may be agreed to by the Lender and the Proposal Trustee, in writing. The amount and purpose of the DIP Facility may be amended by the Borrower and the Lender in writing and subject to the consent of the Proposal Trustee or order of the Court. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except in accordance with the Cash Flow Forecast.
4.	**Advances:**	Subject to the funding conditions set out in Section 11 of this Term Sheet, the DIP Facility shall be available by multiple advances (individually, an "**Advance**" and collectively, the "**Advances**"). The Borrower shall provide the Lender with no less than two (2) business days' written notice for any requested Advance, which notice shall state the purpose for which the Advance is to be used by the Borrower. Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless the Borrower is in compliance with the provisions of this Term Sheet.
5.	**Interest:**	Interest shall accrue on each Advance under the DIP Facility at a rate equal to 12% per annum (the "**Interest**"). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).
6.	**Recoverable Expenses:**	The Borrower shall pay all fees and expenses (collectively, the "**Recoverable Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the DIP Lender's Charge (as defined below) and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation, all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, "Recoverable Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the NOI Proceedings and all court attendances in respect thereof. If the Lender has paid any expense for which the Lender is entitled to reimbursement from the Borrower, such expenses shall be added to the DIP Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the DIP Lender's Charge, as applicable, whether or not any funds under the DIP Facility are advanced.

7. Commitment Fee:

The Borrower has agreed to pay to the Lender a commitment fee in the amount of $3,000 (the "**Commitment Fee**"), representing 2% of the total amount available under the DIP Facility, earned upon the execution of this Term Sheet, payable on the Maturity Date, and secured by the DIP Lender's Charge.

8. Security:

All debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility, this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired (the "**Property**"), subject only to the Administration Charge.

9. Maturity Date:

Unless otherwise agreed to by the Lender and the Borrower in writing, the term of the DIP Facility shall expire and the Borrower shall repay all obligations owing to the Lender under this Term Sheet on the earliest of the following (the "**Maturity Date**"):

(a) October 15, 2026;

(b) the implementation of a proposal within the NOI Proceedings that has been approved by the requisite majority of the Borrower's creditors and by an order of the Court;

(c) the closing of a sale or investment transaction, including a sale of a material portion of the Property (as determined by the Lender and the Proposal Trustee), which transaction has been approved by an order of the Court;

(d) the date on which the NOI Proceedings are terminated for any reason, including the bankruptcy of the Borrower;

(e) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date that the Lender gives written notice to the Borrower of such Event of Default.

10. Repayment:

The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee are paid in full). If the Borrower chooses to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Commitment Fee and all Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

11. Conditions Precedent:

The availability of the Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

(a) the Court shall have issued the DIP Approval Order in a form satisfactory to the Lender, including:

i. approving this Term Sheet and the DIP Facility;

ii. granting the DIP Lender's Charge in favour of the Lender in an amount no less than $150,000 plus interest, fees and expenses;

iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrower to the Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrower, other than as permitted herein and the DIP Lender's Charge.

(b) the DIP Approval Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and

(c) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the first Advance.

12. Covenants

The Borrower covenants and agrees with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

(a) promptly on the receipt by the Borrower of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the DIP Approval Order, including (without limitation) any application to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;

(b) provide the Lender with all materials it intends to file in the NOI Proceedings and provide the Lender and its counsel a reasonable amount of time to review the same;

(c) provide the Lender with any additional financial information reasonably requested by the Lender;

(d) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 3 of this Term Sheet, or such other purposes that may be agreed to by the Lender and the Proposal Trustee in writing;

(e) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

(f) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;

(g) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the NOI Proceedings, as and when such amounts are due;

(h) not declare any dividend, or make any other distributions with respect to any shares of the Borrower without the prior written consent of the Lender and the consent of the Proposal Trustee or order of the Court, which consent shall not be unreasonably withheld;

(i) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the Lender, which consent shall not be unreasonably withheld, and the consent of the Proposal Trustee or order of the Court;

