



COURT / ESTATE FILE NUMBERS 24-2946872  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
APPLICANTS IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, c B-3, AS  
AMENDED  
AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
DYNALEO INC. AND DYNALEO GROUP  
SERVICES INC.

DOCUMENT

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**AFFIDAVIT NO. 2 OF MICHAEL KRESTELL**

MILLER THOMSON LLP  
Barristers and Solicitors  
3000, 700 – 9<sup>th</sup> Avenue SW  
Calgary, AB, T2P 3V4

Attention: James W. Reid / Kyla Mahar

Phone: 403-298-2418 / 416-597-4303

E-mail: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com) /  
[kmahar@millerthomson.com](mailto:kmahar@millerthomson.com)

File No.: 0277934.0001

A handwritten signature or set of initials, possibly "R4", located in the bottom right corner of the page.

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## AFFIDAVIT NO 2. OF MICHAEL KRESTELL

Sworn on July 24, 2023

I Michael Krestell, of the City of Thornhill, in the Province of Ontario, **MAKE OATH AND SAY THAT:**

1. This Affidavit is made in support of the application (the "**Application**") by Dynaleo Inc. ("**Dynaleo**") and Dynaleo Group Services Inc. ("**Dynaleo Services**" and together with Dynaleo, the "**Companies**") returnable July 31, 2023, before the Court of King's Bench of Alberta (the "**Court**").
2. I am the Executive Chairman and director of each of the Companies. As such, I have personal knowledge of the Companies and matters to which I depose in this Affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.
3. I have previously sworn an affidavit in these proceedings on May 24, 2023 (the "**First Krestell Affidavit**") in support of the May 30, 2023 Order (as defined below).
4. Unless otherwise stated, monetary figures in this Affidavit are expressed in Canadian dollars.

### INTRODUCTION

5. As noted in the First Krestell Affidavit, on May 23, 2023, the Companies filed a notice of intention to make a proposal (the "**NOI**") under section 50.4(1) of *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). The NOI was filed in consultation with the Companies' professional advisors to attempt to restructure the Companies for the benefit of their stakeholders and after identifying no viable alternative process due to the Companies' insolvency (the "**NOI Proceeding**").
6. Pursuant to section 50.4(8) of the BIA, the initial stay period under the NOI Proceeding was from May 23, 2023 to June 22, 2023.
7. On May 30, 2023, on application by the Companies, the Court granted an order (the "**May 30, 2023 Order**") that, among other things:
  - (a) appointed Harris & Partners Inc. as the proposal trustee in the NOI Proceeding (the "**Proposal Trustee**");

- (b) approved a sale and investment solicitation process (the "**SISP**") described in the Proposal Trustee's first report to the Court dated May 24, 2023 (the "**First Report**") and authorized and directed the Companies and the Proposal Trustee to carry out the SISP;
  - (c) granted a charge, not to exceed \$200,000, as security for the fees and costs of the Proposal Trustee, its independent legal counsel, and legal counsel to the Companies;
  - (d) granted a Directors' and Officers' Charge over the assets and property of Dynaleo only, to a maximum amount of \$75,000, in favour of the directors and officers of the Companies;
  - (e) extended the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including August 5, 2023; and
  - (f) consolidated, for procedural purposes only, the Court of King's Bench of Alberta Bankruptcy and Insolvency Estate Nos. 24-2946871 and 24-2946872 into Estate No. 24-2946872.
8. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the First Krestell Affidavit.

#### **NATURE OF APPLICATION AND OVERVIEW OF RELIEF SOUGHT**

9. This Affidavit is made in support of the Application for orders, among other things:
- (a) abridging the time for service of this Application and the supporting material, if necessary, and deeming service thereof to be good and sufficient;
  - (b) extending the time by which the Companies may file proposals to their creditors pursuant to section 50.4(9) of the BIA to September 19, 2023, which is the 45-day maximum period following the current deadline to do so;
  - (c) if necessary, approving a litigation schedule between the Companies and Peace Naturals Project Inc. ("**PNP**") to hear the Disclaimer Dispute (as defined below); and

- (d) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

10. I have been advised by the Proposal Trustee that it supports this Application.

## **BACKGROUND**

### ***Operations and Organization***

11. The Companies are private companies in the business of producing and distributing cannabis infused gummies.
12. Dynaleo is incorporated pursuant to the *Business Corporations Act*, RSA 2000, c B-9. Its registered office is located at 2500-10175 101 Street NW, Edmonton, Alberta.
13. Dynaleo Services is incorporated pursuant to the *Canada Business Corporations Act*, RSC 1985, c C-44.
14. The Companies together are in the business of producing and distributing the highest quality cannabis-infused edible gummies (the "**Product**").
15. Dynaleo Services manages the production of the Product and at its peak employed approximately 65 full-time employees.
16. Dynaleo owns the equipment and supplies necessary for the production of the Product. Dynaleo also holds the lease in which the Companies operate out of and is responsible for distribution of the Product to the Companies' customers.
17. The Companies are insolvent and each filed a Notice of Intention to Make a Proposal (the "**NOIs**") with the Official Receiver on May 23, 2023, in order to restructure their affairs for the benefit of their stakeholders.

### ***The SISP***

18. As set out in the First Krestell Affidavit beginning at paragraph 75, and the First Report beginning at paragraph 36, the Companies, with support of the Proposal Trustee, sought and obtained approval of the SISP to undergo a restructuring process and allow all qualified and interested parties to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' assets and business operations (the "**Opportunity**").

19. The Companies commenced the SISP in June 2023. The SISP was designed to be flexible, such that any proposed transaction structure would be considered, whether it be for shares, or assets of the Companies, or any combination of these transactions.
20. The SISP milestones are:

Milestone	Deadline
Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders	June 2, 2023
Phase 1 Bid Deadline	June 23, 2023
Phase 2 Bid Deadline	July 7, 2023
Transaction Approval Application Hearing	July 14, 2023
Closing Date Deadline	July 21, 2023

21. As detailed in the First Report, the Companies and Proposal Trustee worked together to prepare a list of Potential Bidders, including: (i) parties that have approached the Companies and/or the Proposal Trustee indicating an interest in the Opportunity, (ii) strategic and financial parties who the Companies, in consultation with the Proposal Trustee, believe may be interested in purchasing all or part of the Business and Property or investing in the Companies pursuant to the SISP.

### **Results of the SISP**

22. In June 2023, the Proposal Trustee circulated to interested parties a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest in the opportunity. A copy of the Teaser Letter is attached to my Affidavit as Exhibit "**A**".
23. Interested parties were requested to submit an executed non-disclosure agreement, letter setting forth the required information as laid out in the SISP, and a form of financial disclosure and credit quality support to enable the Companies and Proposal Trustee to understand the Potential Bidder's ability to consummate a potential transaction.
24. If the Companies, in consultation with the Proposal Trustee, determined that a Potential Bidder satisfied the requirements of the SISP, then the Potential Bidder was deemed to be a "**Phase 1 Qualified Bidder**".

25. A Phase 1 Qualified Bidder that wished to pursue the opportunity further was required to deliver a non-binding letter of intent (an "LOI") to the Proposal Trustee by 5:00 p.m. MST on June 23, 2023 (the "**Phase 1 Bid Deadline**").
26. Five Phase 1 Qualified Bidders submitted an LOI by the Phase 1 Bid Deadline.
27. Following the Phase 1 Bid Deadline, the Companies, in consultation with the Proposal Trustee, assessed the LOIs and selected certain parties to advance as a "**Phase 2 Qualified Bidder**" in the SISP.
28. Two Phase 2 Qualified Bidders submitted binding offers by the Bid Deadline (each, a "**Binding Offer**"). Following receipt of the Binding Offers, the Companies, with the assistance of the Proposal Trustee, have been working with the Phase 2 Bidders to reconcile certain closing conditions in their respective bids.
29. Pursuant to the SISP, any deadlines, including the Closing Date Deadline, can be extended in order to pursue the two binding offers in hopes of closing the transaction.
30. The Companies, with the assistance of the Proposal Trustee, anticipates returning to this Court in the near future for approval of one of the transactions with a Phase 2 Qualified Bidder.

#### **DISCLAIMER DISPUTE**

31. On July 29, 2022, Dynaleo entered into a Contract Manufacturing Agreement (the "**Manufacturing Contract**") with PNP, a subsidiary of Cronos Group Inc. ("**Cronos**"), which is a large brand leader in the cannabis-infused edible gummies business. The Manufacturing Contract was set to expire July 29, 2023.
32. The Manufacturing Contract was for the Companies to produce Product for PNP.
33. As part of the Manufacturing Contract, Dynaleo was required by PNP to make significant capital expenditures to acquire specialized machinery to meet the volume and Product specifications for PNP.
34. In return for these expenditures by Dynaleo, it was a term of the Manufacturing Contract that upon the expiration or termination of the Manufacturing Contract, PNP agreed to pay Dynaleo an equipment fee (the "**Equipment Fee**").

35. In addition, it was a term of the Manufacturing Contract that upon the termination of the Manufacturing Contract, PNP would reimburse Dynaleo for certain costs of PNP specific materials that PNP required that Dynaleo purchase based on PNP's purchasing forecasts (the "**Materials Fee**").
36. Beginning on June 1, 2023, Cronos requested the return or destruction of certain of its property that was required for the manufacturing of Product for PNP, signaling that PNP would not be making further orders for Product despite there being approximately two months' remaining on the Manufacturing Contract.
37. As a result, on June 15, 2023, Dynaleo sought to mutually terminate the Manufacturing Contract and requested payment of the Equipment Fee and Materials Fee.
38. After waiting two-weeks and receiving no response on Dynaleo's mutual termination request, and with PNP not having made any more orders under the Manufacturing Contract, on June 28, 2023, with the approval of the Proposal Trustee, the Companies issued a notice of disclaimer to PNP in respect of the Manufacturing Contract (the "**Disclaimer**") in accordance with s 65.11 of the BIA. A copy of the Disclaimer is attached as Exhibit "**B**".
39. Concurrently with the Disclaimer, solicitors for the Companies sent PNP a demand for the Equipment Fee and Manufacturing Fee, each of which is payable upon the termination of the Manufacturing Contract (the "**Demand Letter**"). A copy of the Demand Letter is attached as Exhibit "**C**".
40. On June 30, 2023, in-house counsel to PNP requested that the Companies provide written reasons ("**Request for Written Reasons**") for the Disclaimer within five days pursuant to section 65.11(9) of the BIA. The Request for Written Reasons is attached to my Affidavit as Exhibit "**D**".
41. In accordance with the timelines required by section 65.11(9) of the BIA, the Companies provided written reasons (the "**Written Reasons**") for the Disclaimer to PNP on July 5, 2023. A copy of the Written Reasons is attached as Exhibit "**E**".
42. On July 20, 2023, counsel for Cronos and PNP sent a letter (the "**July 20 Letter**") to counsel for the Companies requesting, among other things, that the Companies withdraw the Disclaimer. A copy of the July 20 Letter is attached as Exhibit "**F**".





43. On July 21, 2023, counsel for the Companies wrote to counsel to Cronos and PNP in response to the July 20 Letter (the "**July 21 Letter**"). A copy of the July 21 Letter is attached as Exhibit "**G**".
44. I understand that Cronos and PNP intend to bring an application to: (i) extend the 15-day period for which it can file an application to dispute the Disclaimer, and (ii) if the extension is granted, seek an order declaring that the Manufacturing Contract cannot be disclaimed (the "**Disclaimer Dispute**").
45. On July 24, 2023, counsel to Cronos and PNP wrote to counsel for the Companies (the "**July 24 Letter**") indicating that they intend to file an application in relation to the Disclaimer Dispute that day, returnable July 31, 2023. A copy of the July 24 Letter is attached to my Affidavit as Exhibit "**H**".
46. In the event that Cronos and PNP proceed with the Disclaimer Dispute, the Companies may seek approval of a litigation schedule to ensure that the Disclaimer Dispute is determined expeditiously and in any event prior to the expiry of the time for filing a proposal.

## **RELIEF REQUESTED**

### ***Extension of Time to File a Proposal***

47. An extension of time for the Companies to file a proposal or proposals is a material component of the NOI Proceeding to allow the Companies to restructure their affairs, including negotiating and completing the SISP and closing one of the transactions of the Phase 2 Qualified Bidders.
48. Since filing the NOI, the Companies have been diligently complying with the various requirements under the BIA, including:
  - (a) preparing and analyzing the list of creditors;
  - (b) providing the Proposal Trustee with access to the Companies' senior employees and books and records;
  - (c) completing a cash flow forecast to the week ending August 18, 2023;
  - (d) implementing and executing the SISP; and



This is Exhibit "A" referred to in the Affidavit of  
Michael Krestell sworn before me this \_\_\_\_ day of  
July 2023

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A COMMISSIONER FOR OATHS IN AND FOR  
ALBERTA



Sales and Investment Solicitation Process – Division 1 Proposal  
Acquisition Opportunity: Dynaleo Inc.  
Cannabis – Infused Edibles Manufacturing, in Nisku, Alberta

# Innovative gummy solutions



Premier, State of the Art, Edibles Manufacturing Facility, in Nisku, Alberta

**Dynaleo**

Bid Deadline: June 23, 2023

Harris  
Partners



# Investment or Asset Acquisition Opportunity

## Company Background

Dynaleo Inc. ("**Dynaleo**" or the "**Company**") is a business that offers cannabis infused edible products with a state of the art facility in Nisku, Alberta. In 2019, the Company began an extensive project, constructing an approximately 26,000 square foot leased facility, including licensed production and packaging rooms, QA offices, a vault and multiple ingredient/storage rooms. The non-licensed space consists of office space, maintenance shop, board room, lunch and training room, change rooms and a gowning area. Upon completion of the leasehold improvements, and receiving the required Health Canada licenses, the Company began operations in 2021.

Dynaleo's head office is located at 3365 11 Street, Nisku, AB (the "**Leased Premises**") and it shared the facility with a related company, Dynaleo Services Inc. ("**Dynaleo Services**"). This leased facility is well-located, in the warehouse district of Nisku, AB and perfectly situated for a manufacturing business.

The Company's assets (the "**Assets**") primarily consist of extensive tenant improvements related to the construction of the facility, high end manufacturing equipment, including production and manufacturing equipment for producing gummies, sorting equipment, packaging and labelling machinery.

Dynaleo boasts superior, state-of-the-art facilities, that provide an opportunity for profitability and growth in the future. This "turn-key ready" facility is considered a very rare find and an exciting purchase opportunity for any interested buyer.

The Company's assets can produce up to 50,000 gummies per hour and labelling capability in the range of 1,200 to 1,800 packaged bags per hour depending on the size.

## Court Process

On May 23, 2023, the Company filed a Notice of Intention to Make a Proposal ("**NOI**"). On May 30, 2023, the Honourable D.B. Nixon of the Court of King's Bench of Alberta (the "**Court**") granted an Order (the "**SISP Order**") in the NOI Proceedings which, among other things, authorized the Companies, with the assistance of the Proposal Trustee, to pursue all avenues of sale of or investment in their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.

Further information regarding the SISP can be found on the following page or on HPI's website at [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

## Acquisition Highlights



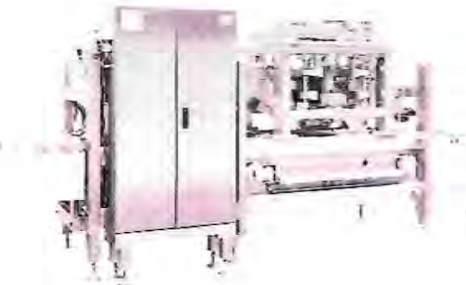
- Standard Processing license to produce and sell Edibles, Plants/Seeds, Dried/Fresh, Extracts and Topicals
- Research license to conduct sensory testing onsite



- The leased facility offers ~26,000 square feet of space including several storage and temperature-controlled spaces.
- The facility is located in bays 2 and 3 of the building, which offers ample offices and storage space.
- The furnishings within the facility are of high-end quality and include extensive leasehold improvements.



- All equipment required for end-to-end production and packaging of gummies are of recent age and in very good condition.
- The equipment can produce cannabis infused and non-infused gummies without modification.

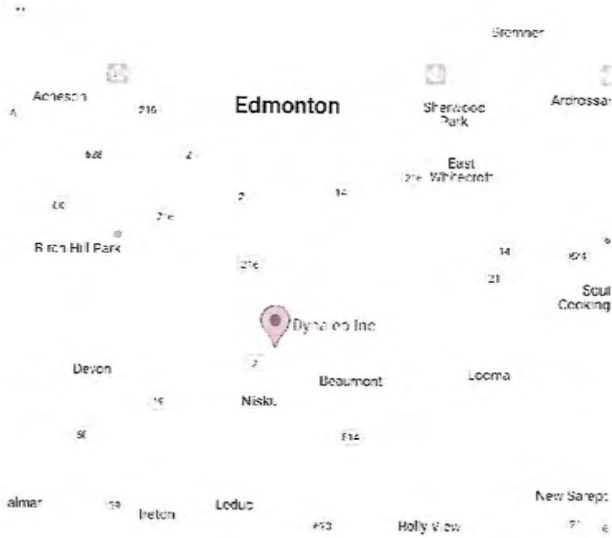


# Location Details

## Location Details

**Nisku Facility**  
**Address: #2 and #3 – 3365 11 Street, Nisku, AB**  
**Facility Size: 26,000 square feet**

## Location Map



## Facility Photos



*Note: Approximate outline of leased space*

# Developed Recreational and Wellness Brands

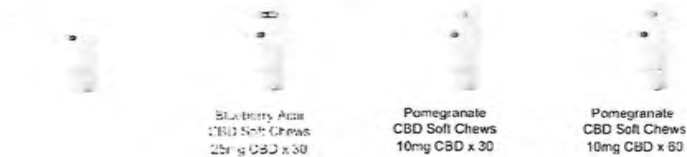
## THC ONLY



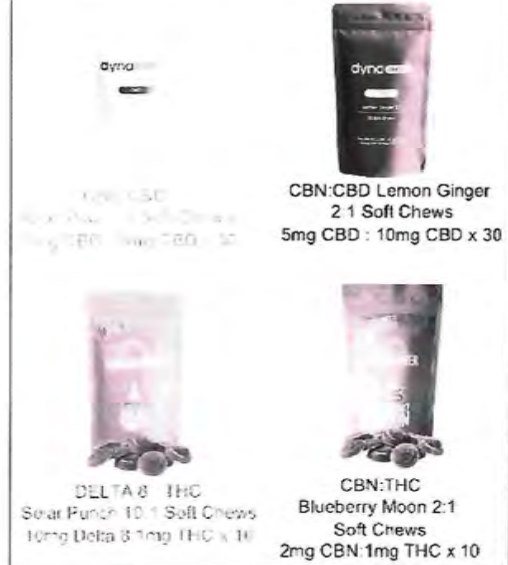
## CBD:THC



## CBD ONLY



## MINOR CANNABINOIDS



Dynathrive, Pocket Fives, and Sunshower are the 4th largest edibles business in Canada, available in all key markets (BC, AB, SK, MB, ON).

