

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

**MOTION RECORD
(Returnable April 6, 2023)**

March 30, 2023

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

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

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Applicants

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TAB 1

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

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Applicants

**NOTICE OF MOTION
(Returnable April 6, 2023)**

Trichome Financial Corp. ("**Trichome**"), Trichome JWC Acquisition Corp. ("**TJAC**"), MYM Nutraceuticals Inc. ("**MYM**"), Trichome Retail Corp. ("**TRC**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with Trichome, TJAC, MYM, TRC and MYMB, the "**Applicants**") will make a motion before the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on April 6, 2023 at 12:00 p.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- In writing under subrule 37.12.1(1).
- In writing as an opposed motion under subrule 37.12.1(4).
- In person.
- By telephone conference.
- By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

THE MOTION IS FOR:

1. An order (the "**Approval and Vesting Order**") substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
- (b) granting an extension of the Stay of Proceedings (as defined below) to and including October 31, 2023 (the "**Stay Period**");
- (c) approving the Share Purchase Agreement (the "**Sale Agreement**") among Trichome (the "**Vendor**"), 1000370759 Ontario Inc. (the "**Purchaser**"), TJAC, TRC, MYM, MYMB and Highland (collectively, the "**Purchased Entities**" and each a "**Purchased Entity**"), dated March 28, 2023 and the transactions contemplated therein (collectively, the "**Transactions**");
- (d) authorizing and directing the Applicants to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Shares (as defined below) to the Purchaser;
- (e) adding TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. (each as defined in the Sale Agreement, and collectively, the "**Residual Cos.**"), as Applicants to these CCAA proceedings;

- (f) vesting in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Shares, free and clear of any Encumbrances (as defined in the Approval and Vesting Order);
 - (g) vesting in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Sale Agreement), and discharging all Encumbrances against the Purchased Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Sale Agreement);
 - (h) removing the Purchased Entities as Applicants in these CCAA proceedings; and
 - (i) subject to the receipt of the Cash Payment (as defined in the Sale Agreement), release of the Deposit (as defined in the Sale Agreement) and completion of the Transactions, authorizing and directing the Vendor to pay the Success Fee (as defined below) to Hyde Advisory & Investment Inc. ("**Hyde**") in the manner set out in the proposed Approval and Vesting Order.
2. Such further and other relief as counsel may request and the Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. Through their licensed operating subsidiaries, TJAC and Highland, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in

Canada (the "**Canadian Business**"). Following months of liquidity challenges and despite concerted efforts to improve their financial position, conserve costs and restructure the Canadian Business, the Applicants faced a dire liquidity crisis.

4. On November 7, 2022, the Applicants sought and obtained an initial order (the "**Initial Order**") under the CCAA. Among other things, the Initial Order:

- (a) appointed KSV Restructuring Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");
- (b) stayed, until November 17, 2022, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and officers, or affecting the Canadian Business or the Property (as defined in the Initial Order), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");
- (c) approved the Applicants' ability to borrow under a debtor-in-possession ("**DIP**") credit facility pursuant to a DIP facility agreement dated November 6, 2022 (as amended, the "**DIP Agreement**"), among TJAC, as borrower, Trichome, TRC, MYM, MYMB and Highland, as guarantors, and Cortland Credit Lending Corporation ("**Cortland**"), as agent for and on behalf of the lenders party thereto (the "**DIP Lender**"); and
- (d) granted the Administration Charge, the Directors' Charge and the DIP Lender's Charge (each as defined in the Initial Order) over the Property.

5. On November 17, 2022, the Applicants sought and obtained an amended and restated Initial Order pursuant to the CCAA (the "**Amended and Restated Initial Order**"), *inter alia*:

- (a) granting an extension of the Stay of Proceedings to and including February 3, 2023; and
- (b) approving increases to the Directors' Charge and the DIP Lender's Charge up to the maximum amounts of \$2,922,000 and \$4,875,000, respectively.

6. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on January 9, 2023, obtained an order (the "**Stalking Horse and SISP Approval Order**") under the CCAA, among other things:

- (a) approving a sale and investment solicitation process, including corresponding bidding and auction procedures (the "**SISP**");
- (b) approving the letter agreement dated November 7, 2022 (the "**SISP Advisor Engagement Agreement**"), among the Applicants and Stoic Advisory Inc. (the "**SISP Advisor**"), and authorizing the Applicants, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms;
- (c) authorizing the SISP Advisor and the Applicants to implement the SISP, with the oversight of the Monitor;
- (d) authorizing and approving the Applicants' execution of the stalking horse share purchase agreement dated December 12, 2022 (the "**Stalking Horse SPA**"), among the Applicants and L5 Capital Inc. (the "**Stalking Horse Bidder**"), *nunc*

pro tunc, and approving the Stalking Horse SPA, solely for the purposes of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**");

- (e) approving the Applicants' execution of the first amending agreement to the DIP Agreement dated December 14, 2022 and the second amending agreement to the DIP Agreement dated January 6, 2023, each among the Applicants and the DIP Lender, *nunc pro tunc*; and
- (f) granting an extension of the Stay of Proceedings to and including March 10, 2023.

Conduct and Results of the SISP

7. The Applicants developed the SISP, in consultation with the Monitor and the SISP Advisor, to solicit interest in all of their rights, title and interest in and to all of their assets or all of the shares in the capital of the Applicants (collectively, the "**Vendors' Assets**").

8. The SISP was intended to provide a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business and maximizing recovery for the Applicants' stakeholders.

9. In accordance with the SISP, the SISP Advisor sent approximately 200 Known Potential Bidders copies of the Teaser Letter and an NDA (each as defined in the SISP) on January 3, 2023. Five Potential Bidders (as defined in the SISP) executed NDAs and were provided with access to a confidential data room established by the SISP Advisor to facilitate their due diligence.

10. Pursuant to the SISP, each Potential Bidder that wished to make a bid in the SISP was required to deliver a written copy of its bid by no later than 5:00 p.m. (Eastern Time) on February 6, 2023 (the "**Bid Deadline**"), with such bid including or conforming to the Required Bid Terms and Materials (as defined in the SISP). Any such bid, if satisfying the Required Bid Terms and Materials and received by the Bid Deadline, would constitute a "**Qualified Bid**" in the SISP.

11. No Qualified Bids were submitted by the Bid Deadline, other than the Stalking Horse Bid. Accordingly, the Stalking Horse Bid was deemed to be the Successful Bid (as defined in the SISP) and the SISP did not proceed to an auction.

Termination of the Stalking Horse SPA

12. Despite being deemed to be the Successful Bid in the SISP, on February 13, 2022, the Stalking Horse Bidder formally and irrevocably advised that it did not intend to close the transactions contemplated by the Stalking Horse SPA. The Stalking Horse SPA was subsequently terminated with the Monitor's consent.

13. After consideration of the results of the SISP, the termination of the Stalking Horse SPA, the Applicants' limited liquidity and obligations under the DIP Agreement, and the then impending maturity of the DIP Facility, the Applicants, in consultation with the Monitor, sought and, on March 9, 2023, obtained an order (the "**Stay Extension Order**") under the CCAA, *inter alia*, extending the Stay of Proceedings to and including April 21, 2023.

14. The Stay Extension Order was intended to provide the time and stability necessary to address the Applicants' liquidity challenges and conduct an orderly wind-down of the Canadian Business (the "**Wind-Down**").

15. With a view to improving the recoveries anticipated from the Wind-Down, the Applicants and the Monitor continued to market the Canadian Business and the Applicants' assets, including the Applicants' "WAGNERS" and "Highland Grow" brands, following the termination of the Stalking Horse SPA. After consultation with the DIP Lender and the Monitor, the Applicants engaged Hyde to lead an informal marketing process for the Canadian Business or the Applicants' assets during the Wind-Down.

Approving the Sale Agreement and the Transactions

16. The Applicants', the Monitors' and Hyde's continued efforts to market the Canadian Business and the Applicants' assets have culminated in the Applicants entering into the Sale Agreement with the Purchaser.

17. The Sale Agreement contemplates a reverse vesting transaction, pursuant to which the Purchaser will acquire all of the issued and outstanding shares in the capital of TJAC and MYM owned by Trichome (the "**Purchased Shares**") for a purchase price of \$3,375,000 (the "**Purchase Price**"), along with certain deferred consideration (the "**Deferred Consideration**").

18. If the Sale Agreement and the Transactions are approved pursuant to the proposed Approval and Vesting Order, the Vendor, the Purchaser and the Purchased Entities intend to close the Transactions expeditiously and, in any event, by April 6, 2023 (i.e. the date the within motion is scheduled to be heard). Following the implementation of the Closing Sequence (as defined in the Sale Agreement), the Purchased Entities will retain all of the Retained Assets and remain liable for all of the Assumed Liabilities (as defined in the Sale Agreement), and the Purchaser will be the owner of all of the Purchased Shares.