(j) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;

(k) not, without the prior written consent of the Lender and the consent of the Proposal Trustee or order of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than

13. Events of Default:

The DIP Facility shall be subject to the following events of default ("**Events of Default**"):

(a) the Borrower's failure to pay any amount due hereunder when due and payable;

(b) the failure of the Borrower to comply with or fulfill, to the satisfaction of the Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet or any other document entered into in connection with this Term Sheet;

(c) the seeking or support by the Borrower of, or the issuance of, any Court order (in the NOI Proceedings or otherwise) which is adverse to the interests of the Lender, including, for certainty but without limitation, any change to the DIP Facility or the DIP Lender's Charge (or the relative priority thereof);

(d) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the DIP Approval Order;

(e) the occurrence of an event that will, in the opinion of the Lender, materially impair the Borrower's financial condition, operations or ability to perform under this Term Sheet or any order of the Court;

(f) the failure of the Borrower to comply with the DIP Approval Order or any other order of the Court in the NOI Proceedings;

(g) the occurrence of any material adverse change, as determined by the Lender, in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrower to perform its obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrower's property or for the obligations of the Borrower to be satisfied from the realization thereof;

(h) the Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of the Borrower or any of its Property;

(i) the acceptance of any offer, or the filing of a motion seeking approval of the Court to accept any such offer, unless the total indebtedness owing by the Borrower under the DIP Facility is to be paid in full in cash or other immediately available funds upon completion of the transaction resulting from such offer;

(j) the filing of any proposal, plan of reorganization, arrangement or liquidation to which the Lender does not consent;

(k) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting

14. Remedies and Enforcement

Following the occurrence of an Event of Default, and upon five (5) business days' written notice to the Borrower and the Proposal Trustee, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the NOI Proceedings, to:

(a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property of the Borrower, or to seek the appointment of a trustee in bankruptcy of the Borrower;

(b) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility;

(c) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario), the *Mortgages Act* (Ontario) or any legislation of similar effect; and

(d) exercise all such other rights and remedies available to the Lender under this Term Sheet, the DIP Approval Order, any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

15. Further Assurances:

The Borrower will, at its own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.

16. Timing:

Time is of the essence in this Term Sheet and the DIP Facility and all transactions contemplated thereby.

17. Severability:

Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

18. Assignment:

The Borrower shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrower.

19. Governing Law:

The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

20. Currency: All dollar amounts herein are in Canadian Dollars.

21. Counterparts: This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof.

[*Signature Page Follows*]

Dated as of the date first written above.

ND SUPPLIES INC.

By: ______________________________

Name: Manh Linh Diep

Title: Director

I have authority to bind the corporation.

For good and valuable consideration received, the undersigned hereby accepts and agrees to comply with the provisions of this Term Sheet as of the date first written above.

BLIZZA BRANDS INC.

By: ______________________________

Name: Manh Linh Diep

Title: Authorized Signatory

I have authority to bind the corporation.

APPENDIX F

Blizza Brands Inc.

Combined Cash Flow Forecast for the perio
July 18, 2026 to October 16, 2026
(CAD $)