FY 22 Revenue: \$5.9 MM  
 FY 23 Revenue (4 months Jan - Apr): \$2.2 MM

Note: SKU availability by market varies

# Investment or Purchase Process and Next Steps

## Next Steps

HPI is conducting the SISP in accordance with the SISP Order. The respective SISP documents can be found on the Proposal Trustee's website: [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

The SISP is intended to solicit interest in an investment in the business or completing a transaction of all or substantially all of the Company's Assets as defined on page 2. The SISP is conducted on an "*as is where is*" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Proposal Trustee or the Company whatsoever.

All qualified interested parties will be provided with an opportunity to participate in the SISP and are required to execute a Non-Disclosure Agreement that accompanies this Teaser to receive access to a data room with additional information. Please contact a representative of the Proposal Trustee listed below for further information.

Per the SISP, any interested party must abide by the following:

- **Phase I Non-Binding Bid Deadline:** 5:00pm (Calgary Time) on **June 23, 2023**
- **Phase II Binding Bid Deadline:** 5:00pm (Calgary Time) on **July 7, 2023**

HPI reserves the right at any time to amend or terminate these SISP procedures, to decline an interested party the ability to participate in the process, to terminate the discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

**Jill Strueby**  
Senior Vice President  
Calgary  
403.800.1574  
[jill@harrispartners.ca](mailto:jill@harrispartners.ca)

**Harris & Partners Inc.**  
Altius Centre  
Suite 1910, 6th Ave SW  
Calgary, Alberta T2P

**Adam Fisher**  
Senior Vice President  
Toronto  
416.318.2307  
[adam@harrispartners.ca](mailto:adam@harrispartners.ca)





This is Exhibit "B" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

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A COMMISSIONER FOR OATHS IN AND FOR ALBERTA



## FORM 44.1

Notice by Debtor to Disclaim or Resiliate an Agreement  
 (Section 65.11 of the *Bankruptcy & Insolvency Act*  
 (Canada); Rule 94.1)

To: Peace Naturals Project Inc. and Harris & Partners Inc.

Take notice that:

1. A notice of intention to make a proposal in respect of Dynaleo Inc. was filed under subsection 50.4 of the *Bankruptcy & Insolvency Act* (Canada) on the 23<sup>rd</sup> day of May, 2023

2. Pursuant to subsection 65.11(1) of the *Bankruptcy & Insolvency Act* (Canada), Dynaleo Inc. gives you notice of its intention to disclaim or resiliate the following agreement:

**Contract Manufacturing Agreement dated July 29, 2022 between Peace Natural Project Inc. and Dynaleo Inc., including any schedules and amendments thereto.**

3. Pursuant to subsection 65.11(3) of the *Bankruptcy & Insolvency Act* (Canada), within 15 days after the date on which this notice is given, any party to the agreement may, with notice to the other parties to the agreement and the trustee, apply to the Court for an order that the agreement is not to be disclaimed or resiliated.

4. Pursuant to subsection 65.11(6) of the *Bankruptcy & Insolvency Act* (Canada), if no application for an order is made in accordance with subsection 65.11(3) of the *Bankruptcy & Insolvency Act* (Canada), the disclaimer or resiliation of the agreement will become effective on the 28<sup>th</sup> day of July, 2023 (being 30 days after the date on which this notice has been given).

Dated at Calgary, Alberta, this 28<sup>th</sup> day of June, 2023.

Dynaleo Inc.

Per:



The trustee approves the proposed disclaimer or resiliation.

Dated at Calgary, Alberta, this 28<sup>th</sup> day of June, 2023

Harris & Partners Inc., in its capacity  
 as Proposal Trustee of Dynaleo Inc.  
 and not in its personal capacity  
 Per:

---

Licensed Insolvency Trustee



This is Exhibit "C" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA





**MILLER THOMSON**  
AVOCATS | LAWYERS

MILLER THOMSON LLP  
700 - 9TH AVENUE S.W., SUITE 3000  
CALGARY, AB T2P 3V4  
CANADA

T 403.298.2400  
F 403.262.0007

MILLERTHOMSON.COM

June 28, 2023

**Via Email: [legal@thecronosgroup.com](mailto:legal@thecronosgroup.com)**

Peace Naturals Project Inc.  
c/o Cronos Group Inc.  
111 Peter Street, Suite 300  
Toronto, ON M5V 2H1

**James W. Reid**  
Direct Line: 403.298.2418  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File: 0277934.0001

Attention: Legal Department

**Re: Contract Manufacturing Agreement, dated July 29, 2022 ("Contract")  
Demand for Payment**

We are counsel to Dynaleo Inc. ("**Dynaleo**"). We write further to the June 15, 2023, e-mail from Kristyann Skwaruk of Dynaleo to Jeff Jacobson of Cronos Group Inc. ("**Cronos**") requesting payment of the \$551,960.49 that will be owing from Peace Naturals Project Inc. c/o Cronos to Dynaleo upon termination of the Contract, a copy of which is enclosed for your reference. Dynaleo did not receive a response to the e-mail.

Pursuant to the disclaimer notice which is delivered in conjunction with this letter, the Contract will be terminated effective July 28, 2023. Accordingly, pursuant to sections 17(f)(iv), 17(f)(v) and 17(f)(vi) of the Contract, Dynaleo makes demand for payment of the amounts owing to it by Peace Naturals Project Inc. c/o Cronos under the Contract, calculated as follows:

Materials, less repurposed materials	\$447,960.49
Equipment Fee	\$104,000.00
<b>TOTAL</b>	<b>\$551,960.49</b>

Payment can be made to our office by bank draft or wire transfer. Our wire instructions are attached as Schedule A.

If the full balance owing is not received by our office on or before **August 1, 2023**, Dynaleo shall take such action as may be necessary to enforce its rights as set out in the Contract.

Yours truly,  
MILLER THOMSON LLP

Per:



James W. Reid  
Partner

Enclosures

c. Jill Strueby (Harris & Partners Inc.)  
70828520.3





**MILLER THOMSON**  
AVOCATS | LAWYERS

**MILLER THOMSON LLP**  
700 - 9TH AVENUE S.W., SUITE 3000  
CALGARY, AB T2P 3V4  
CANADA

T 403.298.2400  
F 403.262.0007

[MILLERTHOMSON.COM](http://MILLERTHOMSON.COM)

## Schedule A

### Miller Thomson LLP Trust Wire Instructions

Bank of Montreal  
595 – 8 Avenue S.W.  
Calgary, AB T2P 1G1

Transit: 25159  
Institution: 001  
Account: 045 717  
Swift Code: BOFMCAM2

This is Exhibit "D" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA



---

**From:** Michael Akavan <michael.akavan@thecronosgroup.com>  
**Sent:** Friday, June 30, 2023 4:29 PM  
**To:** Reid, James  
**Cc:** 'Jill Strueby'; McClarty, Joel; Ceko, Marica; Terry Doucet; Mike Weizel  
**Subject:** [\*\*EXT\*\*] RE: ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

Mr. Reid,

Pursuant to subsection 65.11(9) of the *Bankruptcy and Insolvency Act* (Canada), we request that the debtor provide in writing the reasons for the proposed disclaimer or resiliation within five days.

Regards,  
Michael

**Michael L. Akavan**  
Deputy General Counsel, Head of Litigation



NASDAQ: CRON | TSX: CRON

**From:** Reid, James <jwreid@millerthomson.com>  
**Sent:** Wednesday, June 28, 2023 4:13 PM  
**To:** Legal <legal@thecronosgroup.com>  
**Cc:** 'Jill Strueby' <jill@harrispartners.ca>; McClarty, Joel <jmclarty@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>  
**Subject:** ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As counsel to Dynaleo Inc., please see attached for service on Peace Naturals Project Inc. c/o Cronos Group Inc.:

1. Demand Letter with enclosure
2. Notice of Disclaimer of Agreement

Sincerely,

**JAMES W. REID**  
Providing services on behalf of a Professional Corporation  
Partner

Miller Thomson LLP



3000, 700 - 9th Avenue SW  
Calgary, Alberta T2P 3V4  
Direct Line: +1 403.298.2418  
Cell: +1 403.669.1930  
Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
[millerthomson.com](http://millerthomson.com)



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A handwritten signature in blue ink, appearing to be the initials "MD" or similar, located in the bottom right corner of the page.

This is Exhibit "E" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA



**REASONS FOR DISCLAIMER PURSUANT TO SECTION 65.11(9) OF THE BIA****To: Peace Naturals Project Inc. ("PNP")**

Whereas:

- A. On May 23, 2023, Dynaleo Inc. ("**Dynaleo**" or the "**Company**") commenced proposal proceedings (the "**Proposal Proceedings**") under the *Bankruptcy and Insolvency Act* (the "**BIA**") and Harris & Partners Inc. was appointed as the proposal trustee ("**Proposal Trustee**") in the BIA Proceedings ("**Proposal**").
- B. On June 28, 2023, in accordance with subsection 65.11(1) of the BIA, the Company gave PNP notice of its intention to disclaim or resiliate a Contract Manufacturing Agreement dated July 29, 2022 made between PNP and the Company ("**Agreement**").
- C. On June 30, 2023 at 4:29 pm (MDT), PNP requested reasons in writing for the disclaimer of the Agreement pursuant to subsection 65.11(9) of the BIA. The requested reasons are set out below.

Reasons for Disclaimer

The Company considered a number of factors in determining to disclaim the Agreement including:

1. Leading up to and following the commencement of the Proposal Proceedings, the Company, in consultation with the Proposal Trustee, undertook a review of certain contracts to consider whether disclaiming them would assist improve the Company's challenging liquidity position and/or facilitate the prospect of a viable proposal being made by the Company.
2. There was limited on-going business operations occurring between the Company and PNP pursuant to the Agreement prior to the commencement of the Proposal Proceedings. During the Proposal Proceedings, the Company fulfilled two orders from PNP, identified as Order Number: 2023-00893-00 and Order Number: 2023-00893-01 ("**Orders**"), which PNP has paid for in full in accordance with the terms of the Agreement. Since that time there has been no further business occurring between the two parties and no further business will occur as the Company has ceased fulfilling orders.
3. As part of the Proposal Proceedings, the Company commenced a Court-approved sale and investment solicitations process (the "**SISP**") to seek to identify a potential sale or restructuring transaction that would maximize the value of the Company's business for the benefit of the Company and its stakeholders. Prior to determining whether to disclaim the Agreement, the Company waited for the results of the first phase of the SISP. Thereafter, the Company considered the letter of intent submitted by PNP and those received from other parties and considered whether disclaiming the Agreement would negatively impact the SISP.
4. The Company determined that the disclaimer of the Agreement would not negatively impact the outcome of the SISP.
5. The Company reviewed the nature, terms, and purpose of the Agreement in detail, and believes that the Agreement does not constitute any of the types of contracts that are exceptions to the statutory regime of Section 65.11 of the Act.
6. The Company believes disclaiming the Agreement will improve its liquidity and enhance the prospects of a viable proposal being made by the Company.


7. The Company consulted with the Proposal Trustee and the Proposal Trustee reviewed and approved of the Company's disclaimer of the Agreement prior to it being issued.

Dated at Nisku, Alberta on July 5, 2023.

**DYNALEO INC.**

Per:

DocuSigned by:



Michael Krestell,  
Executive Chairman



This is Exhibit "F" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

A handwritten signature or set of initials, possibly "MD", written in black ink in the bottom right corner of the page.



Blake, Cassels & Graydon LLP  
 Barristers & Solicitors  
 Patent & Trademark Agents  
 855 - 2nd Street S.W.  
 Suite 3500, Bankers Hall East Tower  
 Calgary AB T2P 4J8 Canada  
 Tel: 403-260-9600 Fax: 403-260-9700

**Kelly J. Bourassa**

Partner

Dir: 403-260-9697

kelly.bourassa@blakes.com

Reference: 14986/62

July 20, 2023

**VIA E-MAIL**

Miller Thomson LLP  
 3000, 700 - 9th Avenue SW  
 Calgary, Alberta T2P 3V4

**Attention: James W. Reid**

**RE: *In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc., et al.***  
**Action No. 24-2946872 and 24-2946871 (the "Proceedings")**

---

Dear Sir:

As you are aware, we are counsel to Cronos Group Inc. ("**Cronos**") and Peace Naturals Project Inc. ("**PNP**") in connection with the above-noted matters. We are writing with respect to the disclaimer notice (the "**Disclaimer**") provided by Dynaleo Inc. ("**Dynaleo**"), dated June 28, 2023, which states that Dynaleo intends to disclaim the Contract Manufacturing Agreement between Dynaleo and PNP agreed to as of the 29<sup>th</sup> day of July 2022 (the "**Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement.

We are also in receipt of your e-mail dated July 19, 2023 (the "**E-mail**") wherein you condition an earlier agreement to extend our client's time to object to the Disclaimer (which we understand was agreed to without details with former counsel to Cronos and PNP) and the return of Moulds and Direct Materials on payment of the Equipment Fee by our client.

Based on our review of the materials filed in the Proceedings, including the "Reasons for Disclaimer Pursuant to Section 65.11(9) of the BIA" provided by Dynaleo to our client on July 5, 2023, the Disclaimer does not appear to serve any legitimate purpose under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"). Further, there is no evidence to suggest that the Disclaimer "would enhance the prospects of a viable proposal being made in respect of" Dynaleo.

As you know, at the time of the Disclaimer, there were no ongoing performance obligations of Dynaleo to PNP under the Agreement, which will expire on its terms on July 29, 2023. On expiration of the Agreement, the only amounts which may be owing from PNP to your client would be the Equipment Fee, which is under review by PNP in light of Section 6(e) of the Agreement. It appears that the Disclaimer was issued, with a view to creating a "termination" of the Agreement, one day prior to its expiration in an attempt by your client to fabricate a claim against our client which is not supported by the Agreement or the general requirement that a debtor in BIA proposal proceedings must act in good faith in carrying out its restructuring proceedings.

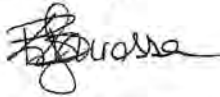




Page 2

Our client is not prepared to accept the terms set out in the E-mail for an extension of time to object to the Disclaimer. If your client is not prepared to withdraw the Disclaimer immediately, our client intends to make an application to the Court of King's Bench of Alberta for an order: (i) that the Agreement cannot be disclaimed; (ii) requiring the immediate return of the Moulds and Direct Materials; and (iii) declaring that no amounts are owing from our client to Dynaleo. In any such application, our client intends to seek costs as against your client.

Yours truly,



Kelly J. Bourassa

c: Client  
R. Zahara, *MLT Aikins LLP* (Counsel to the Proposal Trustee)  
J. Strueby, *Harris & Partners Inc.* (Proposal Trustee)



This is Exhibit "G" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA







**MILLER THOMSON**  
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**MILLER THOMSON LLP**  
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CALGARY, AB T2P 3V4  
CANADA

T 403.298.2400  
F 403.262.0007

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July 21, 2023

**Private and Confidential**

**Sent via E-mail**

Blake, Cassels & Graydon LLP  
855 - 2nd Street SW  
Suite 3500, Bankers Hall East Tower  
Calgary, Alberta T2P 4J8

**James W. Reid**  
Partner  
Direct Line: +1 403.298.2418  
jwreid@millerthomson.com

File No. 277934.1

Attention: Kelly J. Bourassa

**Re: In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc. and  
Dynaleo Group Services Inc.  
Action No. 24-2946872**

Dear Madame:

We are counsel to Dynaleo Inc. and Dynaleo Group Services Inc. (collectively, "**Dynaleo**"). We write in response to your letter dated July 20, 2023, as counsel to Cronos Group Inc. and Peace Naturals Project Inc. (collectively, "**Cronos**"). Capitalized terms used herein and not otherwise defined have the meanings given to them in the Contract Manufacturing Agreement dated July 29, 2022 between Dynaleo and Cronos (the "**Agreement**") or your letter.

Extension of time to object to Disclaimer

We disagree with the assertion that Dynaleo agreed to an indefinite extension of time for Cronos to bring an application to object to the Disclaimer. In anticipation of being retained by Cronos, Torys LLP informally asked for an extension to object to the Disclaimer if they were ultimately retained and instructions were ultimately received to do so. This counsel was to contact me once retained and instructions were received to formalize the request. No call was made and this counsel was ultimately not engaged for this issue. No agreement as to the terms for an extension for Cronos to object to the Disclaimer was ever established. Enclosed is correspondence between me and Torys LLP showing that Torys LLP never received instructions regarding the Disclaimer extension request.

The first time we received confirmation that Cronos intended to dispute the Disclaimer was a full week later, when your office was engaged. Cronos' first official request for an extension from its retained counsel that had instructions was made July 17, 2023, four days after the 15 day deadline for Cronos to file its application under s. 65.11(3) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") had expired.

Cronos at all times was aware of the strict timelines required by the BIA pertaining to disclaimer notices and held Dynaleo to those strict timelines when it requested written reasons

for the Disclaimer. Enclosed is a copy of this correspondence from Cronos Deputy General Counsel to this effect.

To date, no extension of time to bring a s. 65.11(3) BIA application was agreed to between the parties. Even if a reasonable extension was granted by Dynaleo as alleged, waiting a full week to confirm Cronos' intentions to dispute the Disclaimer is unreasonable. Cronos is out of time to bring an application objecting to the Disclaimer, which, but for Cronos' early termination of the Agreement discussed below, otherwise would have become effective on July 28, 2023, by operation of s. 65.11(6)(a) of the BIA.

#### Early Termination of the Agreement by Cronos

As you know, section 6(d) of the Agreement states "*Upon expiration or termination of this Agreement, Dynaleo shall ship the Moulds to [Cronos] as soon as reasonably practicable . . . or as otherwise mutually agreed by the Parties in writing*". It has always been the intention of Dynaleo to return the Moulds following termination of the Agreement. Your letter is a further request from Cronos for the Moulds prior to the expiry of the Agreement. We accept this request as confirmation the Agreement has been terminated effective immediately.

Given this termination of the Agreement, Dynaleo has initiated steps to return the Moulds to Cronos. Dynaleo expects to be in a position to deliver the Moulds to Cronos by mid-next week. If Cronos wishes to pick-up the Moulds, please advise.

With respect to the Direct Materials, since early June Dynaleo has tried to facilitate the wind-down of the contractual relationship and the return of the Direct Materials to Cronos. As has been repeatedly stated to your client by Dynaleo and the Proposal Trustee, before Dynaleo can release the Direct Materials to Cronos, the Proposal Trustee needs to complete an inventory to confirm which property Cronos has an ownership interest in. Enclosed are emails from June 8, 2023, and June 15, 2023, to Cronos from the Proposal Trustee and Dynaleo, respectively, requesting this information. Cronos did not respond to either of these emails.