19. Pursuant to the proposed Approval and Vesting Order, each of the Residual Cos. in which all of the Excluded Assets, Excluded Liabilities and Excluded Contracts will have been vested in and transferred to, will be added as Applicants in these CCAA proceedings as of the Effective Time (as defined in the Approval and Vesting Order). Correspondingly, the Purchased Entities will be removed as Applicants in these CCAA proceedings as of the Effective Time.

20. For the purposes of determining the nature and priority of Claims (as defined in the Approval and Vesting Order) from and after the Effective Time and subject to the payment of the Success Fee:

- (a) the Deposit, the Cash Payment and any amounts received under the Secured Promissory Note (as defined in the Sale Agreement) (the "**Note Proceeds**") shall be allocated to the Vendor; and
- (b) any amounts received under any Deferred Consideration Note (as defined in the Sale Agreement) (collectively with the Deposit, the Cash Payment and the Note Proceeds, the "**Proceeds**") shall be allocated to the applicable Residual Cos.

21. Pursuant to the proposed Approval and Vesting Order, all Claims and Encumbrances will attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Retained Assets immediately prior to the sale.

22. The Sale Agreement and the Transactions contemplated therein provide the best possible outcome for their stakeholders in the circumstances given that, among other things:

- (a) the Sale Agreement and the Transactions are the culmination of (i) an unsuccessful Court-approved SISP developed by the Applicants, in consultation

with the Monitor and the SISP Advisor, which provided a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business, in which no Qualified Bids were received, and (ii) the Applicants', the Monitor's and Hyde's efforts to solicit interest in the Canadian Business;

- (b) the proposed reverse vesting transaction structure is the only commercially reasonable means in the circumstances by which the Cannabis Licenses (as defined in the Sale Agreement) can be preserved and the Canadian Business can be sold and its value maximized;
- (c) the Sale Agreement and the Transactions preserve the going concern value of the Canadian Business for the benefit of the Applicants' stakeholders, including certain of their employees, customers and vendors; and
- (d) the Purchase Price, together with the Deferred Consideration, is commensurate with the value of the Purchased Shares and the Retained Assets and adequately reflects the value of preserving the Cannabis Licenses through the proposed reverse vesting transaction structure.

23. Each of the Monitor, the DIP Lender and Cortland, in its capacity as agent for and on behalf of the Applicants' senior secured lenders (the "**Agent**"), has advised that it is supportive of the approval of the Sale Agreement and the consummation of the Transactions contemplated therein.

Authorizing the Payment of the Success Fee

24. In consideration for providing advisory and investment services, the Applicants, in consultation with the Monitor and the DIP Lender, agreed to provide Hyde with a success fee (the "**Success Fee**") equal to 5% of the first \$2 million of the purchase price of any transaction brokered by Hyde (the "**Minimum Purchase Price**"), plus 7.5% of the amount by which the purchase price exceeds the Minimum Purchase Price.

25. Pursuant to the proposed Approval and Vesting Order, the payment of the Success Fee is conditional upon the receipt of the Cash Payment, release of the Deposit and completion of the Transactions. Moreover, under the terms of the proposed Approval and Vesting Order the payment of the majority of the Success Fee is also conditioned upon receipt of the Note Proceeds.

26. The Success Fee is both reasonable and appropriate in the circumstances. Each of the Monitor, the DIP Lender and the Agent has advised that it is supportive of the payment of the Success Fee in the manner contemplated under the proposed Approval and Vesting Order.

Extending the Stay of Proceedings

27. The Stay of Proceedings granted under the Stay Extension Order will expire on April 21, 2023. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay of Proceedings to and including October 31, 2023.

28. Since the granting of the Initial Order, the Applicants have acted, and continue to act, in good faith and with due diligence to, among other things, stabilize the Canadian Business and

continue its operations, develop and assist with the implementation of the SISP, identify a value-maximizing transaction and otherwise advance their restructuring efforts.

29. The proposed extension of the Stay of Proceedings will, *inter alia*, maintain the *status quo* and afford the Applicants the breathing space and stability required to:

- (a) close the Transactions expeditiously with a view to preserving and maximizing value for the Applicants' stakeholders;
- (b) provide time for the Purchaser to (i) pay the Note Proceeds to the Vendor, and (ii) collect and remit the Deferred Consideration, pursuant to and in accordance with the Secured Promissory Note and each Deferred Consideration Note, respectively; and
- (c) allow the Applicants to seek such further relief as may be required to facilitate the orderly wind-down of the Vendor and the Residual Cos., one or more distributions to the Applicants' creditors, and the termination of these CCAA proceedings.