WEEK ENDING	Notes	1 24-Jul-26	2 31-Jul-26	3 7-Aug-26	4 14-Aug-26	5 21-Aug-26	6 28-Aug-26	7 4-Sep-26	8 11-Sep-26	9 18-Sep-26	10 25-Sep-26	11 2-Oct-26	12 9-Oct-26	13 16-Oct-26	TOTAL
Beginning cash (deficit)	*	92,901	41,799	147,754	89,573	219,200	134,608	95,110	257,039	168,051	111,514	88,406	287,776	220,541	92,901
Receipts															
Retail Sales	1	10,000	10,000	15,000	15,000	15,000	15,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	206,000
Milled Sales	2	-	51,750	-	214,500	-	-	250,000	-	-	-	250,000	-	-	766,250
Flower Sales	3	-	-	-	-	25,000	-	35,000	-	-	-	10,000	-	-	70,000
HST/GST Collected	4	1,300	3,888	1,950	12,675	5,200	1,950	19,390	2,340	2,340	2,340	16,140	2,340	2,340	74,193
Return of Post NOI-Filing Garnishments	5	-	83,924	-	-	-	-	3,615	-	-	-	-	-	-	87,540
Total receipts		**11,300**	**149,562**	**16,950**	**242,175**	**45,200**	**16,950**	**326,005**	**20,340**	**20,340**	**20,340**	**294,140**	**20,340**	**20,340**	**1,203,983**
Disbursements from operations															
Commissions	6	15,000	22,000	-	-	41,828	-	-	48,750	-	-	-	48,750	-	176,328
Stock Purchases	7	-	-	-	30,000	-	-	55,000	-	-	-	-	-	-	85,000
Equipment CapEx & Maintenance	8	-	35,000	-	-	30,000	-	-	-	-	-	-	-	-	65,000
Cultivation Operations	9	-	15,000	10,000	15,000	-	15,000	-	15,000	-	15,000	-	15,000	-	100,000
Lab Testing	10	-	-	-	7,000	-	-	7,000	-	-	-	8,000	-	-	22,000
Contract Employees	11	-	-	20,000	8,000	-	-	-	8,000	-	-	-	8,000	-	44,000
Other Direct Operating Expenses	12	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	65,000
Retailer Costs	13	-	15,000	-	-	-	20,000	-	-	-	20,000	-	-	-	55,000
Insurance	14	-	-	3,500	-	-	-	3,500	-	-	-	3,500	-	-	10,500
Utilities	15	-	-	3,500	-	-	-	7,000	-	-	-	10,000	-	-	20,500
Payroll Wages & WSIB/EHT	16	26,824	-	26,824	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	203,648
Property Taxes	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	18	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	4,000
Excise Tax / Licensing	19	-	3,000	-	-	-	13,000	-	-	-	-	15000	-	-	31,000
HST on Disbursements	20	2,828	19,858	5,558	11,798	10,215	2,698	16,673	12,578	4,128	2,698	6,045	10,075	878	106,025
HST Remittances/(Refunds)	21	-	-	-	10,000	-	-	(13,846)	-	-	-	(5,775)	-	-	(9,621)
Collateral Mortgage Interest	22	11,000	-	-	-	11,000	-	-	-	11,000	-	-	-	11,000	44,000
Restructuring Fees	23	-	75,000	-	25,000	-	-	50,000	-	25,000	-	-	-	-	175,000
Bank Fees	24	-	3,000	-	-	-	-	3,000	-	-	-	3,000	-	-	9,000
Contingency	25	750	750	750	750	750	750	750	20,000	750	750	20,000	750	750	48,250
Total disbursements		**62,402**	**193,608**	**75,132**	**112,548**	**129,793**	**56,448**	**164,077**	**109,328**	**76,878**	**43,448**	**94,770**	**87,575**	**48,628**	**1,254,630**
Net Cash Flow		**(51,102)**	**(44,045)**	**(58,182)**	**129,628**	**(84,593)**	**(39,498)**	**161,929**	**(88,988)**	**(56,538)**	**(23,108)**	**199,370**	**(67,235)**	**(28,288)**	**(50,647)**
Closing cash (deficit)		**$ 41,799**	**$ (2,246)**	**$ 89,573**	**$ 219,200**	**$ 134,608**	**$ 95,110**	**$ 257,039**	**$ 168,051**	**$ 111,514**	**$ 88,406**	**$ 287,776**	**$ 220,541**	**$ 192,254**	**$ 42,254**
Funding from DIP Facility/Deposi	26	-	150,000	-	-	-	-	-	-	-	-	-	-	(153,450)	
Closing cash (deficit) after DIP/Deposit Fundin		**$ 41,799**	**$ 147,754**	**$ 89,573**	**$ 219,200**	**$ 134,608**	**$ 95,110**	**$ 257,039**	**$ 168,051**	**$ 111,514**	**$ 88,406**	**$ 287,776**	**$ 220,541**	**$ 38,804**	**$ 38,804**