My email from Wednesday was a further request for the information needed by the Proposal Trustee to reconcile the Direct Materials from the Dynaleo inventory to sign off on the release. Dynaleo and the Proposal Trustee look forward to receiving those records from your client as soon as possible so that Dynaleo is not incurring further costs to store and maintain these materials.

#### Equipment Fee

You state in your letter that the Equipment Fee is being reviewed pursuant to section 6(e) of the Agreement. Section 6(e) of the Agreement only allows Cronos to holdback from paying the Equipment Fee if any Equipment purchased pursuant to the Agreement is unable to produce applicable Goods in accordance with the Specifications.

As you note in your letter, at the time we provided the notice of Disclaimer, no orders were pending from Cronos under the Agreement. All orders that were placed by Cronos had been fulfilled by Dynaleo and there were no orders in production. More than 300,000 units were provided by Dynaleo to Cronos under the Agreement, including approximately 60,000 units since the commencement of these proceedings. All batches were completed with Cronos' quality assurance team on site. Each delivery from Dynaleo passed Cronos' Q.A. inspection,



and was accepted, paid for and subsequently sold by Cronos. No order was returned for failure to meet the Specifications.

Your letter is the first time that Cronos has advised the Equipment Fee is under review. Notably, Cronos had advised that it was interested in making a bid for the Equipment in these proceedings. After the June 15, 2023, mutual termination email, Cronos made arrangements to tour the Dynaleo facility on June 20, 2023, with the purpose of contemplating a bid for the Equipment or other assets of Dynaleo. Copies of correspondence to this effect is enclosed.

We do not agree there is any validity to Cronos' section 6(e) review. Withholding the Equipment Fee appears to be an attempt by Cronos to deny Dynaleo of much needed capital so as to pressure it into walking away from its claim for the materials that cannot be repurposed. As discussed below these materials were purchased by Dynaleo at Cronos' request based on Cronos' forecasts, which Cronos ultimately could not live up to.

#### Timing of the Notice of Disclaimer

Your letter suggests that the amounts Dynaleo is entitled to receive from Cronos upon the termination of the Agreement is a windfall to Dynaleo or a "fabricated" claim. This is not accurate.

Upon termination of the Agreement, Cronos must reimburse Dynaleo for the materials that Cronos required that Dynaleo procure pursuant to Cronos' anticipated needs. As it turned out, Cronos' forecasted demand for gummy production from Dynaleo was massively overstated, which resulted in Dynaleo purchasing a significant amount of materials which cannot be repurposed. Cronos' inaccurate forecasting has resulted in Dynaleo incurring damages far in excess of the reimbursement for these materials that Dynaleo is now seeking.

With respect to the timing of the Disclaimer notice, Cronos sought to pick-up the Moulds and Direct Materials in early June, signaling that there would be no further orders and that the obligations of the parties under the Agreement were complete. Given that the Moulds are only to be returned upon expiry or termination of the Agreement per section 6(d), Cronos was acting as if the Agreement were terminated at that time. In response, when Dynaleo sought to enter into a mutual termination agreement, arrange the return of the Moulds, and sought payment of the fees owing to it upon termination, Cronos failed to respond.

After waiting two weeks for Cronos to respond, and with Cronos having shown its clear intention to end the contractual relationship between the parties, Dynaleo, with the consent of the Proposal Trustee, then issued the Disclaimer.

The intention to end the contractual relationship first came from Cronos. Dynaleo in no way sought to "fabricate" a claim as alleged. To the contrary, Cronos' failure to respond to the Proposal Trustee and Dynaleo is an attempt by Cronos to evade its termination obligations under the Agreement.

It appears from your letter that Cronos' position is that the parties should treat the Agreement as terminated, but with only one party (Dynaleo) complying with its post-termination obligations in returning the Moulds and Direct Materials. This position is unacceptable to Dynaleo.

Good Faith

Dynaleo has at all times acted in accordance with its obligations under the Agreement as well as its obligations to act in good faith as a debtor in these insolvency proceedings. Dynaleo continues to show reasonable accommodations to Cronos as seen from our email from Wednesday.

The records show that Cronos has been non-responsive in: (i) deliberately avoiding, delaying, or stalling the termination of the Agreement; (ii) dismissing Dynaleo's attempts at a mutual wind-up resolution of the Agreement; (iii) failing to respond to information requests of the Proposal Trustee; and (iv) ignoring the timelines required by the BIA. Threatening costs against Dynaleo in these circumstances is an attempt to impose financial impediments upon a financially challenged company, to pressure it into abandoning its legitimate claim, for the benefit of Cronos at the expense of the estate.

Such treatment is not constructive, especially when very reasonable accommodations were extended to Cronos but were refused. We hope that parties can work more constructively going forward to resolve as many issues as possible, including the transition of the Moulds and Direct Materials to Cronos, the treatment of the Equipment Fee, and an appropriate litigation schedule to hear any application Cronos may bring in respect of the Disclaimer.

Yours truly,



Per:

James W. Reid  
Partner  
JWR/

- c. R. Zahara, MLT Aikins LLP (Counsel to the Proposal Trustee)  
J. Strueby, Harris & Partners Inc. (Proposal Trustee)



---

**From:** Kashuba, Kyle <kkashuba@torys.com>  
**Sent:** Monday, July 17, 2023 4:35 PM  
**To:** Reid, James  
**Subject:** Re: Dynaleo

That's correct. Quite a few developments here that led to a change in strategy. Apologies on having to wait on formal instructions. Hope you had a good Stampede!

Kyle

Kyle Kashuba  
*Partner*

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679

On Jul 17, 2023, at 4:29 PM, Reid, James <jwreid@millerthomson.com> wrote:

Hi Kyle. Kelly Bourassa called. They have been engaged by Cronos. I will assume going forward we will be dealing with her. Please advise if you hear otherwise.

Sincerely,

**JAMES W. REID**

Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**  
3000, 700 - 9th Avenue SW  
Calgary, Alberta T2P 3V4  
**Direct Line:** +1 403.298.2418  
**Cell:** +1 403.669.1930  
**Email:** [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
[millerthomson.com](http://millerthomson.com)



**From:** Kashuba, Kyle <kkashuba@torys.com>  
**Sent:** Monday, July 17, 2023 4:25 PM  
**To:** Reid, James <jwreid@millerthomson.com>  
**Subject:** Re: Dynaleo

Hi James,

Handwritten initials, possibly "JK", in a circular scribble.

I have asked for instructions on your requests below, but can tell you that I have also suggested that Cronos reach out to other counsel given a couple of recent developments. They should be in contact shortly.

Thanks,

Kyle

Kyle Kashuba  
*Partner*

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679

On Jul 17, 2023, at 3:32 PM, Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)> wrote:

Hi Kyle,

Following up on your firm's engagement of Cronos in the Dynaleo matter, can you advise of your client position in respect of the attached demand, Dynaleo's email from June 15, and the contract disclaimer.

Sincerely,

**JAMES W. REID**

Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**  
**3000, 700 - 9th Avenue SW**  
Calgary, Alberta T2P 3V4  
**Direct Line:** +1 403.298.2418  
**Cell:** +1 403.669.1930  
**Email:** [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
**millerthomson.com**

**From:** Kashuba, Kyle <[kkashuba@torys.com](mailto:kkashuba@torys.com)>  
**Sent:** Tuesday, July 11, 2023 10:39 AM  
**To:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>  
**Subject:** [\*\*EXT\*\*] Fwd: Voice Message From: 1 (403) 2982400 [Dynaleo]

Hi James,

I'm just out at an event this morning but will ring you this afternoon.

Thanks,

Kyle

Kyle Kashuba  
*Partner*

Begin forwarded message:

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679  
 525 - 8th Avenue S.W., 46th Floor, Eighth Avenue Place East  
 Calgary, Alberta T2P 1G1 Canada | [www.torys.com](http://www.torys.com)

**From:** "1(403)2982400" <[tel=1\\_403\\_2982400@voicemail.torys.com](mailto:tel=1_403_2982400@voicemail.torys.com)>  
**Date:** July 11, 2023 at 9:00:00 AM MDT  
**To:** "Kashuba, Kyle" <[kkashuba@torys.com](mailto:kkashuba@torys.com)>  
**Subject:** Voice Message From: 1 (403) 2982400

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---

**From:** Michael Akavan <michael.akavan@thecronosgroup.com>  
**Sent:** Friday, June 30, 2023 4:29 PM  
**To:** Reid, James  
**Cc:** 'Jill Strueby'; McClarty, Joel; Ceko, Marica; Terry Doucet; Mike Weizel  
**Subject:** [\*\*EXT\*\*] RE: ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.  
**Attachments:** image001.png; image002.png

Mr. Reid,

Pursuant to subsection 65.11(9) of the *Bankruptcy and Insolvency Act (Canada)*, we request that the debtor provide in writing the reasons for the proposed disclaimer or resiliation within five days.

Regards,  
Michael

**Michael L. Akavan**  
Deputy General Counsel, Head of Litigation



**NASDAQ: CRON | TSX: CRON**

**From:** Reid, James <jwreid@millerthomson.com>  
**Sent:** Wednesday, June 28, 2023 4:13 PM  
**To:** Legal <legal@thecronosgroup.com>  
**Cc:** 'Jill Strueby' <jill@harrispartners.ca>; McClarty, Joel <jmccarty@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>  
**Subject:** ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

---

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As counsel to Dynaleo Inc., please see attached for service on Peace Naturals Project Inc. c/o Cronos Group Inc.:

1. Demand Letter with enclosure
2. Notice of Disclaimer of Agreement

Sincerely,

**JAMES W. REID**  
Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**  
**3000, 700 - 9th Avenue SW**  
 Calgary, Alberta T2P 3V4  
**Direct Line:** +1 403.298.2418  
**Cell:** +1 403.669.1930  
**Email:** [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
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Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** Thursday, June 8, 2023 3:18 PM  
**To:** Michael Krestell; Jill Markey; Kristy Skwaruk  
**Cc:** Mike Weizel; Kevin Fox  
**Subject:** RE: Cronos Follow Up

Good afternoon,

Please note that the Company is in a restructuring process and continues to have ongoing operations. It was not clear from the email below what the purpose of your request is or why it is required at this time?

Additionally, we have not received a response to our queries on the inventory request, so the Company is not able to schedule a delivery for Tuesday until they have been responded to.

Please kindly respond to the questions sent earlier today, as the Company is not in a position to release any items until we have received satisfactory responses and confirmed that we are in agreement to proceed.

We would be happy to set up a call to discuss any questions you may have.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
 Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
 W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Michael Krestell <michael@dynaleo.com>  
**Sent:** Thursday, June 8, 2023 2:55 PM  
**To:** Jill Markey <jill.markey@thecronosgroup.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Cc:** Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Jill Strueby <jill@harrispartners.ca>  
**Subject:** Re: Cronos Follow Up

Hi Jill and thanks for your note. I am doing well, and I hope that you are too. I am copying Jill Strueby from Harris & Partners advisory as she is the trustee on our file.

Before we can commit to any action or timeline, we want to be certain that the wind down of this relationship follows the terms of our contract. I will ask them to meet tomorrow and then get back to you with what we can do and when it can be done after that.

Regards,

Michael

**Michael Krestell, CFA, MBA**  
Executive Chairman

☎ 647.274.3655  
✉ [michael.krestell@dynaleo.com](mailto:michael.krestell@dynaleo.com)  
🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street, Unit 2, Nisku, AB T9E 1K7




---

**From:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>  
**Date:** Thursday, June 8, 2023 at 2:49 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>, Michael Krestell <[michael@dynaleo.com](mailto:michael@dynaleo.com)>  
**Cc:** Mike Weizel <[michael.weizel@thecronosgroup.com](mailto:michael.weizel@thecronosgroup.com)>, Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>  
**Subject:** Cronos Follow Up

[MAIL ORIGINATED FROM EXTERNAL]

Hello Kristy, Michael, I hope you are well

Can you please provide the below - #1 on Tuesday 6/13 and #2 and #3 by Thursday 6/15?

- 1) All retention samples on hand at your facility – in the event we need for a recall – can you please include in Tuesday's pick up?
- 2) Proof and certificate of destruction for any proprietary materials not limited to (bulk gummies, branded pouches, flavors and colors in our formulas including name labels)
- 3) Proof and certificate of destruction of all confidential information, trade secrets.

Thank you,

**Jill Markey**  
Manager, Contract Manufacturing

Mobile: +1-310-367-6478  
Email: [jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)



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**From:** Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Sent:** Thursday, June 15, 2023 1:42 PM  
**To:** Jeffrey Jacobson  
**Cc:** Terry Doucet; Mike Weizel; Kevin Fox; Brent Merritt; Jill Markey; Jill Strueby; Michael Krestell; Reid, James  
**Subject:** RE: PO#4500007890 delay

Hi Jeff,

While there is currently a stay of proceedings in place preventing the exercise of rights against Dynaleo, I connected with Jill and there is mutual interest in resolving this matter quickly and to the benefit of both parties.

Please provide us with records of the Direct Materials you are claiming ownership to so we can reconcile it against existing inventory with the proposal trustee.

We note that the CMO agreement specifies that: (a) the Moulds are to be returned; and (b) Cronos is obligated to pay Dynaleo the Equipment Fee, in each case following termination or expiry of the CMO agreement. Based on our calculations, the Equipment Fee payable by Cronos on such event would be \$104,000. Further, we note that the CMO agreement states that Cronos will reimburse Dynaleo for packaging materials, raw materials that cannot be repurposed, and Dynaleo Materials that Cronos requested Dynaleo to procure. Based on our calculations, the fees payable by Cronos to Dynaleo for the materials would be \$447,960.49

In the interest of wrapping up the parties obligations under the CMO agreement, we would propose to enter into a customary termination agreement that results in the Direct Materials and the Moulds being returned early in exchange for the early payment of the Equipment and Materials Fees, which total \$551,960.49.

If this is acceptable, please let us know and provide the supporting documentation for the Direct Materials and we will provide a draft termination agreement for your review.

Sincerely,

**Kristyann Skwaruk**  
VP, Operations, Regulatory Affairs & People

☎ 587.338.7380  
✉ [kristy.skwaruk@dynaleo.com](mailto:kristy.skwaruk@dynaleo.com)  
🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7

**Dynaleo**  
*Innovative Gummy Solutions*



**From:** Jeffrey Jacobson <jeff.jacobson@thecronosgroup.com>  
**Sent:** Thursday, June 15, 2023 11:03 AM  
**To:** Jill Strueby <jill@harrispartners.ca>; Michael Krestell <michael@dynaleo.com>; Paul Matthews <Paul.Matthews@dynaleo.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; Alana Cabana <alana.cabana@dynaleo.com>  
**Cc:** Terry Doucet <terry.doucet@thecronosgroup.com>; Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Brent Merritt <brent.merritt@thecronosgroup.com>; Jill Markey <jill.markey@thecronosgroup.com>  
**Subject:** RE: PO#4500007890 delay

[MAIL ORIGINATED FROM EXTERNAL]

Hi Jill,

Thank you for the reply. We'll await the response.

Best,

**Jeff Jacobson**  
 Chief Growth Officer

Phone: +1 (416) 564-4254

Email: [jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)

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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** Thursday, June 15, 2023 1:01 PM  
**To:** Jeffrey Jacobson <jeff.jacobson@thecronosgroup.com>; Michael Krestell <michael@dynaleo.com>; paul.matthews@dynaleo.com; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; alana.cabana@dynaleo.com  
**Cc:** Terry Doucet <terry.doucet@thecronosgroup.com>; Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Brent Merritt <brent.merritt@thecronosgroup.com>; Jill Markey <jill.markey@thecronosgroup.com>  
**Subject:** RE: PO#4500007890 delay

Hi Jeff,

Thank you for your email. The Company is in the process of providing a response.

Sincerely,



**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee

T: 403-800-1574 | M: 403-629-9848 | F: 905-479-2346  
W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Jeffrey Jacobson <[jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)>  
**Sent:** Wednesday, June 14, 2023 2:37 PM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>; Michael Krestell <[michael@dynaleo.com](mailto:michael@dynaleo.com)>; [paul.matthews@dynaleo.com](mailto:paul.matthews@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)  
**Cc:** Terry Doucet <[terry.doucet@thecronosgroup.com](mailto:terry.doucet@thecronosgroup.com)>; Mike Weizel <[michael.weizel@thecronosgroup.com](mailto:michael.weizel@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>  
**Subject:** FW: PO#4500007890 delay

Hello Jill,

We received the response below from the Dynaleo team indicating that they are unable to release Cronos owned assets that are in Dynaleo's possession. These are (1) moulds for the production of our gummies, which Cronos holds an industrial design registration over (defined as the "Moulds" in the CMO agreement – attached for reference), and (2) two trade secret input materials that Cronos utilizes in the production of our gummies (collectively referred to as "Direct Materials" in the agreement).

Cronos provided these assets to Dynaleo in connection with a CMO agreement for the commercial supply of gummies from Dynaleo to Peace Naturals Project Inc. (a Cronos wholly owned subsidiary). The CMO agreement is clear that (i) PNP retains title to the Direct Materials at all times (see Section 4(a)), and (ii) PNP may retake possession of our Direct Materials at any time (see Section 4(f)).

It is of the utmost importance that we are able to collect these assets as soon as possible – these are highly confidential assets that Cronos has invested significant financial resources to develop and protect. These are not work-in-progress assets, Dynaleo has not paid for these assets, and the contract is clear that Cronos must be able to collect these assets upon demand. To be sure, the parties acknowledge in the CMO agreement that PNP would suffer immediate and irreparable harm or damage if Dynaleo continued to hold our Direct Materials following our demand to collect, and accordingly we would be entitled to a court order of possession without any need for proving damages or a bond.

We appreciate that the Dynaleo team is focused on strictly following the bankruptcy proceedings per your direction, but these assets are not Dynaleo's property, so we are once again requesting immediate access to collect our assets.

Please get back to me as soon as possible.

Thank you.



**Jeff Jacobson**  
Chief Growth Officer

Phone: +1 (416) 564-4254

Email: [jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)

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---

**From:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Sent:** Tuesday, June 13, 2023 4:36 PM

**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>; Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>

**Subject:** Re: PO#4500007890 delay

Hi Kyle,

Unfortunately until we receive approval from the trustee none of those items are within our authority to release.  
Thanks, Paul

**Paul Matthews**

Vice President - Business Solutions

587.338.6231

[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)

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

3365 11 Street. Unit 2, Nisku, AB T9E 1K7

---

**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Sent:** Tuesday, June 13, 2023 2:15:41 PM

**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>

**Subject:** RE: PO#4500007890 delay

[MAIL ORIGINATED FROM EXTERNAL]

Thanks Alana!