30. The Applicants are forecast to have sufficient liquidity to fund the Canadian Business and the costs of these CCAA proceedings throughout the Stay Period, provided that the Sale Agreement is approved and the Transactions close.

31. No creditor is expected to suffer material prejudice as a result of the proposed extension of the Stay of Proceedings.

32. The Monitor is supportive of the proposed extension of the Stay of Proceedings and believes that it is reasonable and appropriate in the circumstances. Each of the DIP Lender and the Agent is similarly supportive of the proposed extension of the Stay of Proceedings.

Other Grounds

33. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.

34. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended and sections 100 and 106 of the *Courts of Justice Act*, R.S.O. 190, c. C. 43, as amended.

35. Such further and other grounds as counsel may advise and the Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

36. The Fifth Report of the Monitor, to be filed, and the appendices attached thereto.

37. The Affidavit of Michael Ruscetta sworn March 30, 2023, and the exhibits attached thereto.

38. Such further and other material as counsel may advise and the Court may permit.

March 30, 2023

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable April 6, 2023)**

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TAB 2

Court File No.: CV-22-00689857-00CL

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ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME
JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC.,
TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC.,
AND HIGHLAND GROW INC.**

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 30, 2023)**

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 30, 2023)**

I, Michael Ruscetta, of the city of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the former Chief Executive Officer of Trichome Financial Corp. ("**Trichome**"), having resigned from that position on February 19, 2023. I remain a director of Trichome, Trichome JWC Acquisition Corp. ("**TJAC**"), MYM Nutraceuticals Inc. ("**MYM**"), Trichome Retail Corp. ("**TRC**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with Trichome, TJAC, MYM, TRC and MYMB, the "**Applicants**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of a motion by the Applicants for an order (the "**Approval and Vesting Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) granting an extension of the Stay of Proceedings (as defined below) to and including October 31, 2023 (the "**Stay Period**");
- (b) approving the Share Purchase Agreement (the "**Sale Agreement**") among Trichome (the "**Vendor**"), 1000370759 Ontario Inc. (the "**Purchaser**"), TJAC, TRC, MYM, MYMB and Highland (collectively, the "**Purchased Entities**" and each a "**Purchased Entity**"), dated March 28, 2023 and the transactions contemplated therein (collectively, the "**Transactions**");
- (c) authorizing and directing the Applicants to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Shares (as defined below) to the Purchaser;
- (d) adding TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. (each as defined in the Sale Agreement) (collectively, the "**Residual Cos.**" and each a "**Residual Co.**"), as Applicants to these CCAA proceedings;
- (e) vesting in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Shares, free and clear of any Encumbrances (as defined in the Approval and Vesting Order);

- (f) vesting in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Sale Agreement), and discharging all Encumbrances against the Purchased Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Sale Agreement);
- (g) removing the Purchased Entities as Applicants in these CCAA proceedings; and
- (h) subject to the receipt of the Cash Payment (as defined below), release of the Deposit (as defined below) and completion of the Transactions, authorizing and directing the Vendor to pay the Success Fee (as defined below) to Hyde Advisory & Investment Inc. ("**Hyde**") in the manner set out in the proposed Approval and Vesting Order.

3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit that I previously swore in these proceedings on March 2, 2023 (the "**March 2 Affidavit**") in support of the Applicants' motion for the Stay Extension Order (as defined below) or the Sale Agreement, as applicable. A copy of the March 2 Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

4. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

I. BACKGROUND AND STATUS OF THESE CCAA PROCEEDINGS

5. The Applicants, with the exception of Trichome, which is a direct subsidiary, are all indirect wholly owned subsidiaries of IM Cannabis Corp. ("**IMCC**"). IMCC is a publicly traded international cannabis company, which is not an Applicant in these CCAA proceedings.

6. Through their licensed operating subsidiaries, TJAC and Highland, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in Canada (the "**Canadian Business**"). Following months of liquidity challenges and despite concerted efforts to improve their financial position, conserve costs and restructure the Canadian Business, the Applicants faced a dire liquidity crisis.

7. Having regard to the best interests of the Applicants and their stakeholders, and after extensive review and careful consideration of the strategic options and alternatives available, the boards of directors of the Applicants resolved to seek urgent relief under the CCAA. Accordingly, the Applicants sought, and on November 7, 2022, obtained an initial order under the CCAA (the "**Initial Order**").