HST Roll	1	2	3	4	5	6	7	8	9	10	11	12	13
Opening HST Payable/(Receivable)+C9	3,651	2,124	-	(3,608)	(2,730)	(7,745)	(8,493)	-	(10,238)	(12,025)	(12,383)	(2,288)	-
HST Collected	1,300	3,888	1,950	12,675	5,200	1,950	19,390	2,340	2,340	2,340	16,140	2,340	2,340
HST Disbursements (ITCs)	(2,828)	(19,858)	(5,558)	(11,798)	(10,215)	(2,698)	(16,673)	(12,578)	(4,128)	(2,698)	(6,045)	(10,075)	(878)
HST Accrued	2,124	(13,846)	(3,608)	(2,730)	(7,745)	(8,493)	(5,775)	(10,238)	(12,025)	(12,383)	(2,288)	(10,023)	1,463
Closing HST Payable/(Receivable)		**(13,846)**					**(5,775)**					**(10,023)**	

I, Linh Diep, have reviewed the contents and figures presented in the cash flow projection and belive them to be reasonable and accurate to the best of my knowledge.

Linh Diep, President/Director

Blizza Brands Inc.

District of: Ontario
Division No. 05 - London
Court No. 35-3390093
Estate No. 35-3390093

_ FORM 29 _
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Blizza Brands Inc
of the of London, in the Province of Ontario

The attached statement of projected cash flow of Blizza Brands Inc, as of the 2nd day of July 2026, consisting of , has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:
☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 21st day of July 2026.

Goldhar & Associates Ltd. - Licensed Insolvency Trustee
Per:

Richard G Goldhar - Licensed Insolvency Trustee
1220 Eglinton Avenue West
Toronto ON M6C 2E3
Phone: (416) 222-4600 Fax: (905) 361-0488

District of:	Ontario
Division No.	05 - London
Court No.	35-3390093
Estate No.	35-3390093

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Blizza Brands Inc
of the of London, in the Province of Ontario

Purpose:

This projected cash flow statement has been prepared for the purpose of filling a proposal pursuant to Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

Notes / Assumptions:

* Opening cash is based on July 17th, 2026 closing bank account balances

1 Retail sales to provincial retailers and other retail distribution channels.

2 Monthly recurring milled product sales have been primarily forecast to be cash on delivery (**"COD"**) terms. The Company continues to negotiate with the customer to get as favourable terms as possible to assist with liquidity. The Company has received $47,250 of the original $313,500 PO forecasted in CFF First Report. The Company notes there has been delays & will receive the remainder in weeks 2, 4 in this revised CFF. Moving forward in week 7 payment terms resume to the above.

3 Estimated monthly commodity flower sales.

4 Calculated as blended HST/GST amounts collected on sales.
B2B Milled Reoccurring Sales are Saskatchewan clients - GST charged at 5%.
Retail Sales and Monthly Flower Sales - HST charged at 13% for Ontario

5 Garnished funds to be returned from CRA

6 Broker commissions related to monthly mill product sales.

7 Purchases required to supplement current inventory to complete the monthly mill product sales.

8 Equipment purchases and maintenance costs required to maintain operational efficiency and quality for forecast inventory sales.

9 Start up cost associated with cultivation operations required to maintain future inventory production and Company going-concern valuations. Payments to genetics provider also include in these start-up costs.