Just wondering if we can load the following which were to go on this truck:

1. All of the remaining crono's ingredients (SKU 1 & SKU 2)
2. All of the moulds we purchased and shipped to you.

Thanks!

**Kyle Martin**  
Customer Supply Chain Manager

Mobile: 249-288-1635  
Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>  
**Sent:** Tuesday, June 13, 2023 4:14 PM  
**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>  
**Cc:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>  
**Subject:** RE: PO#4500007890 delay

Hello Kyle,

See attached BOL and packing slip, in terms of the below, the shipment encompasses only line 1.

The truck is loaded and should be on route.

Kind regards,

**Alana Cabana**  
Director, Data Strategy & Analytics

☎ 587.341.7207  
✉ [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)  
🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street, Unit 2, Nisku, AB T9E 1K7



**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>  
**Sent:** Tuesday, June 13, 2023 1:49 PM  
**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>  
**Subject:** RE: PO#4500007890 delay  
**Importance:** High

[MAIL ORIGINATED FROM EXTERNAL]

HEy Alana and Kristy!

Can you please confirm what we are loading? Wondering if you have a MPL or anything?  
Looking to confirm all of this is going on the truck?

1. PO# 4500007890 – 33,000 strawberry mango
2. All of the remaining crono's ingredients (SKU 1 & SKU 2)
3. All of the moulds we purchased and shipped to you.

Thanks!

**Kyle Martin**

Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Sent:** Tuesday, June 13, 2023 3:00 PM

**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Subject:** RE: PO#4500007890 delay

Hey Alana!

Just confirmed with my carrier they will be arriving in the next 20-25 min

Thanks!

**Kyle Martin**

Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>

**Sent:** Tuesday, June 13, 2023 2:58 PM

**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Subject:** RE: PO#4500007890 delay

Hi Kyle,

We have the shipment ready for pick up and are maintaining a limited staff to wait for the unit, do you know what time the carrier is scheduled to arrive for the pick up?

Appreciate the help in advance.

Kind regards,

**Alana Cabana**

Director, Data Strategy & Analytics

☎ 587.341.7207

✉ [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)

🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street, Unit 2, Nisku, AB T9E 1K7



**From:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Sent:** Friday, June 2, 2023 8:27 AM

**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Courtney Shaw <[Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>

**Subject:** Re: PO#4500007890 delay

Hi Kyle,

I messaged Kevin yesterday. Pickup would not be available until late in the day Thursday.

Thanks

Kristy

Sent from my iPhone

On Jun 2, 2023, at 7:25 AM, Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)> wrote:

[MAIL ORIGINATED FROM EXTERNAL]

Good morning Courtney and Kristy,

Would you please be able to advise if Monday is okay to pickup? And how many pallets this would be?

Thanks!

**Kyle Martin**  
Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>

**Sent:** Thursday, June 1, 2023 9:34 AM

**To:** Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Kyle Martin <[Kyle.Martin@thecronosgroup.com](mailto:Kyle.Martin@thecronosgroup.com)>

**Subject:** RE: PO#4500007890 delay

Hi everyone. Can we action this to ship from Dyanleo to Stayner as soon as Dyna team can have it staged?

1. PO# 4500007890 – 33,000 strawberry mango

2. All of the remaining crono's ingredients (SKU 1 & SKU 2)
3. All of the moulds we purchased and shipped to you.

Courtney/Kristy – can you confirm at your earliest the counts for the above and when we can pick up? Can we aim for Monday?

We will also have perspective on all ingredients by Wednesday next week – and can setup an alternate pick up for those.

thanks

-KF

**From:** Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>

**Sent:** Thursday, June 1, 2023 9:22 AM

**To:** [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>

**Subject:** RE: PO#4500007890 delay

Good Morning,

Can you please update the status for subject mentioned PO?

**Leila Choupani**

Senior Supply Planning Manager

Cell: 416.823.4667

Email: [leila.choupanil@thecronosgroup.com](mailto:leila.choupanil@thecronosgroup.com)



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**From:** Leila Choupani

**Sent:** Wednesday, May 31, 2023 11:06 AM

**To:** [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); [Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)

**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>

**Subject:** PO#4500007890 delay

Good Morning Dynaleo team,

Hope all is well with you.

It looks like there's a delay on one the Pos which was supposed to be delivered to us on May 16<sup>th</sup>, can you please update the status on that PO: (highlighted in yellow)

SKU Description	Sub Brand	Size	Prod Plant	FIRM PO's 1st com Run	
				PO#	4.5E+09
BlueRasp Watermelon	5x0.2g	Dynaleo	Dynaleo	2023-04-11	2023-04-11
Spinach Peach Orange 1:1 - 5x0.2g	Peach Orange	5x0.2g	Dynaleo	27,221	
Spinach Strawberry Mango - 5x0.2g	Strawberry Mango	5x0.2g	Dynaleo	26,308	
Spinach Cherry Lime - 5x0.2g	Cherry Lime	5x0.2g	Dynaleo	15,903	
				1,200	
TOTAL (EA)				48,431	
TOTAL (MC)				144.7	:
TOTAL (PAL)				4.5	:

\* dates mentioned are transfer date (PO due date)  
 Yellow highlighted dates indicates delayed PO's

Thanks

**Leila Choupani**  
 Senior Supply Planning Manager

Cell: 416.823.4667  
 Email: [leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)



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**From:** Jeenia Dhillon <[jeenia.dhillon@thecronosgroup.com](mailto:jeenia.dhillon@thecronosgroup.com)>  
**Sent:** Friday, May 12, 2023 10:55 AM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Courtney.Shaw@dynaleo.com  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached update forecast for gummies.

Thanks,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, April 28, 2023 3:32 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Courtney.Shaw@dynaleo.com  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached updated forecast for gummies.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Monday, April 17, 2023 6:35 PM  
**To:** 'Kristy Skwaruk' <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; 'Courtney.Shaw@dynaleo.com' <[Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)>  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached updated forecast. Let us know if any queries.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, March 24, 2023 2:34 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Courtney.Shaw@dynaleo.com  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find updated forecast.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, March 17, 2023 11:02 AM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Courtney.Shaw@dynaleo.com  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>;



Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>

**Subject:** Dynaleo Gummy Forecast

Hi Kristy,

Please find attached gummy forecast for 6 months. Let us know any concerns.

Thanks,

**Jeenia Dhillon**

Mobile: 249-288-2154



---

**From:** Paul Matthews <Paul.Matthews@dynaleo.com>  
**Sent:** Friday, June 9, 2023 2:13 PM  
**To:** Lidia Alfano; Jill Strueby; Kristy Skwaruk  
**Cc:** Brent Merritt  
**Subject:** Re: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

Yes, that is the correct address. We have gowning protocols at the facility that will need to be followed but have all required PPE onsite. Certain areas may not allow pictures but will advise of any areas that apply during the tour. Please have him call once he arrives at the front door as there will be no one at reception.

Thanks, Paul

**Paul Matthews**  
Vice President - Business Solutions  
587.338.6231  
Paul.Matthews@dynaleo.com  
www.dynaleo.com

3365 11 Street. Unit 2, Nisku, AB T9E 1K7

---

**From:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Sent:** Friday, June 9, 2023 2:09:32 PM  
**To:** Jill Strueby <jill@harrispartners.ca>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; Paul Matthews <Paul.Matthews@dynaleo.com>  
**Cc:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

[MAIL ORIGINATED FROM EXTERNAL]

Thank you Jill, Paul and Kristy

Brent's flight is booked for Tuesday June 20<sup>th</sup> and his arrival time will be 11:10am (MT). I have the address for Dynaleo as 3365 11<sup>th</sup> Street, Unit #2, Nisku AB. Please confirm and if any tour protocols to follow.

Regards,

**Lidia Alfano**  
Executive Assistant, Operations

Phone: 705.999.5874  
Mobile: 705.994.3536  
Email: lidia.alfano@thecronosgroup.com





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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** June 9, 2023 11:46 AM  
**To:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Cc:** Paul Matthews <Paul.Matthews@dynaleo.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

Tuesday the 20<sup>th</sup> will work. I have cc'd Paul and Kristy, who will arrange to meet with Brent upon arrival.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Sent:** Friday, June 9, 2023 9:31 AM  
**To:** Jill Strueby <jill@harrispartners.ca>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hello Jill,

Please let me know when you've arranged and confirmed with the team for Tuesday June 20<sup>th</sup> so I can book Brent's travel in time.

Thank you,

**Lidia Alfano**  
Executive Assistant, Operations

Phone: 705.999.5874  
Mobile: 705.994.3536  
Email: [lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)



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**From:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Sent:** June 8, 2023 11:22 AM  
**To:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Cc:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

I am confident this can be arranged and will confirm with the team.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
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**From:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Sent:** Thursday, June 8, 2023 8:59 AM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Good morning Jill,

Would at tour on Tuesday June 20<sup>th</sup> early afternoon work for you and the facility team? Please let me know at your earliest convenience. As well, kindly confirm the address and any site tour protocols.

Thank you,

**Lidia Alfano**  
Executive Assistant, Operations

Phone: 705.999.5874  
Mobile: 705.994.3536  
Email: [lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)



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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** June 7, 2023 4:23 PM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Potentially Tuesday would that be good as tentative

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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**From:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Sent:** June 7, 2023 4:09 PM  
**To:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

The week of the 19<sup>th</sup> should work. If there is a day that is best I can arrange with the team at the facility.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
 Partner | Licensed Insolvency Trustee



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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** Wednesday, June 7, 2023 2:06 PM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Is the week after next still available Jill – as I am unavailable next week

**Thank you**  
**Brent Merritt**  
 VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** June 7, 2023 3:13 PM  
**To:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Cc:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Subject:** Re: Dynaleo - Investment or Purchase Opportunity

Hi Brent,

Staff is available during the week to do tours. Was there a day that you were hoping to attend?

Sincerely,

Jill

On Jun 7, 2023, at 12:43 PM, Brent Merritt <brent.merritt@thecronosgroup.com> wrote:

Hi Jill

I added my Admin and am wondering if there is a time I could arrange a trip to view the equipment we may be interested in purchasing from the Dynaleo site.

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)

<image002.png>      **TheCronosGroup.com**  
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**From:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Sent:** Thursday, June 22, 2023 9:59 AM  
**To:** Jill Strueby  
**Subject:** RE: Interest in Purchasing Raw Ingredients from Dynaleo

Hello Jill – I am interested in bidding on some of the equipment – can you tell me the process and what I have to do with that please. I understand its time sensitive and would like to get it done

**Thank you**  
**Brent Merritt**  
 VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** June 8, 2023 1:42 PM  
**To:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Cc:** Jill Markey <jill.markey@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>  
**Subject:** RE: Interest in Purchasing Raw Ingredients from Dynaleo

Hi Brent,

Thank you for your interest in the inventory below.

We understood that there were additional inventory items that Cronos was looking at including flavoring, coloring, and bags that were specific to Cronos, but I do not see them included on the list below. Please confirm you are still interested in those specific items.

For the inventory you have listed below, it appears to be at lower than market value and the cost for shipping seems high given recent shipments we have seen. Can you please explain how you came up with these values?

If you are still interested in any of the inventory above please let us know.



Sincerely,



Jill Strueby CPA, CA, CIRP  
Partner | Licensed Insolvency Trustee

T: 403-800-1574 | M: 403-629-9848 | F: 905-479-2346

W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** Thursday, June 8, 2023 8:31 AM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>  
**Subject:** FW: Interest in Purchasing Raw Ingredients from Dynaleo

Hello Jill

In addition to the equipment we have been discussing, we are interested in purchasing some raw materials from Dynaleo. Attached is a ***Below (and attached) is a summary, we would need to pick up by Tuesday 6/13, otherwise we will not proceed with the transaction.***

Before proceeding, we need to know that all containers are unopened, total pallet count and confirmation all ingredients will fit in 1 truck. Dynaleo needs to provide C of A's for the items by EOD today 6/8/23 so we can review and make sure this is an exact match for our production.

Assuming all containers are unopened, we can offer price in Column P for total quantity of the attached sheet (which is our cost, lower than Dynaleo cost in Column I), with a shipping discount of \$6,000 pre truck (not sure if it will fit in 1 or 2 trucks). If the materials need an additional truck, we will be requiring an additional \$6000 discount.

I have attached my Supply Chain Team as well. Let me know if this is acceptable

Facility	Materials	Part Number	Description	Lot	Quantity	Unit	Lot Cost	Value	Expiration Date	Container	Cronos Cronos Item
N sku Plant	ngred ents	NP 10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002003	Acid - Malic, Regular	31/21	23.00	Kilograms	\$ 6.03	\$ 138.73	2023-08-02	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002003	Acid - Malic, Regular	31/21	25.00	Kilograms	\$ 6.03	\$ 150.80	2023-08-02	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10002003	Acid - Malic, Regular	31/21	25.00	Kilograms	\$ 6.03	\$ 150.80	2023-08-02	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10332000	Acid - USP Tartaric, Li(-)-tartaric acid	30220903	13.51	Kilograms	\$ 24.75	\$ 581.87	2026-06-01	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10332000	Erythr to - USP Monograph	30221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-09-14	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10332000	Erythr to - USP Monograph	30221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-12-20	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10332000	Erythr to - USP Monograph	30221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-12-20	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	594.59	Kilograms	\$ 35.09	\$ 18,758.76	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	13.56	Kilograms	\$ 35.09	\$ 475.82	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	13.56	Kilograms	\$ 35.09	\$ 475.82	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	9.04	Kilograms	\$ 35.09	\$ 317.21	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10062001	Pect n - CF 130 B S1	1204203461	6.79	Kilograms	\$ 35.09	\$ 237.91	2024-07-27	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223041	2,400.00	Kilograms	\$ 1.87	\$ 4,490.40	2025-11-29	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223074	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-02-10	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223074	2,400.00	Kilograms	\$ 1.89	\$ 2,269.80	2026-03-16	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223074	1,580.00	Kilograms	\$ 1.87	\$ 2,956.18	2026-03-16	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223090	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-03-31	Paper Bag Packag ng	30000E
N sku Plant	ngred ents	NP 10072000	Sugar - F ne	2223090	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-03-31	Paper Bag Packag ng	30000E
								\$	54,985.40		

Thank you  
 Brent Merritt  
 VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



TheCronosGroup.com  
 NASDAQ: CRON | TSX: CRON

Confidentiality Notice: The information contained in this email may be confidential and legally privileged. It is intended only for use of the individual named. If you are not the intended recipient, you are hereby notified that the disclosure, copying, distribution, or taking of any action in regards to the contents of this email – except its direct delivery to the intended recipient – is strictly prohibited. If you have received this email in error, please notify the sender immediately and delete from your system

This is Exhibit "H" referred to in the Affidavit of Michael Krestell sworn before me this \_\_\_\_ day of July 2023

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA





Blake, Cassels & Graydon LLP  
 Barristers & Solicitors  
 Patent & Trademark Agents  
 855 - 2nd Street S.W.  
 Suite 3500, Bankers Hall East Tower  
 Calgary AB T2P 4J8 Canada  
 Tel: 403-260-9600 Fax: 403-260-9700

July 24, 2023

VIA E-MAIL

Miller Thomson LLP  
 3000, 700 - 9th Avenue SW  
 Calgary, Alberta T2P 3V4

Attention: James W. Reid

Kelly J. Bourassa

Partner

Dir: 403-260-9697

kelly.bourassa@blakes.com

Reference: 14986/62

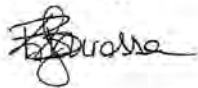
**RE: *In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc., et al.***  
**Action No. 24-2946872 and 24-2946871**

Dear Sir:

We are in receipt of your letter dated July 21, 2023. There are significant factual matters in dispute between the parties, including whether counsel agreed to an extension of time for the filing of our client's application for an order that the Contract Manufacturing Agreement agreed to as of the 29<sup>th</sup> day of July 2022 is not to be disclaimed. We disagree with substantially all the assertions in your letter, and do not believe that a continued exchange of correspondence will be productive to advance any resolution in this matter.

As a result, we intend to file an application on Monday, July 24, 2023, returnable July 31, 2023, when we understand you have time booked before the Court for a sale approval order and extension of the proposal period. We would seek at that time, a scheduling order, as we recognize there is not sufficient time scheduled to hear any substantive argument on the issues in dispute or to provide a complete record to the Court. In the interim, we are hopeful to engage in discussions with you with a view to narrowing the issues, and seeking resolution of any issues where such may be possible.

Yours truly,



Kelly J. Bourassa

c: Client  
 R. Zahara, *MLT Alkins LLP* (Counsel to the Proposal Trustee)  
 J. Strueby, *Harris & Partners Inc.* (Proposal Trustee)

31630753.2



Clerk's stamp:

COURT / ESTATE FILE NUMBERS 24-2946872

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANTS IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, c B-3, AS  
AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
DYNALEO INC. AND DYNALEO GROUP  
SERVICES INC.

DOCUMENT **AFFIDAVIT NO. 2 OF MICHAEL KRESTELL**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT MILLER THOMSON LLP  
Barristers and Solicitors  
3000, 700 – 9<sup>th</sup> Avenue SW  
Calgary, AB, T2P 3V4

Attention: James W. Reid / Kyla Mahar

Phone: 403-298-2418 / 416-597-4303

E-mail: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com) /  
[kmahar@millerthomson.com](mailto:kmahar@millerthomson.com)

File No.: 0277934.0001

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## AFFIDAVIT NO 2. OF MICHAEL KRESTELL

Sworn on July 24, 2023

I Michael Krestell, of the City of Thornhill, in the Province of Ontario, **MAKE OATH AND SAY THAT:**

1. This Affidavit is made in support of the application (the "**Application**") by Dynaleo Inc. ("**Dynaleo**") and Dynaleo Group Services Inc. ("**Dynaleo Services**" and together with Dynaleo, the "**Companies**") returnable July 31, 2023, before the Court of King's Bench of Alberta (the "**Court**").
2. I am the Executive Chairman and director of each of the Companies. As such, I have personal knowledge of the Companies and matters to which I depose in this Affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.
3. I have previously sworn an affidavit in these proceedings on May 24, 2023 (the "**First Krestell Affidavit**") in support of the May 30, 2023 Order (as defined below).
4. Unless otherwise stated, monetary figures in this Affidavit are expressed in Canadian dollars.