8. Among other things, the Initial Order:

- (a) appointed KSV Restructuring Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");
- (b) stayed, until November 17, 2022, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and officers, or affecting the Canadian Business or the Property (as defined in the Initial

Order), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

- (c) approved the Applicants' ability to borrow under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Facility**") pursuant to a DIP facility agreement dated November 6, 2022 (as amended, the "**DIP Agreement**"), among TJAC, as borrower, Trichome, TRC, MYM, MYMB and Highland, as guarantors, and Cortland Credit Lending Corporation ("**Cortland**"), as agent for and on behalf of the lenders party thereto (the "**DIP Lender**"); and
- (d) granted the following charges over the Property (collectively, the "**Charges**"):
 - (i) the Administration Charge (as defined in the Initial Order) up to a maximum amount of \$750,000;
 - (ii) the Directors' Charge (as defined in the Initial Order) up to a maximum amount of \$967,000; and
 - (iii) the DIP Lender's Charge (as defined in the Initial Order) up to a maximum amount of \$1,825,000.

9. On November 17, 2022, the Applicants sought and obtained an amended and restated Initial Order (the "**Amended and Restated Initial Order**") pursuant to the CCAA, *inter alia*:

- (a) granting an extension of the Stay of Proceedings to and including February 3, 2023; and

- (b) approving increases to the Directors' Charge and the DIP Lender's Charge up to the maximum amounts of \$2,922,000 and \$4,875,000, respectively.

10. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on January 9, 2023, obtained an order (the "**Stalking Horse and SISP Approval Order**") under the CCAA, among other things:

- (a) approving a sale and investment solicitation process, including corresponding bidding and auction procedures (the "**SISP**");
- (b) approving the letter agreement dated November 7, 2022 (the "**SISP Advisor Engagement Agreement**"), among the Applicants and Stoic Advisory Inc. (the "**SISP Advisor**"), and authorizing the Applicants, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms;
- (c) authorizing the SISP Advisor and the Applicants to implement the SISP, with the oversight of the Monitor;
- (d) authorizing and approving the Applicants' execution of the stalking horse share purchase agreement dated December 12, 2022 (the "**Stalking Horse SPA**"), among the Applicants and L5 Capital Inc. (the "**Stalking Horse Bidder**"), *nunc pro tunc*, and approving the Stalking Horse SPA, including the Expense Reimbursement set out therein, solely for the purposes of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**");

- (e) approving the Applicants' execution of the first amending agreement to the DIP Agreement dated December 14, 2022 and the second amending agreement to the DIP Agreement dated January 6, 2023, each among the Applicants and the DIP Lender (together, the "**DIP Amendments**"), *nunc pro tunc*; and
- (f) granting an extension of the Stay of Proceedings to and including March 10, 2023.

11. On February 22, 2023, the Monitor filed the Third Report dated February 22, 2023 (the "**Third Report**") pursuant to subsection 23(1)(d)(i) of the CCAA to advise the Court and the Applicants' stakeholders of certain material adverse changes in the Applicants' financial circumstances including that, as more fully described below:

- (a) on February 13, 2023, the Stalking Horse Bidder advised that it would not complete the transactions contemplated by the Stalking Horse SPA and acknowledged the forfeiture of the deposit (\$250,000) paid thereunder (the "**SPA Deposit**"); and
- (b) the Applicants did not have liquidity under the DIP Facility or otherwise to pay certain post-filing operating expenses.

12. Given the Applicants' lack of availability under the DIP Facility, the unsuccessful SISP and the termination of the Stalking Horse SPA, the DIP Lender advised the Applicants that it would not continue to fund the Canadian Business' ordinary course operations or a further formal marketing process. After careful consideration of the results of the SISP, the termination of the Stalking Horse SPA, the Applicants' limited liquidity and obligations under the DIP Agreement, and the then impending maturity of the DIP Facility, the Applicants, in consultation with the

Monitor, sought and, on March 9, 2023, obtained an order (the "**Stay Extension Order**") under the CCAA, *inter alia*:

- (a) granting an extension of the Stay of Proceedings to and including April 21, 2023; and
- (b) subject to the requirements set out within the Stay Extension Order, authorizing each of the Applicants to permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$3,000,000 in the aggregate with the consent of the Monitor and the DIP Lender.

13. As described in the March 2 Affidavit, the Stay Extension Order was intended to provide the time and stability necessary to address the Applicants' liquidity challenges, conduct an orderly wind-down of the Canadian Business (the "**Wind-Down**"), and continue to informally market the Canadian Business and the Applicants' assets.