10 Lab costs associated with testing inventory batches which is required for product sales.

11 The monthly costs of the Company's two (2) contract employees.

12 Other direct operating expenses related to operations.

13 Costs associated with multiple retailers that are required to maintain product sales.

14 Insurance costs which are paid monthly.

15 Utility costs relating to operations which is forecast to increase as operations ramp up.

16 Employee payroll which is paid every two (2) weeks.

17 Property taxes are not assumed to be paid during this period.

18 Professional fee costs related to regulatory requirements.

19 Excise tax payments expected plus license costs associated with key personnel.

20 GST/HST paid (ITCs) on eligible forecast disbursements.

21 GST/HST amounts owed/(received) monthly to/from CRA

22 Interest costs associated with loans secured against the Company's real property/Premises.

23 Professional fees of the Company counsel and the Proposal Trustee and its independent counsel.

24 Bank account fees paid monthly

25 Forecasted contingency in place to cover any unforeseen capital expenditures and/or operational disbursements.
It is not the intent of Management to use proceeds unless deemed necessary and unavoidable

26 DIP funding of $150k forecasted in this Second Report maturing October 15th, 2026.

The projected cash flow statement has been prepared from the available information/financial records provided by the debtor/insolvent.

Dated at the City of Toronto in the Province of Ontario, this 21st day of July 2026.

Goldhar & Associates Ltd. - Licensed Insolvency Trustee
Per:

____

Richard G Goldhar - Licensed Insolvency Trustee
1220 Eglinton Avenue West
Toronto ON M6C 2E3
Phone: (416) 222-4600 Fax: (905) 361-0488

District of:	Ontario
Division No.	05 - London
Court No.	35-3390093
Estate No.	35-3390093

FORM 30

Report on Cash-Flow Statement by the Person Making the Proposal

(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of

Blizza Brands Inc

of the of London, in the Province of Ontario

The Linh Diep of Blizza Brands Inc, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 21st day of July 2026, consisting of .

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 21st day of July 2026.

Linh Diep, President/Director

Blizza Brands Inc
Debtor

Name and title of signing officer

Name and title of signing officer

District of:	Ontario
Division No.	05 - London
Court No.	35-3390093
Estate No.	35-3390093

FORM 30 - Attachment

Report on Cash-Flow Statement by the Person Making the Proposal

(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of

Blizza Brands Inc

of the of London, in the Province of Ontario

Purpose:

This projected cash flow statement has been prepared for the purpose of filling a proposal pursuant to Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

Notes / Assumptions:

* Opening cash is based on July 17th, 2026 closing bank account balances

1 Retail sales to provincial retailers and other retail distribution channels.

2 Monthly recurring milled product sales have been primarily forecast to be cash on delivery (**"COD"**) terms. The Company continues to negotiate with the customer to get as favourable terms as possible to assist with liquidity. The Company has received $47,250 of the original $313,500 PO forecasted in CFF First Report. The Company notes there has been delays & will receive the remainder in weeks 2, 4 in this revised CFF. Moving forward in week 7 payment terms resume to the above.

3 Estimated monthly commodity flower sales.

4 Calculated as blended HST/GST amounts collected on sales.
B2B Milled Reoccurring Sales are Saskatchewan clients - GST charged at 5%.
Retail Sales and Monthly Flower Sales - HST charged at 13% for Ontario

5 Garnished funds to be returned from CRA

6 Broker commissions related to monthly mill product sales.

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9 Start up cost associated with cultivation operations required to maintain future inventory production and Company going-concern valuations. Payments to genetics provider also include in these start-up costs.

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19 Excise tax payments expected plus license costs associated with key personnel.

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21 GST/HST amounts owed/(received) monthly to/from CRA

22 Interest costs associated with loans secured against the Company's real property/Premises.

23 Professional fees of the Company counsel and the Proposal Trustee and its independent counsel.

24 Bank account fees paid monthly

25 Forecasted contingency in place to cover any unforeseen capital expenditures and/or operational disbursements.
It is not the intent of Management to use proceeds unless deemed necessary and unavoidable

26 DIP funding of $150k forecasted in this Second Report maturing October 15th, 2026.

Assumptions:

The projected cash flow statement has been prepared from the available information/financial records provided by the debtor/insolvent.

Dated at the City of Toronto in the Province of Ontario, this 21st day of July 2026.

Blizza Brands Inc
Debtor