### INTRODUCTION

5. As noted in the First Krestell Affidavit, on May 23, 2023, the Companies filed a notice of intention to make a proposal (the "**NOI**") under section 50.4(1) of *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**"). The NOI was filed in consultation with the Companies' professional advisors to attempt to restructure the Companies for the benefit of their stakeholders and after identifying no viable alternative process due to the Companies' insolvency (the "**NOI Proceeding**").
6. Pursuant to section 50.4(8) of the BIA, the initial stay period under the NOI Proceeding was from May 23, 2023 to June 22, 2023.
7. On May 30, 2023, on application by the Companies, the Court granted an order (the "**May 30, 2023 Order**") that, among other things:
  - (a) appointed Harris & Partners Inc. as the proposal trustee in the NOI Proceeding (the "**Proposal Trustee**");

AK

- (b) approved a sale and investment solicitation process (the "**SISP**") described in the Proposal Trustee's first report to the Court dated May 24, 2023 (the "**First Report**") and authorized and directed the Companies and the Proposal Trustee to carry out the SISP;
  - (c) granted a charge, not to exceed \$200,000, as security for the fees and costs of the Proposal Trustee, its independent legal counsel, and legal counsel to the Companies;
  - (d) granted a Directors' and Officers' Charge over the assets and property of Dynaleo only, to a maximum amount of \$75,000, in favour of the directors and officers of the Companies;
  - (e) extended the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including August 5, 2023; and
  - (f) consolidated, for procedural purposes only, the Court of King's Bench of Alberta Bankruptcy and Insolvency Estate Nos. 24-2946871 and 24-2946872 into Estate No. 24-2946872.
8. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the First Krestell Affidavit.

#### **NATURE OF APPLICATION AND OVERVIEW OF RELIEF SOUGHT**

9. This Affidavit is made in support of the Application for orders, among other things:
- (a) abridging the time for service of this Application and the supporting material, if necessary, and deeming service thereof to be good and sufficient;
  - (b) extending the time by which the Companies may file proposals to their creditors pursuant to section 50.4(9) of the BIA to September 19, 2023, which is the 45-day maximum period following the current deadline to do so;
  - (c) if necessary, approving a litigation schedule between the Companies and Peace Naturals Project Inc. ("**PNP**") to hear the Disclaimer Dispute (as defined below); and



- (d) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

10. I have been advised by the Proposal Trustee that it supports this Application.

## **BACKGROUND**

### ***Operations and Organization***

11. The Companies are private companies in the business of producing and distributing cannabis infused gummies.
12. Dynaleo is incorporated pursuant to the *Business Corporations Act*, RSA 2000, c B-9. Its registered office is located at 2500-10175 101 Street NW, Edmonton, Alberta.
13. Dynaleo Services is incorporated pursuant to the *Canada Business Corporations Act*, RSC 1985, c C-44.
14. The Companies together are in the business of producing and distributing the highest quality cannabis-infused edible gummies (the "**Product**").
15. Dynaleo Services manages the production of the Product and at its peak employed approximately 65 full-time employees.
16. Dynaleo owns the equipment and supplies necessary for the production of the Product. Dynaleo also holds the lease in which the Companies operate out of and is responsible for distribution of the Product to the Companies' customers.
17. The Companies are insolvent and each filed a Notice of Intention to Make a Proposal (the "**NOIs**") with the Official Receiver on May 23, 2023, in order to restructure their affairs for the benefit of their stakeholders.

### ***The SISP***

18. As set out in the First Krestell Affidavit beginning at paragraph 75, and the First Report beginning at paragraph 36, the Companies, with support of the Proposal Trustee, sought and obtained approval of the SISP to undergo a restructuring process and allow all qualified and interested parties to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' assets and business operations (the "**Opportunity**").

19. The Companies commenced the SISP in June 2023. The SISP was designed to be flexible, such that any proposed transaction structure would be considered, whether it be for shares, or assets of the Companies, or any combination of these transactions.

20. The SISP milestones are:

Milestone	Deadline
Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders	June 2, 2023
Phase 1 Bid Deadline	June 23, 2023
Phase 2 Bid Deadline	July 7, 2023
Transaction Approval Application Hearing	July 14, 2023
Closing Date Deadline	July 21, 2023

21. As detailed in the First Report, the Companies and Proposal Trustee worked together to prepare a list of Potential Bidders, including: (i) parties that have approached the Companies and/or the Proposal Trustee indicating an interest in the Opportunity, (ii) strategic and financial parties who the Companies, in consultation with the Proposal Trustee, believe may be interested in purchasing all or part of the Business and Property or investing in the Companies pursuant to the SISP.

### **Results of the SISP**

22. In June 2023, the Proposal Trustee circulated to interested parties a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest in the opportunity. A copy of the Teaser Letter is attached to my Affidavit as Exhibit “**A**”.

23. Interested parties were requested to submit an executed non-disclosure agreement, letter setting forth the required information as laid out in the SISP, and a form of financial disclosure and credit quality support to enable the Companies and Proposal Trustee to understand the Potential Bidder’s ability to consummate a potential transaction.

24. If the Companies, in consultation with the Proposal Trustee, determined that a Potential Bidder satisfied the requirements of the SISP, then the Potential Bidder was deemed to be a “**Phase 1 Qualified Bidder**”.

25. A Phase 1 Qualified Bidder that wished to pursue the opportunity further was required to deliver a non-binding letter of intent (an “LOI”) to the Proposal Trustee by 5:00 p.m. MST on June 23, 2023 (the “**Phase 1 Bid Deadline**”).
26. Five Phase 1 Qualified Bidders submitted an LOI by the Phase 1 Bid Deadline.
27. Following the Phase 1 Bid Deadline, the Companies, in consultation with the Proposal Trustee, assessed the LOIs and selected certain parties to advance as a “**Phase 2 Qualified Bidder**” in the SISP.
28. Two Phase 2 Qualified Bidders submitted binding offers by the Bid Deadline (each, a “**Binding Offer**”). Following receipt of the Binding Offers, the Companies, with the assistance of the Proposal Trustee, have been working with the Phase 2 Bidders to reconcile certain closing conditions in their respective bids.
29. Pursuant to the SISP, any deadlines, including the Closing Date Deadline, can be extended in order to pursue the two binding offers in hopes of closing the transaction.
30. The Companies, with the assistance of the Proposal Trustee, anticipates returning to this Court in the near future for approval of one of the transactions with a Phase 2 Qualified Bidder.

#### **DISCLAIMER DISPUTE**

31. On July 29, 2022, Dynaleo entered into a Contract Manufacturing Agreement (the “**Manufacturing Contract**”) with PNP, a subsidiary of Cronos Group Inc. (“**Cronos**”), which is a large brand leader in the cannabis-infused edible gummies business. The Manufacturing Contract was set to expire July 29, 2023.
32. The Manufacturing Contract was for the Companies to produce Product for PNP.
33. As part of the Manufacturing Contract, Dynaleo was required by PNP to make significant capital expenditures to acquire specialized machinery to meet the volume and Product specifications for PNP.
34. In return for these expenditures by Dynaleo, it was a term of the Manufacturing Contract that upon the expiration or termination of the Manufacturing Contract, PNP agreed to pay Dynaleo an equipment fee (the “**Equipment Fee**”).

35. In addition, it was a term of the Manufacturing Contract that upon the termination of the Manufacturing Contract, PNP would reimburse Dynaleo for certain costs of PNP specific materials that PNP required that Dynaleo purchase based on PNP's purchasing forecasts (the "**Materials Fee**").
36. Beginning on June 1, 2023, Cronos requested the return or destruction of certain of its property that was required for the manufacturing of Product for PNP, signaling that PNP would not be making further orders for Product despite there being approximately two months' remaining on the Manufacturing Contract.
37. As a result, on June 15, 2023, Dynaleo sought to mutually terminate the Manufacturing Contract and requested payment of the Equipment Fee and Materials Fee.
38. After waiting two-weeks and receiving no response on Dynaleo's mutual termination request, and with PNP not having made any more orders under the Manufacturing Contract, on June 28, 2023, with the approval of the Proposal Trustee, the Companies issued a notice of disclaimer to PNP in respect of the Manufacturing Contract (the "**Disclaimer**") in accordance with s 65.11 of the BIA. A copy of the Disclaimer is attached as Exhibit "**B**".
39. Concurrently with the Disclaimer, solicitors for the Companies sent PNP a demand for the Equipment Fee and Manufacturing Fee, each of which is payable upon the termination of the Manufacturing Contract (the "**Demand Letter**"). A copy of the Demand Letter is attached as Exhibit "**C**".
40. On June 30, 2023, in-house counsel to PNP requested that the Companies provide written reasons ("**Request for Written Reasons**") for the Disclaimer within five days pursuant to section 65.11(9) of the BIA. The Request for Written Reasons is attached to my Affidavit as Exhibit "**D**".
41. In accordance with the timelines required by section 65.11(9) of the BIA, the Companies provided written reasons (the "**Written Reasons**") for the Disclaimer to PNP on July 5, 2023. A copy of the Written Reasons is attached as Exhibit "**E**".
42. On July 20, 2023, counsel for Cronos and PNP sent a letter (the "**July 20 Letter**") to counsel for the Companies requesting, among other things, that the Companies withdraw the Disclaimer. A copy of the July 20 Letter is attached as Exhibit "**F**".

43. On July 21, 2023, counsel for the Companies wrote to counsel to Cronos and PNP in response to the July 20 Letter (the "**July 21 Letter**"). A copy of the July 21 Letter is attached as Exhibit "**G**".
44. I understand that Cronos and PNP intend to bring an application to: (i) extend the 15-day period for which it can file an application to dispute the Disclaimer, and (ii) if the extension is granted, seek an order declaring that the Manufacturing Contract cannot be disclaimed (the "**Disclaimer Dispute**").
45. On July 24, 2023, counsel to Cronos and PNP wrote to counsel for the Companies (the "**July 24 Letter**") indicating that they intend to file an application in relation to the Disclaimer Dispute that day, returnable July 31, 2023. A copy of the July 24 Letter is attached to my Affidavit as Exhibit "**H**".
46. In the event that Cronos and PNP proceed with the Disclaimer Dispute, the Companies may seek approval of a litigation schedule to ensure that the Disclaimer Dispute is determined expeditiously and in any event prior to the expiry of the time for filing a proposal.

## RELIEF REQUESTED

### *Extension of Time to File a Proposal*

47. An extension of time for the Companies to file a proposal or proposals is a material component of the NOI Proceeding to allow the Companies to restructure their affairs, including negotiating and completing the SISP and closing one of the transaction of the Phase 2 Qualified Bidders.
48. Since filing the NOI, the Companies have been diligently complying with the various requirements under the BIA, including:
  - (a) preparing and analyzing the list of creditors;
  - (b) providing the Proposal Trustee with access to the Companies' senior employees and books and records;
  - (c) completing a cash flow forecast to the week ending August 18, 2023;
  - (d) implementing and executing the SISP; and

(e) working with the Proposal Trustee to review and analyse the Binding Offers submitted in the SISP in order to pursue one of the transactions.

49. The Companies are working in good faith and with a view to maximize value for the Companies' creditors and other stakeholders.

50. I understand that in order to continue to work toward the formulation and filing of a proposal or proposals, the Companies will require an extension of the time period within which they may file a proposal or proposals to their creditors. In this regard:

(a) the Companies have acted and are acting in good faith and with due diligence both in the period prior to and since filing of the NOIs; and

(b) an extension will enhance the Companies' abilities to make a viable proposal or proposals following the completion of a transaction.

**CONCLUSION**

51. I swear this Affidavit in support of the Application and any other proper purpose in connection with these NOI proceedings.

52. I was not physically present before the commissioner when swearing this Affidavit but was linked with the commissioner utilizing video technology and that the protocol described in the Alberta Court of King's Bench Notice to the Profession and Public dated March 25, 2020 with respect to remote commissioning of Affidavits was followed.

SWORN BEFORE me at the City of Thornhill, in the Province of Ontario, this 24 day of July, 2023.

*Anna Kosa*

A Commissioner for Oaths in and for the Province of Alberta.

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Michael Krestell

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
**In and for the Province of Alberta**

AK

This is Exhibit "A" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
**In and for the Province of Alberta**

*AK*

Sales and Investment Solicitation Process – Division 1 Proposal  
Acquisition Opportunity: Dynaleo Inc.  
Cannabis – Infused Edibles Manufacturing, in Nisku, Alberta

# Innovative Solutions



**Dynaleo**

Premier, State of the Art, Edibles Manufacturing Facility, in Nisku, Alberta

Bid Deadline: June 23, 2023



*Handwritten signature*



# Investment or Asset Acquisition Opportunity

## Company Background

Dynaleo Inc. ("Dynaleo" or the "Company") is a business that offers cannabis infused edible products with a state of the art facility in Nisku, Alberta. In 2019, the Company began an extensive project, constructing an approximately 26,000 square foot leased facility, including licensed production and packaging rooms, QA offices, a vault and multiple ingredient/storage rooms. The non-licensed space consists of office space, maintenance shop, board room, lunch and training room, change rooms and a gowning area. Upon completion of the leasehold improvements, and receiving the required Health Canada licenses, the Company began operations in 2021.

Dynaleo's head office is located at 3365 11 Street, Nisku, AB (the "Leased Premises") and it shared the facility with a related company, Dynaleo Services Inc. ("Dynaleo Services"). This leased facility is well-located, in the warehouse district of Nisku, AB and perfectly situated for a manufacturing business.

The Company's assets (the "Assets") primarily consist of extensive tenant improvements related to the construction of the facility, high end manufacturing equipment, including production and manufacturing equipment for producing gummies, sorting equipment, packaging and labelling machinery.

Dynaleo boasts superior, state-of-the-art facilities, that provide an opportunity for profitability and growth in the future. This "turn-key ready" facility is considered a very rare find and an exciting purchase opportunity for any interested buyer.

The Company's assets can produce up to 50,000 gummies per hour and labelling capability in the range of 1,200 to 1,800 packaged bags per hour depending on the size.

## Court Process

On May 23, 2023, the Company filed a Notice of Intention to Make a Proposal ("NOI"). On May 30, 2023, the Honourable D.B. Nixon of the Court of King's Bench of Alberta (the "Court") granted an Order (the "SISP Order") in the NOI Proceedings which, among other things, authorized the Companies, with the assistance of the Proposal Trustee, to pursue all avenues of sale or investment in their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.

Further information regarding the SISP can be found on the following page or on HPI's website at [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

## Acquisition Highlights



- Standard Processing license to produce and sell Edibles, Plants/Seeds, Dried/Fresh, Extracts and Topicals
- Research license to conduct sensory testing onsite



- The leased facility offers ~26,000 square feet of space including several storage and temperature-controlled spaces.
- The facility is located in bays 2 and 3 of the building, which offers ample offices and storage space.
- The furnishings within the facility are of high-end quality and include extensive leasehold improvements.



- All equipment required for end-to-end production and packaging of gummies are of recent age and in very good condition.
- The equipment can produce cannabis infused and non-infused gummies without modification.



OK

**Dynaleo**

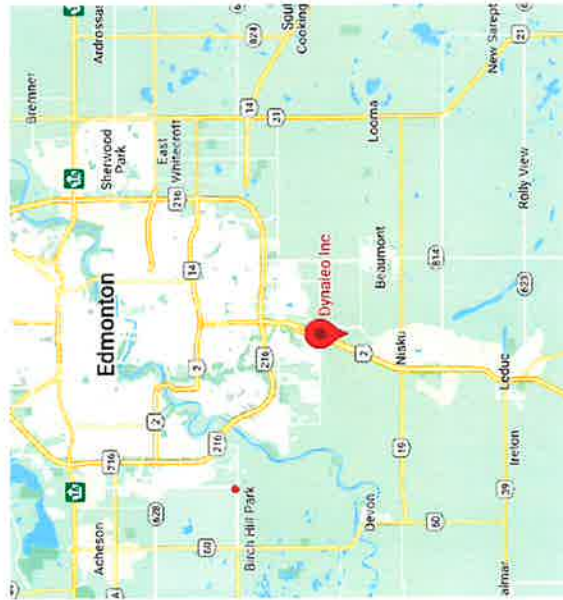
Harris & Partners

# Location Details

## Location Details

**Nisku Facility**  
Address: #2 and #3 – 3365 11 Street, Nisku, AB  
Facility Size: 26,000 square feet

## Location Map



## Facility Photos



*Note: Approximate outline of leased space*

# Developed Recreational and Wellness Brands

## THC ONLY



## CBD:THC



## CBD ONLY



### MINOR CANNABINOIDS



**CBG: CBD**  
Asian Pear 1:1 Soft Chews  
10mg CBG:10mg CBD x 30



**CBN: CBD**  
Lemon Ginger 2:1 Soft Chews  
5mg CBD : 10mg CBD x 30



**DELTA 8 : THC**  
Solar Punch 10:1 Soft Chews  
10mg Delta 8:1mg THC x 10



**CBN: THC**  
Blueberry Moon 2:1 Soft Chews  
2mg CBN:1mg THC x 10

Dynathrive, Pocket Fives, and Sunshower are the 4th largest edibles business in Canada, available in all key markets (BC, AB, SK, MB, ON).

FY 22 Revenue: \$5.9 MM  
FY 23 Revenue (4 months Jan - Apr): \$2.2 MM

FY 22 Revenue: \$5.9 MM  
FY 23 Revenue (4 months Jan - Apr): \$2.2 MM

Note: SKU availability by market varies

## Investment or Purchase Process and Next Steps

### Next Steps

HPI is conducting the SISP in accordance with the SISP Order. The respective SISP documents can be found on the Proposal Trustee's website: [www.hpiadvisory.com/dynaleo](http://www.hpiadvisory.com/dynaleo).

The SISP is intended to solicit interest in an investment in the business or completing a transaction of all or substantially all of the Company's Assets as defined on page 2. The SISP is conducted on an "*as is where is*" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Proposal Trustee or the Company whatsoever.

All qualified interested parties will be provided with an opportunity to participate in the SISP and are required to execute a Non-Disclosure Agreement that accompanies this Teaser to receive access to a data room with additional information. Please contact a representative of the Proposal Trustee listed below for further information.

Per the SISP, any interested party must abide by the following:

- **Phase I Non-Binding Bid Deadline:** 5:00pm (Calgary Time) on June 23, 2023
- **Phase II Binding Bid Deadline:** 5:00pm (Calgary Time) on July 7, 2023

HPI reserves the right at any time to amend or terminate these SISP procedures, to decline an interested party the ability to participate in the process, to terminate the discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

**Jill Strueby**  
Senior Vice President  
Calgary  
403.800.1574  
jill@harrispartners.ca

**Harris & Partners Inc.**  
Atilius Centre  
Suite 1910, 6th Ave SW  
Calgary, Alberta T2P

**Adam Fisher**  
Senior Vice President  
Toronto  
416.318.2307  
adam@harrispartners.ca



**Dynaleo**

**Harris & Partners**

This is Exhibit "B" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
**In and for the Province of Alberta**

*AK*

FORM 44.1

Notice by Debtor to Disclaim or Resiliate an Agreement  
(Section 65.11 of the *Bankruptcy & Insolvency Act*  
(Canada); Rule 94.1)

To: Peace Naturals Project Inc. and Harris & Partners Inc.

