

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

FACTUM OF BLIZZA BRANDS INC.
(Returnable August 31, 2026)

August 27, 2026

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 6600
P.O. Box 1011
Toronto ON M5H 3S1

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

Sam Massie LSO #: 72958L
smassie@millerthomson.com
Tel: 416.595.8641

Shahrzad Hamraz LSO#: 85218H
shamraz@millerthomson.com
Tel: 416.595.8533

Lawyers for Blizza Brands Inc.

TO: SERVICE LIST

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PART I - OVERVIEW

1. This factum is filed by Blizza Brands Inc. (“**Blizza**” or the “**Company**”) in support of its motion for an Order extending the time to file a proposal under the *Bankruptcy and Insolvency Act* (the “**BIA**”) up to and including October 19, 2026.
2. Blizza commenced these NOI proceedings on June 23, 2026 in response to significant liquidity constraints arising from CRA enforcement measures, including garnishments and restrictions affecting the Company’s operating bank accounts, which jeopardized the ability to continue operating and maintain critical regulatory licences. Since the filing of the NOI, Blizza has stabilized its operations, maintained regulatory compliance, addressed banking and licensing issues, engaged with key stakeholders and worked diligently toward the formulation of a proposal to creditors.
3. The requested extension is necessary to permit Blizza to continue advancing its restructuring efforts including finalizing a proposal for presentation to its creditors. Blizza has acted, and continues to act, in good faith and with due diligence, and the Proposal Trustee supports the requested extension.

PART II - SUMMARY OF FACTS

4. The facts set out below are detailed further in the Affidavit of Linh Diep sworn August 26, 2026 (the “**Third Diep Affidavit**”)¹ and the Third Report of Goldhar & Associates Ltd., in its capacity as proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), to be filed (the “**Third Report**”)². Capitalized terms not otherwise defined in this Factum have the meanings given to them in the Third Diep Affidavit and the Third Report, as applicable.

A. NOI Proceedings

5. Blizza is a federally licensed cannabis cultivator and processor operating from a facility in London, Ontario. The Company produces and sells branded cannabis products for the Canadian recreational market and maintains a number of business-to-business supply relationships within the cannabis industry. The Company’s most significant assets are its cannabis licences, which are essential to the continued operation of its business.³

6. On June 23, 2026, Blizza filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the BIA. The NOI was initiated in response to significant liquidity constraints arising from, among other things, Excise Arrears owing to CRA, escalating enforcement measures and restrictions imposed on the Company’s operating bank accounts.⁴

¹ Third Diep Affidavit, Tab 2 to the Motion Record of the Company dated August 27, 2026 (the “**Motion Record**”).

² Third Report of the Proposal Trustee, to be filed (“**Third Report**”).

³ Third Diep Affidavit at para 11, Tab 2 to the Motion Record.

⁴ Third Diep Affidavit at para 12, Tab 2 to the Motion Record.

B. Stay Extension

7. The current stay of proceedings expires on September 4, 2026. The Company requires additional time to continue discussions with stakeholders and the Proposal Trustee to finalize the terms of a proposal to present to its creditors.⁵

8. The Company has acted, and continues to act, in good faith and with due diligence in these NOI proceedings.⁶ The Proposal Trustee supports the requested extension to October 19, 2026 and is of the view that the extension will provide the Company with additional time to advance a viable restructuring for the benefit of stakeholders.⁷

PART III - ISSUES

9. The sole issue to be considered on this motion is whether this Honourable Court should extend the time for Blizza to file a proposal.

PART IV - LAW AND ANALYSIS

A. The Court should approve the Stay Extension

10. Pursuant to section 50.4(9) of the BIA, the Court may grant an extension of time for the filing of a proposal in 45-day increments, so long as it is satisfied that the debtor: (a) has acted and is acting in good faith and with due diligence; (b) would likely be able to make a viable proposal if the extension were granted; and (c) no creditor would be materially prejudiced if the extension being applied for were granted.⁸

⁵ Third Diep Affidavit at para 14.

⁶ Third Diep Affidavit at para 16.

⁷ Third Report.

⁸ BIA, [s 50.4\(9\)](#).

11. Whether a debtor would likely be able to make a viable proposal if granted an extension is determined by whether an applicant might (not certainly will) be able to present a viable proposal that seems reasonable on its face to a reasonable creditor.⁹

12. Blizza has acted, and continues to act, in good faith and with due diligence throughout these proceedings. The Company has worked collaboratively with the Proposal Trustee throughout this process, including to prepare cash flow projections, assist with the completion of a liquidation analysis, and otherwise advance the restructuring process, and will continue to do so.¹⁰

13. The current stay of proceedings expires on September 4, 2026. The Company and the Proposal Trustee are in the advanced stages of finalizing the terms of a proposal, however they require more time to finalize the same. The Company expects to file a viable proposal before the expiry of the proposed stay period.¹¹

14. The Proposal Trustee supports the extension sought. Absent an extension of the stay period, Bliza will be unable to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders. Alternatively, no creditors will be materially prejudiced if the extension is granted.¹²

ORDER REQUESTED

15. The Company therefore requests that this Honourable Court grant the order sought substantially on the terms of the draft order included at Tab 3 of the Motion Record.

⁹ [*H&H Fisheries Limited, Re*, 2006 NSSC 364 \(CanLii\)](#) at para 22

¹⁰ Third Diep Affidavit at para 16, Tab 2 to the Motion Record.

¹¹ Third Diep Affidavit at para 15, Tab 2 to the Motion Record.

¹² Third Diep Affidavit at para 17, Tab 2 to the Motion Record.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of August, 2026.

August 27, 2026



Shahrzad Hamraz

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smassie@millerthomson.com

Tel: 416.595.8641

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Tel: 416.595.8533

Lawyers for the Debtor, Blizza
Brands Inc.

SCHEDULE “A”

LIST OF AUTHORITIES

1. [H&H Fisheries Limited, Re, 2006 NSSC 364 \(CanLii\)](#)

I certify that I am satisfied as to the authenticity of every authority.

Date August 27, 2026

A handwritten signature in black ink, appearing to be 'D. H. H. H.', written in a cursive style.

Signature

SCHEDULE “B”

TEXT OF STATUTES, REGULATIONS & BY - LAWS

Bankruptcy and Insolvency Act, RSC, 1985, c B-3

50.4(9) The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
- (c) no creditor would be materially prejudiced if the extension being applied for were granted.

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Proceeding Commenced at
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