

FIRESONG GROUP OF COMPANIES

CANADIAN DEVELOPMENT STRATEGIES INC., 1143402 ALBERTA LTD., 1216699 ALBERTA LTD., 2061778 ALBERTA LTD., CROSSROADS ONE INC., AND OAK AND ASH FARMS LTD.

(HEREINAFTER REFERRED TO AS THE “COMPANY”)

Answers to Frequently Asked Questions

1. What type of proceedings are underway?

The Company filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “BIA”) on September 29, 2021 (the “Filing Date”). MNP Ltd. acts as the proposal trustee (the “Trustee”).

2. What is the impact of the NOI on the Company’s creditors?

Once a NOI is filed, the Company benefits from an automatic 30-day stay of proceedings (the “Stay”). This allows the Company time to formulate a proposal to present to its creditors.

During this time, services to the Company cannot be discontinued. Additionally, creditors cannot commence or continue any legal actions to collect on debts owed to it by the Company while the Company is under the protection of the Stay.

The Company must file its proposal within 30 days of the Stay or within any further extension of that period granted by the Court. In this case, a request for an extension in time to formulate a proposal beyond the initial Stay is expected.

3. Does this mean FireSong is bankrupt?

No. By filing a proposal to its creditors, the Company hopes to avoid bankruptcy and continue as a going concern. Having said that, if certain filing deadlines are not met, if a proposal is not filed or if a proposal is filed but is not approved by a required majority of the Company’s creditors or the Court, FireSong may be deemed to have made an assignment in bankruptcy in the future.

4. Who can I talk to about these proceedings?

If you have questions about the proceedings, please contact Maha Shah at maha.shah@mnt.ca

5. What is the role of the Trustee?

A proposal trustee is an independent third party who is appointed by the Official Receiver to assist the Company in filing its NOI and/or proposal and to monitor the Company's operations during the stay or proceedings. The Trustee will monitor both the operational and financial components of the Company and will report to the Court if any material adverse change is identified that impacts the ability of the Company to successfully restructure.

6. What is a proposal?

A proposal is a formal agreement that the Company presents to its creditors setting out how it intends to compromise and/or repay its debts. Terms vary but may include the payment of a percentage of a creditor's claim either as a lump sum or over time. Terms may also include payment in cash or through the issuance of shares.

7. What is the objective of filing a proposal?

The objective of filing a proposal is to allow a company time to restructure its obligations and business operations. Generally, the intention is that the company will continue as a going concern with the proposal providing creditors and shareholders with a greater recovery than would be available to them in a bankruptcy scenario.

8. When can I expect to receive additional information?

Publicly available information will be posted on the MNP Website as it becomes available.

- <https://mntdebt.ca/en/corporate/corporate-engagements/>

9. What are the anticipated next steps?

Take note that there is nothing required of the creditors or stakeholders at this time.

The Company is now required to do the following:

- a. File a proposal within the next 30 days or seek an extension (**an extension likely in this matter**);
- b. Once a proposal has been filed, creditors will receive notice and the Trustee will convene a meeting of creditors will be called where creditors can vote to accept or reject the proposal.

10. How can I make sure that my claim is recognized in the proposal proceedings?

The Company has provided us with a list of creditors. If a creditor is not reflected in that listing, they should contact the Trustee. Once a proposal is filed, creditors can anticipate receiving a proof of claim and a voting letter, which they can complete and file with the Trustee. The proof of claim sets out what is owed to the creditors and is reviewed by the Company and the Trustee. Where the proof of claim is disputed, creditors will be notified about the process to resolve the dispute. The voting letter provides the Trustee with the creditor's vote in relation to accepting or rejecting the Company's proposal.

Please note that certain investors may be determined to hold equity claims and therefore do not meet the definition of a creditor in the proceeding. As such, an investor's name will not show on the list of creditors. Equity holders are generally not eligible to vote.

When and how will my claim be paid?

The timing, nature, and quantum of any payment to creditors will be outlined in any future proposal that is filed by the Company. Depending what is set out in a proposal, terms may include the payment of a percentage of a creditor's claim either as a lump sum or over time and payments may include cash payments or through the issuance of shares.