Take notice that:

1. A notice of intention to make a proposal in respect of Dynaleo Inc. was filed under subsection 50.4 of the *Bankruptcy & Insolvency Act* (Canada) on the 23<sup>rd</sup> day of May, 2023

2. Pursuant to subsection 65.11(1) of the *Bankruptcy & Insolvency Act* (Canada), Dynaleo Inc. gives you notice of its intention to disclaim or resiliate the following agreement:


**Contract Manufacturing Agreement dated July 29, 2022 between Peace Natural Project Inc. and Dynaleo Inc., including any schedules and amendments thereto.**

3. Pursuant to subsection 65.11(3) of the *Bankruptcy & Insolvency Act* (Canada), within 15 days after the date on which this notice is given, any party to the agreement may, with notice to the other parties to the agreement and the trustee, apply to the Court for an order that the agreement is not to be disclaimed or resiliated.

4. Pursuant to subsection 65.11(6) of the *Bankruptcy & Insolvency Act* (Canada), if no application for an order is made in accordance with subsection 65.11(3) of the *Bankruptcy & Insolvency Act* (Canada), the disclaimer or resiliation of the agreement will become effective on the 28<sup>th</sup> day of July, 2023 (being 30 days after the date on which this notice has been given).

Dated at Calgary, Alberta, this 28<sup>th</sup> day of June, 2023.

Dynaleo Inc.  
Per:



The trustee approves the proposed disclaimer or resiliation.

Dated at Calgary, Alberta, this 28<sup>th</sup> day of June, 2023

Harris & Partners Inc., in its capacity  
as Proposal Trustee of Dynaleo Inc.  
and not in its personal capacity  
Per:



\_\_\_\_\_  
Licensed Insolvency Trustee

AK

This is Exhibit "C" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
In and for the Province of Alberta

*AK*



**MILLER THOMSON**  
AVOCATS | LAWYERS

**MILLER THOMSON LLP**  
700 - 9TH AVENUE S.W., SUITE 3000  
CALGARY, AB T2P 3V4  
CANADA

T 403.298.2400  
F 403.262.0007

[MILLERTHOMSON.COM](http://MILLERTHOMSON.COM)

June 28, 2023

**Via Email: [legal@thecronosgroup.com](mailto:legal@thecronosgroup.com)**

Peace Naturals Project Inc.  
c/o Cronos Group Inc.  
111 Peter Street, Suite 300  
Toronto, ON M5V 2H1

**James W. Reid**  
Direct Line: 403.298.2418  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File: 0277934.0001

Attention: Legal Department

**Re: Contract Manufacturing Agreement, dated July 29, 2022 ("Contract")  
Demand for Payment**

We are counsel to Dynaleo Inc. ("**Dynaleo**"). We write further to the June 15, 2023, e-mail from Kristyann Skwaruk of Dynaleo to Jeff Jacobson of Cronos Group Inc. ("**Cronos**") requesting payment of the \$551,960.49 that will be owing from Peace Naturals Project Inc. c/o Cronos to Dynaleo upon termination of the Contract, a copy of which is enclosed for your reference. Dynaleo did not receive a response to the e-mail.

Pursuant to the disclaimer notice which is delivered in conjunction with this letter, the Contract will be terminated effective July 28, 2023. Accordingly, pursuant to sections 17(f)(iv), 17(f)(v) and 17(f)(vi) of the Contract, Dynaleo makes demand for payment of the amounts owing to it by Peace Naturals Project Inc. c/o Cronos under the Contract, calculated as follows:

Materials, less repurposed materials	\$447,960.49
Equipment Fee	\$104,000.00
<b>TOTAL</b>	<b>\$551,960.49</b>

Payment can be made to our office by bank draft or wire transfer. Our wire instructions are attached as Schedule A.

AK



If the full balance owing is not received by our office on or before **August 1, 2023**, Dynaleo shall take such action as may be necessary to enforce its rights as set out in the Contract.

Yours truly,  
MILLER THOMSON LLP

Per:



James W. Reid  
Partner

Enclosures

c. Jill Strueby (Harris & Partners Inc.)  
70828520.3



ax



## Schedule A

### Miller Thomson LLP Trust Wire Instructions

Bank of Montreal  
595 – 8 Avenue S.W.  
Calgary, AB T2P 1G1

Transit: 25159  
Institution: 001  
Account: 045 717  
Swift Code: BOFMCAM2

AK

This is Exhibit "D" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
**In and for the Province of Alberta**

*AK*

---

**From:** Michael Akavan <michael.akavan@thecronosgroup.com>  
**Sent:** Friday, June 30, 2023 4:29 PM  
**To:** Reid, James  
**Cc:** 'Jill Strueby'; McClarty, Joel; Ceko, Marica; Terry Doucet; Mike Weizel  
**Subject:** [\*\*EXT\*\*] RE: ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

Mr. Reid,

Pursuant to subsection 65.11(9) of the *Bankruptcy and Insolvency Act* (Canada), we request that the debtor provide in writing the reasons for the proposed disclaimer or resiliation within five days.

Regards,  
Michael

**Michael L. Akavan**  
Deputy General Counsel, Head of Litigation



NASDAQ: CRON | TSX: CRON

**From:** Reid, James <jwreid@millerthomson.com>  
**Sent:** Wednesday, June 28, 2023 4:13 PM  
**To:** Legal <legal@thecronosgroup.com>  
**Cc:** 'Jill Strueby' <jill@harrispartners.ca>; McClarty, Joel <jmclarty@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>  
**Subject:** ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As counsel to Dynaleo Inc., please see attached for service on Peace Naturals Project Inc. c/o Cronos Group Inc.:

1. Demand Letter with enclosure
2. Notice of Disclaimer of Agreement

Sincerely,

**JAMES W. REID**  
Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**

AK

3000, 700 - 9th Avenue SW  
 Calgary, Alberta T2P 3V4  
 Direct Line: +1 403.298.2418  
 Cell: +1 403.669.1930  
 Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
[millerthomson.com](http://millerthomson.com)



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 [EXTERNAL EMAIL / COURRIEL EXTERNE]

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Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

-----

This is Exhibit "E" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
Notary Public and Commissioner for Oaths  
In and for the Province of Alberta

*AKC*

**REASONS FOR DISCLAIMER PURSUANT TO SECTION 65.11(9) OF THE BIA****To: Peace Naturals Project Inc. ("PNP")**

Whereas:

- A. On May 23, 2023, Dynaleo Inc. ("**Dynaleo**" or the "**Company**") commenced proposal proceedings (the "**Proposal Proceedings**") under the *Bankruptcy and Insolvency Act* (the "**BIA**") and Harris & Partners Inc. was appointed as the proposal trustee ("**Proposal Trustee**") in the BIA Proceedings ("**Proposal**").
- B. On June 28, 2023, in accordance with subsection 65.11(1) of the BIA, the Company gave PNP notice of its intention to disclaim or resiliate a Contract Manufacturing Agreement dated July 29, 2022 made between PNP and the Company ("**Agreement**").
- C. On June 30, 2023 at 4:29 pm (MDT), PNP requested reasons in writing for the disclaimer of the Agreement pursuant to subsection 65.11(9) of the BIA. The requested reasons are set out below.

Reasons for Disclaimer

The Company considered a number of factors in determining to disclaim the Agreement including:

1. Leading up to and following the commencement of the Proposal Proceedings, the Company, in consultation with the Proposal Trustee, undertook a review of certain contracts to consider whether disclaiming them would assist improve the Company's challenging liquidity position and/or facilitate the prospect of a viable proposal being made by the Company.
2. There was limited on-going business operations occurring between the Company and PNP pursuant to the Agreement prior to the commencement of the Proposal Proceedings. During the Proposal Proceedings, the Company fulfilled two orders from PNP, identified as Order Number: 2023-00893-00 and Order Number: 2023-00893-01 ("**Orders**"), which PNP has paid for in full in accordance with the terms of the Agreement. Since that time there has been no further business occurring between the two parties and no further business will occur as the Company has ceased fulfilling orders.
3. As part of the Proposal Proceedings, the Company commenced a Court-approved sale and investment solicitations process (the "**SISP**") to seek to identify a potential sale or restructuring transaction that would maximize the value of the Company's business for the benefit of the Company and its stakeholders. Prior to determining whether to disclaim the Agreement, the Company waited for the results of the first phase of the SISP. Thereafter, the Company considered the letter of intent submitted by PNP and those received from other parties and considered whether disclaiming the Agreement would negatively impact the SISP.
4. The Company determined that the disclaimer of the Agreement would not negatively impact the outcome of the SISP.
5. The Company reviewed the nature, terms, and purpose of the Agreement in detail, and believes that the Agreement does not constitute any of the types of contracts that are exceptions to the statutory regime of Section 65.11 of the Act.
6. The Company believes disclaiming the Agreement will improve its liquidity and enhance the prospects of a viable proposal being made by the Company.

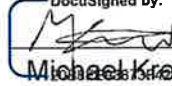
7. The Company consulted with the Proposal Trustee and the Proposal Trustee reviewed and approved of the Company's disclaimer of the Agreement prior to it being issued.

Dated at Nisku, Alberta on July 5, 2023.

**DYNALEO INC.**

DocuSigned by:

Per:



Michael Kostell,  
Executive Chairman

AK



This is Exhibit "F" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
Notary Public and Commissioner for Oaths  
In and for the Province of Alberta





Blake, Cassels & Graydon LLP  
 Barristers & Solicitors  
 Patent & Trademark Agents  
 855 - 2nd Street S.W.  
 Suite 3500, Bankers Hall East Tower  
 Calgary AB T2P 4J8 Canada  
 Tel: 403-260-9600 Fax: 403-260-9700

**Kelly J. Bourassa**

Partner

Dir: 403-260-9697

kelly.bourassa@blakes.com

July 20, 2023

**VIA E-MAIL**

Reference: 14986/62

Miller Thomson LLP  
 3000, 700 - 9th Avenue SW  
 Calgary, Alberta T2P 3V4

**Attention: James W. Reid**

**RE: *In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc., et al.*  
 Action No. 24-2946872 and 24-2946871 (the "Proceedings")**

---

Dear Sir:

As you are aware, we are counsel to Cronos Group Inc. ("**Cronos**") and Peace Naturals Project Inc. ("**PNP**") in connection with the above-noted matters. We are writing with respect to the disclaimer notice (the "**Disclaimer**") provided by Dynaleo Inc. ("**Dynaleo**"), dated June 28, 2023, which states that Dynaleo intends to disclaim the Contract Manufacturing Agreement between Dynaleo and PNP agreed to as of the 29<sup>th</sup> day of July 2022 (the "**Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement.

We are also in receipt of your e-mail dated July 19, 2023 (the "**E-mail**") wherein you condition an earlier agreement to extend our client's time to object to the Disclaimer (which we understand was agreed to without details with former counsel to Cronos and PNP) and the return of Moulds and Direct Materials on payment of the Equipment Fee by our client.

Based on our review of the materials filed in the Proceedings, including the "Reasons for Disclaimer Pursuant to Section 65.11(9) of the BIA" provided by Dynaleo to our client on July 5, 2023, the Disclaimer does not appear to serve any legitimate purpose under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"). Further, there is no evidence to suggest that the Disclaimer "would enhance the prospects of a viable proposal being made in respect of" Dynaleo.

As you know, at the time of the Disclaimer, there were no ongoing performance obligations of Dynaleo to PNP under the Agreement, which will expire on its terms on July 29, 2023. On expiration of the Agreement, the only amounts which may be owing from PNP to your client would be the Equipment Fee, which is under review by PNP in light of Section 6(e) of the Agreement. It appears that the Disclaimer was issued, with a view to creating a "termination" of the Agreement, one day prior to its expiration in an attempt by your client to fabricate a claim against our client which is not supported by the Agreement or the general requirement that a debtor in BIA proposal proceedings must act in good faith in carrying out its restructuring proceedings.

Our client is not prepared to accept the terms set out in the E-mail for an extension of time to object to the Disclaimer. If your client is not prepared to withdraw the Disclaimer immediately, our client intends to make an application to the Court of King's Bench of Alberta for an order: (i) that the Agreement cannot be disclaimed; (ii) requiring the immediate return of the Moulds and Direct Materials; and (iii) declaring that no amounts are owing from our client to Dynaleo. In any such application, our client intends to seek costs as against your client.

Yours truly,

Kelly J. Bourassa

c: Client  
R. Zahara, *MLT Aikins LLP* (Counsel to the Proposal Trustee)  
J. Strueby, *Harris & Partners Inc.* (Proposal Trustee)

This is Exhibit "G" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
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**MILLER THOMSON**  
AVOCATS | LAWYERS

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T 403.298.2400  
F 403.262.0007

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July 21, 2023

**Private and Confidential**

**Sent via E-mail**

Blake, Cassels & Graydon LLP  
855 - 2nd Street SW  
Suite 3500, Bankers Hall East Tower  
Calgary, Alberta T2P 4J8

Attention: Kelly J. Bourassa

**James W. Reid**  
**Partner**  
Direct Line: +1 403.298.2418  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File No. 277934.1

**Re: In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc. and  
Dynaleo Group Services Inc.  
Action No. 24-2946872**

Dear Madame:

We are counsel to Dynaleo Inc. and Dynaleo Group Services Inc. (collectively, "**Dynaleo**"). We write in response to your letter dated July 20, 2023, as counsel to Cronos Group Inc. and Peace Naturals Project Inc. (collectively, "**Cronos**"). Capitalized terms used herein and not otherwise defined have the meanings given to them in the Contract Manufacturing Agreement dated July 29, 2022 between Dynaleo and Cronos (the "**Agreement**") or your letter.

Extension of time to object to Disclaimer

We disagree with the assertion that Dynaleo agreed to an indefinite extension of time for Cronos to bring an application to object to the Disclaimer. In anticipation of being retained by Cronos, Torys LLP informally asked for an extension to object to the Disclaimer if they were ultimately retained and instructions were ultimately received to do so. This counsel was to contact me once retained and instructions were received to formalize the request. No call was made and this counsel was ultimately not engaged for this issue. No agreement as to the terms for an extension for Cronos to object to the Disclaimer was ever established. Enclosed is correspondence between me and Torys LLP showing that Torys LLP never received instructions regarding the Disclaimer extension request.

The first time we received confirmation that Cronos intended to dispute the Disclaimer was a full week later, when your office was engaged. Cronos' first official request for an extension from its retained counsel that had instructions was made July 17, 2023, four days after the 15 day deadline for Cronos to file its application under s. 65.11(3) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") had expired.

Cronos at all times was aware of the strict timelines required by the BIA pertaining to disclaimer notices and held Dynaleo to those strict timelines when it requested written reasons

*AK*

for the Disclaimer. Enclosed is a copy of this correspondence from Cronos Deputy General Counsel to this effect.

To date, no extension of time to bring a s. 65.11(3) BIA application was agreed to between the parties. Even if a reasonable extension was granted by Dynaleo as alleged, waiting a full week to confirm Cronos' intentions to dispute the Disclaimer is unreasonable. Cronos is out of time to bring an application objecting to the Disclaimer, which, but for Cronos' early termination of the Agreement discussed below, otherwise would have become effective on July 28, 2023, by operation of s. 65.11(6)(a) of the BIA.

#### Early Termination of the Agreement by Cronos

As you know, section 6(d) of the Agreement states "*Upon expiration or termination of this Agreement, Dynaleo shall ship the Moulds to [Cronos] as soon as reasonably practicable . . . or as otherwise mutually agreed by the Parties in writing*". It has always been the intention of Dynaleo to return the Moulds following termination of the Agreement. Your letter is a further request from Cronos for the Moulds prior to the expiry of the Agreement. We accept this request as confirmation the Agreement has been terminated effective immediately.

Given this termination of the Agreement, Dynaleo has initiated steps to return the Moulds to Cronos. Dynaleo expects to be in a position to deliver the Moulds to Cronos by mid-next week. If Cronos wishes to pick-up the Moulds, please advise.

With respect to the Direct Materials, since early June Dynaleo has tried to facilitate the wind-down of the contractual relationship and the return of the Direct Materials to Cronos. As has been repeatedly stated to your client by Dynaleo and the Proposal Trustee, before Dynaleo can release the Direct Materials to Cronos, the Proposal Trustee needs to complete an inventory to confirm which property Cronos has an ownership interest in. Enclosed are emails from June 8, 2023, and June 15, 2023, to Cronos from the Proposal Trustee and Dynaleo, respectively, requesting this information. Cronos did not respond to either of these emails.

My email from Wednesday was a further request for the information needed by the Proposal Trustee to reconcile the Direct Materials from the Dynaleo inventory to sign off on the release. Dynaleo and the Proposal Trustee look forward to receiving those records from your client as soon as possible so that Dynaleo is not incurring further costs to store and maintain these materials.

#### Equipment Fee

You state in your letter that the Equipment Fee is being reviewed pursuant to section 6(e) of the Agreement. Section 6(e) of the Agreement only allows Cronos to holdback from paying the Equipment Fee if any Equipment purchased pursuant to the Agreement is unable to produce applicable Goods in accordance with the Specifications.

As you note in your letter, at the time we provided the notice of Disclaimer, no orders were pending from Cronos under the Agreement. All orders that were placed by Cronos had been fulfilled by Dynaleo and there were no orders in production. More than 300,000 units were provided by Dynaleo to Cronos under the Agreement, including approximately 60,000 units since the commencement of these proceedings. All batches were completed with Cronos' quality assurance team on site. Each delivery from Dynaleo passed Cronos' Q.A. inspection,



AK

and was accepted, paid for and subsequently sold by Cronos. No order was returned for failure to meet the Specifications.

Your letter is the first time that Cronos has advised the Equipment Fee is under review. Notably, Cronos had advised that it was interested in making a bid for the Equipment in these proceedings. After the June 15, 2023, mutual termination email, Cronos made arrangements to tour the Dynaleo facility on June 20, 2023, with the purpose of contemplating a bid for the Equipment or other assets of Dynaleo. Copies of correspondence to this effect is enclosed.

We do not agree there is any validity to Cronos' section 6(e) review. Withholding the Equipment Fee appears to be an attempt by Cronos to deny Dynaleo of much needed capital so as to pressure it into walking away from its claim for the materials that cannot be repurposed. As discussed below these materials were purchased by Dynaleo at Cronos' request based on Cronos' forecasts, which Cronos ultimately could not live up to.

#### Timing of the Notice of Disclaimer

Your letter suggests that the amounts Dynaleo is entitled to receive from Cronos upon the termination of the Agreement is a windfall to Dynaleo or a "fabricated" claim. This is not accurate.

Upon termination of the Agreement, Cronos must reimburse Dynaleo for the materials that Cronos required that Dynaleo procure pursuant to Cronos' anticipated needs. As it turned out, Cronos' forecasted demand for gummy production from Dynaleo was massively overstated, which resulted in Dynaleo purchasing a significant amount of materials which cannot be repurposed. Cronos' inaccurate forecasting has resulted in Dynaleo incurring damages far in excess of the reimbursement for these materials that Dynaleo is now seeking.

With respect to the timing of the Disclaimer notice, Cronos sought to pick-up the Moulds and Direct Materials in early June, signaling that there would be no further orders and that the obligations of the parties under the Agreement were complete. Given that the Moulds are only to be returned upon expiry or termination of the Agreement per section 6(d), Cronos was acting as if the Agreement were terminated at that time. In response, when Dynaleo sought to enter into a mutual termination agreement, arrange the return of the Moulds, and sought payment of the fees owing to it upon termination, Cronos failed to respond.

After waiting two weeks for Cronos to respond, and with Cronos having shown its clear intention to end the contractual relationship between the parties, Dynaleo, with the consent of the Proposal Trustee, then issued the Disclaimer.

The intention to end the contractual relationship first came from Cronos. Dynaleo in no way sought to "fabricate" a claim as alleged. To the contrary, Cronos' failure to respond to the Proposal Trustee and Dynaleo is an attempt by Cronos to evade its termination obligations under the Agreement.

It appears from your letter that Cronos' position is that the parties should treat the Agreement as terminated, but with only one party (Dynaleo) complying with its post-termination obligations in returning the Moulds and Direct Materials. This position is unacceptable to Dynaleo.



AK

Good Faith

Dynaleo has at all times acted in accordance with its obligations under the Agreement as well as its obligations to act in good faith as a debtor in these insolvency proceedings. Dynaleo continues to show reasonable accommodations to Cronos as seen from our email from Wednesday.

The records show that Cronos has been non-responsive in: (i) deliberately avoiding, delaying, or stalling the termination of the Agreement; (ii) dismissing Dynaleo's attempts at a mutual wind-up resolution of the Agreement; (iii) failing to respond to information requests of the Proposal Trustee; and (iv) ignoring the timelines required by the BIA. Threatening costs against Dynaleo in these circumstances is an attempt to impose financial impediments upon a financially challenged company, to pressure it into abandoning its legitimate claim, for the benefit of Cronos at the expense of the estate.

Such treatment is not constructive, especially when very reasonable accommodations were extended to Cronos but were refused. We hope that parties can work more constructively going forward to resolve as many issues as possible, including the transition of the Moulds and Direct Materials to Cronos, the treatment of the Equipment Fee, and an appropriate litigation schedule to hear any application Cronos may bring in respect of the Disclaimer.

Yours truly,



Per:

James W. Reid  
Partner  
JWR/

- c. R. Zahara, MLT Aikins LLP (Counsel to the Proposal Trustee)  
J. Strueby, Harris & Partners Inc. (Proposal Trustee)





---

**From:** Kashuba, Kyle <kkashuba@torys.com>  
**Sent:** Monday, July 17, 2023 4:35 PM  
**To:** Reid, James  
**Subject:** Re: Dynaleo

That's correct. Quite a few developments here that led to a change in strategy. Apologies on having to wait on formal instructions. Hope you had a good Stampede!

Kyle

Kyle Kashuba  
*Partner*

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679

On Jul 17, 2023, at 4:29 PM, Reid, James <jwreid@millerthomson.com> wrote:

Hi Kyle. Kelly Bourassa called. They have been engaged by Cronos. I will assume going forward we will be dealing with her. Please advise if you hear otherwise.

Sincerely,

**JAMES W. REID**

Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**  
3000, 700 - 9th Avenue SW  
Calgary, Alberta T2P 3V4  
**Direct Line:** +1 403.298.2418  
**Cell:** +1 403.669.1930  
**Email:** [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
[millerthomson.com](http://millerthomson.com)



**From:** Kashuba, Kyle <kkashuba@torys.com>  
**Sent:** Monday, July 17, 2023 4:25 PM  
**To:** Reid, James <jwreid@millerthomson.com>  
**Subject:** Re: Dynaleo

Hi James,

I have asked for instructions on your requests below, but can tell you that I have also suggested that Cronos reach out to other counsel given a couple of recent developments. They should be in contact shortly.

Thanks,

Kyle

Kyle Kashuba  
*Partner*

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679

On Jul 17, 2023, at 3:32 PM, Reid, James <[jwreid@millertomson.com](mailto:jwreid@millertomson.com)> wrote:

Hi Kyle,

Following up on your firm's engagement of Cronos in the Dynaleo matter, can you advise of your client position in respect of the attached demand, Dynaleo's email from June 15, and the contract disclaimer.

Sincerely,

**JAMES W. REID**

Providing services on behalf of a Professional Corporation  
**Partner**

**Miller Thomson LLP**  
**3000, 700 - 9th Avenue SW**  
Calgary, Alberta T2P 3V4  
**Direct Line:** +1 403.298.2418  
**Cell:** +1 403.669.1930  
**Email:** [jwreid@millertomson.com](mailto:jwreid@millertomson.com)  
**millertomson.com**

**From:** Kashuba, Kyle <[kkashuba@torys.com](mailto:kkashuba@torys.com)>  
**Sent:** Tuesday, July 11, 2023 10:39 AM  
**To:** Reid, James <[jwreid@millertomson.com](mailto:jwreid@millertomson.com)>  
**Subject:** [**\*\*EXT\*\***] Fwd: Voice Message From: 1 (403) 2982400 [Dynaleo]

Hi James,

I'm just out at an event this morning but will ring you this afternoon.

Thanks,

Kyle

Kyle Kashuba  
*Partner*

Begin forwarded message:

P. 403.776.3744 | F. 403.776.3800 | 1.800.505.8679  
525 - 8th Avenue S.W., 46th Floor, Eighth Avenue Place East  
Calgary, Alberta T2P 1G1 Canada | [www.torys.com](http://www.torys.com)

**From:** "1(403)2982400" <[tel=1\\_403\\_2982400@voicemail.torys.com](mailto:tel=1_403_2982400@voicemail.torys.com)>  
**Date:** July 11, 2023 at 9:00:00 AM MDT  
**To:** "Kashuba, Kyle" <[kkashuba@torys.com](mailto:kkashuba@torys.com)>  
**Subject:** Voice Message From: 1 (403) 2982400

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---

**From:** Michael Akavan <michael.akavan@thecronosgroup.com>  
**Sent:** Friday, June 30, 2023 4:29 PM  
**To:** Reid, James  
**Cc:** 'Jill Strueby'; McClarty, Joel; Ceko, Marica; Terry Doucet; Mike Weizel  
**Subject:** [\*\*EXT\*\*] RE: ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.  
**Attachments:** image001.png; image002.png

Mr. Reid,

Pursuant to subsection 65.11(9) of the *Bankruptcy and Insolvency Act* (Canada), we request that the debtor provide in writing the reasons for the proposed disclaimer or resiliation within five days.

Regards,  
Michael

**Michael L. Akavan**  
Deputy General Counsel, Head of Litigation



**NASDAQ: CRON | TSX: CRON**

**From:** Reid, James <jwreid@millerthomson.com>  
**Sent:** Wednesday, June 28, 2023 4:13 PM  
**To:** Legal <legal@thecronosgroup.com>  
**Cc:** 'Jill Strueby' <jill@harrispartners.ca>; McClarty, Joel <jmclarty@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>  
**Subject:** ITMO v. Dynaleo Inc. and Dynaleo Group Services Inc.

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As counsel to Dynaleo Inc., please see attached for service on Peace Naturals Project Inc. c/o Cronos Group Inc.:

1. Demand Letter with enclosure
2. Notice of Disclaimer of Agreement

Sincerely,

**JAMES W. REID**  
Providing services on behalf of a Professional Corporation  
Partner

Miller Thomson LLP  
3000, 700 - 9th Avenue SW  
Calgary, Alberta T2P 3V4  
Direct Line: +1 403.298.2418  
Cell: +1 403.669.1930  
Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
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AK

**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** Thursday, June 8, 2023 3:18 PM  
**To:** Michael Krestell; Jill Markey; Kristy Skwaruk  
**Cc:** Mike Weizel; Kevin Fox  
**Subject:** RE: Cronos Follow Up

Good afternoon,

Please note that the Company is in a restructuring process and continues to have ongoing operations. It was not clear from the email below what the purpose of your request is or why it is required at this time?

Additionally, we have not received a response to our queries on the inventory request, so the Company is not able to schedule a delivery for Tuesday until they have been responded to.

Please kindly respond to the questions sent earlier today, as the Company is not in a position to release any items until we have received satisfactory responses and confirmed that we are in agreement to proceed.

We would be happy to set up a call to discuss any questions you may have.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
 Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
 W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Michael Krestell <michael@dynaleo.com>  
**Sent:** Thursday, June 8, 2023 2:55 PM  
**To:** Jill Markey <jill.markey@thecronosgroup.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Cc:** Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Jill Strueby <jill@harrispartners.ca>  
**Subject:** Re: Cronos Follow Up

Hi Jill and thanks for your note. I am doing well, and I hope that you are too. I am copying Jill Strueby from Harris & Partners advisory as she is the trustee on our file.

Before we can commit to any action or timeline, we want to be certain that the wind down of this relationship follows the terms of our contract. I will ask them to meet tomorrow and then get back to you with what we can do and when it can be done after that.

AK

Regards,

Michael

**Michael Krestell, CFA, MBA**  
Executive Chairman

☎ 647.274.3655  
✉ [michael.krestell@dynaleo.com](mailto:michael.krestell@dynaleo.com)  
🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7




---

**From:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>  
**Date:** Thursday, June 8, 2023 at 2:49 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>, Michael Krestell <[michael@dynaleo.com](mailto:michael@dynaleo.com)>  
**Cc:** Mike Weizel <[michael.weizel@thecronosgroup.com](mailto:michael.weizel@thecronosgroup.com)>, Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>  
**Subject:** Cronos Follow Up

[MAIL ORIGINATED FROM EXTERNAL]

Hello Kristy, Michael, I hope you are well

Can you please provide the below - #1 on Tuesday 6/13 and #2 and #3 by Thursday 6/15?

- 1) All retention samples on hand at your facility – in the event we need for a recall – can you please include in Tuesday's pick up?
- 2) Proof and certificate of destruction for any proprietary materials not limited to (bulk gummies, branded pouches, flavors and colors in our formulas including name labels)
- 3) Proof and certificate of destruction of all confidential information, trade secrets.

Thank you,

**Jill Markey**  
Manager, Contract Manufacturing

Mobile: +1-310-367-6478  
Email: [jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)



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OK

---

**From:** Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Sent:** Thursday, June 15, 2023 1:42 PM  
**To:** Jeffrey Jacobson  
**Cc:** Terry Doucet; Mike Weizel; Kevin Fox; Brent Merritt; Jill Markey; Jill Strueby; Michael Krestell; Reid, James  
**Subject:** RE: PO#4500007890 delay

Hi Jeff,

While there is currently a stay of proceedings in place preventing the exercise of rights against Dynaleo, I connected with Jill and there is mutual interest in resolving this matter quickly and to the benefit of both parties.

Please provide us with records of the Direct Materials you are claiming ownership to so we can reconcile it against existing inventory with the proposal trustee.

We note that the CMO agreement specifies that: (a) the Moulds are to be returned; and (b) Cronos is obligated to pay Dynaleo the Equipment Fee, in each case following termination or expiry of the CMO agreement. Based on our calculations, the Equipment Fee payable by Cronos on such event would be \$104,000. Further, we note that the CMO agreement states that Cronos will reimburse Dynaleo for packaging materials, raw materials that cannot be repurposed, and Dynaleo Materials that Cronos requested Dynaleo to procure. Based on our calculations, the fees payable by Cronos to Dynaleo for the materials would be \$447,960.49

In the interest of wrapping up the parties obligations under the CMO agreement, we would propose to enter into a customary termination agreement that results in the Direct Materials and the Moulds being returned early in exchange for the early payment of the Equipment and Materials Fees, which total \$551,960.49.

If this is acceptable, please let us know and provide the supporting documentation for the Direct Materials and we will provide a draft termination agreement for your review.

Sincerely,

**Kristyann Skwaruk**  
VP, Operations, Regulatory Affairs & People

☎ 587.338.7380  
✉ [kristy.skwaruk@dynaleo.com](mailto:kristy.skwaruk@dynaleo.com)  
★ [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7



AK

**From:** Jeffrey Jacobson <jeff.jacobson@thecronosgroup.com>  
**Sent:** Thursday, June 15, 2023 11:03 AM  
**To:** Jill Strueby <jill@harrispartners.ca>; Michael Krestell <michael@dynaleo.com>; Paul Matthews <Paul.Matthews@dynaleo.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; Alana Cabana <alana.cabana@dynaleo.com>  
**Cc:** Terry Doucet <terry.doucet@thecronosgroup.com>; Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Brent Merritt <brent.merritt@thecronosgroup.com>; Jill Markey <jill.markey@thecronosgroup.com>  
**Subject:** RE: PO#4500007890 delay

[MAIL ORIGINATED FROM EXTERNAL]

Hi Jill,

Thank you for the reply. We'll await the response.

Best,

**Jeff Jacobson**  
 Chief Growth Officer

Phone: +1 (416) 564-4254

Email: [jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)

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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** Thursday, June 15, 2023 1:01 PM  
**To:** Jeffrey Jacobson <jeff.jacobson@thecronosgroup.com>; Michael Krestell <michael@dynaleo.com>; paul.matthews@dynaleo.com; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; alana.cabana@dynaleo.com  
**Cc:** Terry Doucet <terry.doucet@thecronosgroup.com>; Mike Weizel <michael.weizel@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>; Brent Merritt <brent.merritt@thecronosgroup.com>; Jill Markey <jill.markey@thecronosgroup.com>  
**Subject:** RE: PO#4500007890 delay

Hi Jeff,

Thank you for your email. The Company is in the process of providing a response.

Sincerely,

AK

Jill Strueby CPA, CA, CIRP  
Partner | Licensed Insolvency Trustee



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**From:** Jeffrey Jacobson <[jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)>

**Sent:** Wednesday, June 14, 2023 2:37 PM

**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>; Michael Krestell <[michael@dynaleo.com](mailto:michael@dynaleo.com)>; [paul.matthews@dynaleo.com](mailto:paul.matthews@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)

**Cc:** Terry Doucet <[terry.doucet@thecronosgroup.com](mailto:terry.doucet@thecronosgroup.com)>; Mike Weizel <[michael.weizel@thecronosgroup.com](mailto:michael.weizel@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>

**Subject:** FW: PO#4500007890 delay

Hello Jill,

We received the response below from the Dynaleo team indicating that they are unable to release Cronos owned assets that are in Dynaleo's possession. These are (1) moulds for the production of our gummies, which Cronos holds an industrial design registration over (defined as the "Moulds" in the CMO agreement – attached for reference), and (2) two trade secret input materials that Cronos utilizes in the production of our gummies (collectively referred to as "Direct Materials" in the agreement).

Cronos provided these assets to Dynaleo in connection with a CMO agreement for the commercial supply of gummies from Dynaleo to Peace Naturals Project Inc. (a Cronos wholly owned subsidiary). The CMO agreement is clear that (i) PNP retains title to the Direct Materials at all times (see Section 4(a)), and (ii) PNP may retake possession of our Direct Materials at any time (see Section 4(f)).

It is of the utmost importance that we are able to collect these assets as soon as possible – these are highly confidential assets that Cronos has invested significant financial resources to develop and protect. These are not work-in-progress assets, Dynaleo has not paid for these assets, and the contract is clear that Cronos must be able to collect these assets upon demand. To be sure, the parties acknowledge in the CMO agreement that PNP would suffer immediate and irreparable harm or damage if Dynaleo continued to hold our Direct Materials following our demand to collect, and accordingly we would be entitled to a court order of possession without any need for proving damages or a bond.

We appreciate that the Dynaleo team is focused on strictly following the bankruptcy proceedings per your direction, but these assets are not Dynaleo's property, so we are once again requesting immediate access to collect our assets.

Please get back to me as soon as possible.

Thank you.

AK

**Jeff Jacobson**  
Chief Growth Officer

Phone: +1 (416) 564-4254

Email: [jeff.jacobson@thecronosgroup.com](mailto:jeff.jacobson@thecronosgroup.com)



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[TheCronosGroup.com](http://TheCronosGroup.com)  
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---

**From:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Sent:** Tuesday, June 13, 2023 4:36 PM

**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>; Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>

**Subject:** Re: PO#4500007890 delay

Hi Kyle,

Unfortunately until we receive approval from the trustee none of those items are within our authority to release.

Thanks, Paul

**Paul Matthews**

Vice President - Business Solutions

[587.338.6231](tel:587.338.6231)

[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)

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

3365 11 Street. Unit 2, Nisku, AB T9E 1K7

---

**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Sent:** Tuesday, June 13, 2023 2:15:41 PM

**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>

**Subject:** RE: PO#4500007890 delay

[MAIL ORIGINATED FROM EXTERNAL]

Thanks Alana!

Just wondering if we can load the following which were to go on this truck:

1. All of the remaining crono's ingredients (SKU 1 & SKU 2)
2. All of the moulds we purchased and shipped to you.

Thanks!

**Kyle Martin**  
Customer Supply Chain Manager

Mobile: 249-288-1635  
Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



TheCronosGroup.com  
NASDAQ: CRON | TSX: CRON

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**From:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>  
**Sent:** Tuesday, June 13, 2023 4:14 PM  
**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>  
**Cc:** Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>  
**Subject:** RE: PO#4500007890 delay

Hello Kyle,

See attached BOL and packing slip, in terms of the below, the shipment encompasses only line 1.

The truck is loaded and should be on route.

Kind regards,

**Alana Cabana**  
Director, Data Strategy & Analytics

☎ 587.341.7207  
✉ [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)  
🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7



**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>  
**Sent:** Tuesday, June 13, 2023 1:49 PM  
**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>  
**Subject:** RE: PO#4500007890 delay  
**Importance:** High

[MAIL ORIGINATED FROM EXTERNAL]

HEy Alana and Kristy!

Can you please confirm what we are loading? Wondering if you have a MPL or anything?  
Looking to confirm all of this is going on the truck?

1. PO# 4500007890 – 33,000 strawberry mango
2. All of the remaining cronos ingredients (SKU 1 & SKU 2)
3. All of the moulds we purchased and shipped to you.

Thanks!

**Kyle Martin**

Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Sent:** Tuesday, June 13, 2023 3:00 PM

**To:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>; Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Subject:** RE: PO#4500007890 delay

Hey Alana!

Just confirmed with my carrier they will be arriving in the next 20-25 min

Thanks!

**Kyle Martin**

Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)

AK



TheCronosGroup.com  
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**From:** Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>

**Sent:** Tuesday, June 13, 2023 2:58 PM

**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Paul Matthews <[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)>

**Subject:** RE: PO#4500007890 delay

Hi Kyle,

We have the shipment ready for pick up and are maintaining a limited staff to wait for the unit, do you know what time the carrier is scheduled to arrive for the pick up?

Appreciate the help in advance.

Kind regards,

**Alana Cabana**

Director, Data Strategy & Analytics

☎ 587.341.7207

✉ [alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)

🌐 [www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7



**From:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Sent:** Friday, June 2, 2023 8:27 AM

**To:** Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)>

**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; Courtney.Shaw@dynaleo.com; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Alana Cabana <[alana.cabana@dynaleo.com](mailto:alana.cabana@dynaleo.com)>

**Subject:** Re: PO#4500007890 delay

Hi Kyle,

AK



I messaged Kevin yesterday. Pickup would not be available until late in the day Thursday.

Thanks

Kristy

Sent from my iPhone

On Jun 2, 2023, at 7:25 AM, Kyle Martin <[kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)> wrote:

[MAIL ORIGINATED FROM EXTERNAL]

Good morning Courtney and Kristy,

Would you please be able to advise if Monday is okay to pickup? And how many pallets this would be?

Thanks!

**Kyle Martin**  
Customer Supply Chain Manager

Mobile: 249-288-1635

Email: [kyle.martin@thecronosgroup.com](mailto:kyle.martin@thecronosgroup.com)



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**From:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>  
**Sent:** Thursday, June 1, 2023 9:34 AM  
**To:** Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>; [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>  
**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jordan Kerr <[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>; Jeremy Spence <[jeremy.spence@thecronosgroup.com](mailto:jeremy.spence@thecronosgroup.com)>; Kyle Martin <[Kyle.Martin@thecronosgroup.com](mailto:Kyle.Martin@thecronosgroup.com)>  
**Subject:** RE: PO#4500007890 delay

Hi everyone. Can we action this to ship from Dyanleo to Stayner as soon as Dyna team can have it staged?

1. PO# 4500007890 – 33,000 strawberry mango

A handwritten signature in blue ink, appearing to be "AK".

2. All of the remaining crono's ingredients (SKU 1 & SKU 2)
3. All of the moulds we purchased and shipped to you.

Courtney/Kristy – can you confirm at your earliest the counts for the above and when we can pick up? Can we aim for Monday?

We will also have perspective on all ingredients by Wednesday next week – and can setup an alternate pick up for those.

thanks

-KF

**From:** Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>

**Sent:** Thursday, June 1, 2023 9:22 AM

**To:** [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>

**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson

<[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Jordan Kerr

<[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>

**Subject:** RE: PO#4500007890 delay

Good Morning,

Can you please update the status for subject mentioned PO?

**Leila Choupani**

Senior Supply Planning Manager

Cell: 416.823.4667

Email: [leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)



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**From:** Leila Choupani

**Sent:** Wednesday, May 31, 2023 11:06 AM

**To:** [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com); [Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)

**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Nicola Neilson

<[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Jordan Kerr

<[jordan.kerr@thecronosgroup.com](mailto:jordan.kerr@thecronosgroup.com)>

**Subject:** PO#4500007890 delay

Good Morning Dynaleo team,

Hope all is well with you.

AK

It looks like there's a delay on one the Pos which was supposed to be delivered to us on May 16<sup>th</sup>, can you please update the status on that PO: (highlighted in yellow)

			FIRM PO's	1st com Run
			PO#	4.5E+09
SKU Description	Sub Brand	Size	Prod Plant	2023-04-11 2023-04-11
BlueRasp Watermelon	5x0.2g	Dynaleo	Dynaleo	27,221
Spinach Peach Orange 1:1 - 5x0.2g	Peach Orange	5x0.2g	Dynaleo	26,308
Spinach Strawberry Mango - 5x0.2g	Strawberry Mango	5x0.2g	Dynaleo	15,903
Spinach Cherry Lime - 5x0.2g	Cherry Lime	5x0.2g	Dynaleo	1,200
TOTAL (EA)				43,411
TOTAL (MC)				144.7
TOTAL (PAL)				4.5

\* dates mentioned are transfer date (PO due date)  
 Yellow highlighted dates indicates delayed PO's

Thanks

**Leila Choupani**  
 Senior Supply Planning Manager

Cell: 416.823.4667  
 Email: [leila.choupanil@thecronosgroup.com](mailto:leila.choupanil@thecronosgroup.com)



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**From:** Jeenia Dhillon <[jeenia.dhillon@thecronosgroup.com](mailto:jeenia.dhillon@thecronosgroup.com)>  
**Sent:** Friday, May 12, 2023 10:55 AM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; Courtney.Shaw@dynaleo.com  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>; Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached update forecast for gummies.

AK

Thanks,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, April 28, 2023 3:32 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>;  
 Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached updated forecast for gummies.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Monday, April 17, 2023 6:35 PM  
**To:** 'Kristy Skwaruk' <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; 'Courtney.Shaw@dynaleo.com' <[Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)>  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>;  
 Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Leila Choupani <[leila.choupani@thecronosgroup.com](mailto:leila.choupani@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find attached updated forecast. Let us know if any queries.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, March 24, 2023 2:34 PM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>;  
 Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>  
**Subject:** RE: Dynaleo Gummy Forecast

Hi Kristy,

Please find updated forecast.

Regards,  
Jeenia

**From:** Jeenia Dhillon  
**Sent:** Friday, March 17, 2023 11:02 AM  
**To:** Kristy Skwaruk <[Kristy.Skwaruk@dynaleo.com](mailto:Kristy.Skwaruk@dynaleo.com)>; [Courtney.Shaw@dynaleo.com](mailto:Courtney.Shaw@dynaleo.com)  
**Cc:** Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>; Nicola Neilson <[nicola.neilson@thecronosgroup.com](mailto:nicola.neilson@thecronosgroup.com)>;

Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>

**Subject:** Dynaleo Gummy Forecast

Hi Kristy,

Please find attached gummy forecast for 6 months. Let us know any concerns.

Thanks,

**Jeenia Dhillon**

Mobile: 249-288-2154

AK

---

**From:** Paul Matthews <Paul.Matthews@dynaleo.com>  
**Sent:** Friday, June 9, 2023 2:13 PM  
**To:** Lidia Alfano; Jill Strueby; Kristy Skwaruk  
**Cc:** Brent Merritt  
**Subject:** Re: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

Yes, that is the correct address. We have gowning protocols at the facility that will need to be followed but have all required PPE onsite. Certain areas may not allow pictures but will advise of any areas that apply during the tour. Please have him call once he arrives at the front door as there will be no one at reception.

Thanks, Paul

**Paul Matthews**  
Vice President - Business Solutions  
[587.338.6231](tel:587.338.6231)  
[Paul.Matthews@dynaleo.com](mailto:Paul.Matthews@dynaleo.com)  
[www.dynaleo.com](http://www.dynaleo.com)

3365 11 Street. Unit 2, Nisku, AB T9E 1K7

---

**From:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Sent:** Friday, June 9, 2023 2:09:32 PM  
**To:** Jill Strueby <jill@harrispartners.ca>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>; Paul Matthews <Paul.Matthews@dynaleo.com>  
**Cc:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

[MAIL ORIGINATED FROM EXTERNAL]

Thank you Jill, Paul and Kristy

Brent's flight is booked for Tuesday June 20<sup>th</sup> and his arrival time will be 11:10am (MT). I have the address for Dynaleo as 3365 11<sup>th</sup> Street, Unit #2, Nisku AB. Please confirm and if any tour protocols to follow.

Regards,

**Lidia Alfano**  
Executive Assistant, Operations

Phone: 705.999.5874  
Mobile: 705.994.3536  
Email: [lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)



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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** June 9, 2023 11:46 AM  
**To:** Lidia Alfano <lidia.alfano@thecronosgroup.com>  
**Cc:** Paul Matthews <Paul.Matthews@dynaleo.com>; Kristy Skwaruk <Kristy.Skwaruk@dynaleo.com>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

Tuesday the 20<sup>th</sup> will work. I have cc'd Paul and Kristy, who will arrange to meet with Brent upon arrival.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
W: [www.harrispartnersadvisory.ca](http://www.harrispartnersadvisory.ca)



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**From:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Sent:** Friday, June 9, 2023 9:31 AM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hello Jill,

Please let me know when you've arranged and confirmed with the team for Tuesday June 20<sup>th</sup> so I can book Brent's travel in time.

Thank you,

AK

**Lidia Alfano**

Executive Assistant, Operations

Phone: 705.999.5874

Mobile: 705.994.3536

Email: [lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)

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**From:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Sent:** June 8, 2023 11:22 AM  
**To:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Cc:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Hi Lidia,

I am confident this can be arranged and will confirm with the team.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
 Partner | Licensed Insolvency Trustee



T: [403-800-1574](tel:403-800-1574) | M: [403-629-9848](tel:403-629-9848) | F: [905-479-2346](tel:905-479-2346)  
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**From:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Sent:** Thursday, June 8, 2023 8:59 AM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Good morning Jill,

AK



Would at tour on Tuesday June 20<sup>th</sup> early afternoon work for you and the facility team? Please let me know at your earliest convenience. As well, kindly confirm the address and any site tour protocols.

Thank you,

**Lidia Alfano**  
Executive Assistant, Operations

Phone: 705.999.5874  
Mobile: 705.994.3536  
Email: [lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)



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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** June 7, 2023 4:23 PM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Potentially Tuesday would that be good as tentative

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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AK

**From:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Sent:** June 7, 2023 4:09 PM  
**To:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

The week of the 19<sup>th</sup> should work. If there is a day that is best I can arrange with the team at the facility.

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee



**T:** [403-800-1574](tel:403-800-1574) | **M:** [403-629-9848](tel:403-629-9848) | **F:** [905-479-2346](tel:905-479-2346)  
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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** Wednesday, June 7, 2023 2:06 PM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** RE: Dynaleo - Investment or Purchase Opportunity

Is the week after next still available Jill – as I am unavailable next week

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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**From:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Sent:** June 7, 2023 3:13 PM  
**To:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Cc:** Lidia Alfano <[lidia.alfano@thecronosgroup.com](mailto:lidia.alfano@thecronosgroup.com)>  
**Subject:** Re: Dynaleo - Investment or Purchase Opportunity

Hi Brent,

Staff is available during the week to do tours. Was there a day that you were hoping to attend?

Sincerely,

Jill

On Jun 7, 2023, at 12:43 PM, Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)> wrote:

Hi Jill

I added my Admin and am wondering if there is a time I could arrange a trip to view the equipment we may be interested in purchasing from the Dynaleo site.

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)

[<image002.png>](#)

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---

**From:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Sent:** Thursday, June 22, 2023 9:59 AM  
**To:** Jill Strueby  
**Subject:** RE: Interest in Purchasing Raw Ingredients from Dynaleo

Hello Jill – I am interested in bidding on some of the equipment – can you tell me the process and what I have to do with that please. I understand its time sensitive and would like to get it done

**Thank you**  
**Brent Merritt**  
VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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**From:** Jill Strueby <jill@harrispartners.ca>  
**Sent:** June 8, 2023 1:42 PM  
**To:** Brent Merritt <brent.merritt@thecronosgroup.com>  
**Cc:** Jill Markey <jill.markey@thecronosgroup.com>; Kevin Fox <kevin.fox@thecronosgroup.com>  
**Subject:** RE: Interest in Purchasing Raw Ingredients from Dynaleo

Hi Brent,

Thank you for your interest in the inventory below.

We understood that there were additional inventory items that Cronos was looking at including flavoring, coloring, and bags that were specific to Cronos, but I do not see them included on the list below. Please confirm you are still interested in those specific items.

For the inventory you have listed below, it appears to be at lower than market value and the cost for shipping seems high given recent shipments we have seen. Can you please explain how you came up with these values?

If you are still interested in any of the inventory above please let us know.

A handwritten signature in blue ink, appearing to be "AK".

Sincerely,

**Jill Strueby CPA, CA, CIRP**  
Partner | Licensed Insolvency Trustee



T: 403-800-1574 | M: 403-629-9848 | F: 905-479-2346  
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**From:** Brent Merritt <[brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)>  
**Sent:** Thursday, June 8, 2023 8:31 AM  
**To:** Jill Strueby <[jill@harrispartners.ca](mailto:jill@harrispartners.ca)>  
**Cc:** Jill Markey <[jill.markey@thecronosgroup.com](mailto:jill.markey@thecronosgroup.com)>; Kevin Fox <[kevin.fox@thecronosgroup.com](mailto:kevin.fox@thecronosgroup.com)>  
**Subject:** FW: Interest in Purchasing Raw Ingredients from Dynaleo

Hello Jill

In addition to the equipment we have been discussing, we are interested in purchasing some raw materials from Dynaleo. Attached is a ***Below (and attached) is a summary, we would need to pick up by Tuesday 6/13, otherwise we will not proceed with the transaction.***

Before proceeding, we need to know that all containers are unopened, total pallet count and confirmation all ingredients will fit in 1 truck. Dynaleo needs to provide C of A's for the items by EOD today 6/8/23 so we can review and make sure this is an exact match for our production.

Assuming all containers are unopened, we can offer price in Column P for total quantity of the attached sheet (which is our cost, lower than Dynaleo cost in Column I), with a shipping discount of \$6,000 pre truck (not sure if it will fit in 1 or 2 trucks). If the materials need an additional truck, we will be requiring an additional \$6000 discount.

I have attached my Supply Chain Team as well. Let me know if this is acceptable

Dyanleo											Cronos
Facility	Materials	Part Number	Description	Lot	Quantity	Unit	Lot Cost	Value	Expiration Date	Container	Cronos Items
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002000	Acid - Citric Acid Anh.	500629918	25.00	Kilograms	\$ 3.79	\$ 94.75	2025-10-19	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002003	Acid - Malic, Regular	31/21	23.00	Kilograms	\$ 6.03	\$ 138.73	2023-08-02	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002003	Acid - Malic, Regular	31/21	25.00	Kilograms	\$ 6.03	\$ 150.80	2023-08-02	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002003	Acid - Malic, Regular	31/21	25.00	Kilograms	\$ 6.03	\$ 150.80	2023-08-02	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10002005	Acid - USP Tartaric, L(+)-tartaric acid	1522255	23.51	Kilograms	\$ 24.75	\$ 581.87	2026-06-01	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10332000	Erythritol - USP Monograph	20220903	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-09-14	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10332000	Erythritol - USP Monograph	20221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-12-20	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10332000	Erythritol - USP Monograph	20221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-12-20	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10332000	Erythritol - USP Monograph	20221215	1,000.00	Kilograms	\$ 4.09	\$ 4,090.00	2025-12-20	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	534.59	Kilograms	\$ 35.09	\$ 18,758.76	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	13.56	Kilograms	\$ 35.09	\$ 475.82	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	13.56	Kilograms	\$ 35.09	\$ 475.82	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	13.56	Kilograms	\$ 35.09	\$ 475.82	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	2.26	Kilograms	\$ 35.09	\$ 79.30	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	9.04	Kilograms	\$ 35.09	\$ 317.21	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10062001	Pectin - CF 130 B S1	1204203461	6.78	Kilograms	\$ 35.09	\$ 237.91	2024-07-27	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2222333	2,400.00	Kilograms	\$ 1.87	\$ 4,490.40	2025-11-29	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2223041	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-02-10	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2223074	2,400.00	Kilograms	\$ 1.89	\$ 2,269.80	2026-03-16	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2223074	1,580.00	Kilograms	\$ 1.87	\$ 2,956.18	2026-03-16	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2223090	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-03-31	Paper Bag Packaging	30000E
Nisku Plant	Ingredients	NPI10072000	Sugar - Fine	2223090	1,200.00	Kilograms	\$ 1.87	\$ 2,245.20	2026-03-31	Paper Bag Packaging	30000E
								\$ 54,985.40			

Thank you  
**Brent Merritt**  
 VP, Operations (NA)

Phone: 905 714-2084

Email: [brent.merritt@thecronosgroup.com](mailto:brent.merritt@thecronosgroup.com)



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*AK*

This is Exhibit "H" referred to in the Affidavit of Michael Krestell sworn before me this 24th day of July 2023

*Anna Kosa*

---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
Notary Public and Commissioner for Oaths  
In and for the Province of Alberta

*AK*



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**Kelly J. Bourassa**

Partner

Dir: 403-260-9697

kelly.bourassa@blakes.com

July 24, 2023

**VIA E-MAIL**

Reference: 14986/62

Miller Thomson LLP  
 3000, 700 - 9th Avenue SW  
 Calgary, Alberta T2P 3V4

**Attention: James W. Reid**

**RE: *In the Matter of the Notice of Intention to Make a Proposal of Dynaleo Inc., et al.***  
**Action No. 24-2946872 and 24-2946871**

---

Dear Sir:

We are in receipt of your letter dated July 21, 2023. There are significant factual matters in dispute between the parties, including whether counsel agreed to an extension of time for the filing of our client's application for an order that the Contract Manufacturing Agreement agreed to as of the 29<sup>th</sup> day of July 2022 is not to be disclaimed. We disagree with substantially all the assertions in your letter, and do not believe that a continued exchange of correspondence will be productive to advance any resolution in this matter.

As a result, we intend to file an application on Monday, July 24, 2023, returnable July 31, 2023, when we understand you have time booked before the Court for a sale approval order and extension of the proposal period. We would seek at that time, a scheduling order, as we recognize there is not sufficient time scheduled to hear any substantive argument on the issues in dispute or to provide a complete record to the Court. In the interim, we are hopeful to engage in discussions with you with a view to narrowing the issues, and seeking resolution of any issues where such may be possible.

Yours truly,



Kelly J. Bourassa

c: Client  
 R. Zahara, *MLT Aikins LLP* (Counsel to the Proposal Trustee)  
 J. Strueby, *Harris & Partners Inc.* (Proposal Trustee)



**CERTIFICATE OF COMMISSIONER OF OATHS  
FOR REMOTE COMMISSIONING OF AFFIDAVIT**

I, Anna Kosa, Commissioner for Oaths in the Province of Alberta, certify that the enclosed Affidavit was commissioned remotely on July 24, 2023 using the process set out in the Alberta Court of King's Bench Notice to the Profession & Public: Remote Commissioning of Affidavits for use in Civil and Family Proceedings During the COVID-19 Pandemic, and that this process was necessary because it was impossible and unsafe, for medical reasons, for the deponent, Michael Krestell, and the commissioner to be physically present together.



---

Anna Kosa  
Barrister & Solicitor

**Anna Elizabeth Kosa**  
*Barrister & Solicitor*  
**Notary Public and Commissioner for Oaths**  
**In and for the Province of Alberta**