14. Copies of the Initial Order, the Amended and Restated Initial Order, the Stalking Horse and SISP Approval Order, the Stay Extension Order, the Third Report and other materials filed in these CCAA proceedings are available on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/trichome>. For ease of reference, copies of the Stalking Horse and SISP Approval Order, the Stay Extension Order and the accompanying endorsements of the Honourable Madam Justice Conway dated January 9, 2023 and March 9, 2023, are attached hereto as **Exhibits "B", "C", "D", and "E"**, respectively.

15. The Applicants now seek the proposed Approval and Vesting Order to implement the only viable transaction to have materialized following the unsuccessful SISP and the termination of the Stalking Horse SPA. To ensure that the Canadian Business can continue as a going concern, and in view of the Applicants' significant liquidity constraints, the Applicants are seeking to implement the Sale Agreement and the Transactions contemplated therein on an expedited basis.

16. The approval of the Sale Agreement and the Transactions pursuant to the proposed Approval and Vesting Order are supported by the Monitor, as well as the DIP Lender and Cortland, in its capacity as agent (in such capacity, the "**Agent**") for and on behalf of the Applicants' senior secured lenders (collectively, the "**Lenders**"), which have the primary economic interest in the Applicants' assets.

II. OUTCOME OF THE SISP AND THE STALKING HORSE SPA

17. The material terms of the SISP and the Stalking Horse SPA were described in the affidavit that I previously swore in these proceedings on January 1, 2023 (the "**January 1 Affidavit**") in support of the Applicants' motion for the Stalking Horse and SISP Approval Order and are not repeated herein. Copies of the January 1 Affidavit (without exhibits) and the Stalking Horse SPA are attached hereto as **Exhibits "F"** and **"G"**, respectively. A copy of the SISP is attached as Schedule "A" to the Stalking Horse and SISP Approval Order.

18. The conduct of the SISP and its results, as well as the outcome of the Stalking Horse SPA are discussed below.

A. The Conduct of the SISP and its Results

19. The Applicants developed the SISP, in consultation with the Monitor and the SISP Advisor, to solicit interest in all of their rights, title and interest in and to all of their assets or all of the shares in the capital of the Applicants (collectively, the "**Vendors' Assets**"). The SISP was intended to provide a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business and maximizing recovery for the Applicants' stakeholders.

20. To maximize flexibility in the SISP, the SISP made clear that the Applicants would consider any of the following bids, in each case, subject to the terms of the SISP:

- (a) a bid for all of the Vendors' Assets;
- (b) separate bids to acquire some but not all of the Vendors' Assets; or
- (c) a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Applicants.

21. In anticipation of the SISP's commencement, and in view of the timeline governing the material steps therein (the "**SISP Timeline**"), the following initial steps were completed by January 3, 2023:

- (a) the SISP Advisor, with the assistance of the Applicants and the Monitor, prepared
 - (i) a list of approximately 200 potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (each a "**Known Potential Bidder**"), and
 - (ii) a process summary (the "**Teaser Letter**") describing the Vendors' Assets,

outlining the bidding procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the bidding procedures; and

- (b) the Applicants, with the assistance of the SISP Advisor and the Monitor, prepared a non-disclosure agreement (an "**NDA**") for use in the SISP.

22. On January 3, 2023, the Applicants issued a press release (the "**January 3 Press Release**") with a view to providing broad notice of, and soliciting additional interest in, the SISP. The January 3 Press Release announced that:

- (a) under the Monitor's supervision, the SISP Advisor was conducting the SISP to solicit interest in the sale of the Vendors' Assets;
- (b) in connection with the SISP, the Applicants had executed the Stalking Horse SPA with the Stalking Horse Bidder;
- (c) the Stalking Horse Bidder is controlled by Marc Lustig, a director of Trichome;
- (d) the Stalking Horse SPA offered total consideration of approximately \$6,300,000, plus the collection of certain receivables and the sale of inventory, if any, at the time of closing the transactions contemplated thereunder;
- (e) the Applicants intended to seek Court-approval of the SISP and the Stalking Horse SPA, solely for the purposes of acting as the "stalking horse bid" in the SISP on January 9, 2023;

- (f) if approved by the Court for the purposes of acting as the "stalking horse bid" in the SISP, the Stalking Horse SPA would be subject to higher and otherwise superior bids received in the SISP;
 - (g) a Potential Bidder (as defined in the SISP) that wished to make a bid in the SISP must deliver a written copy of its bid by no later than 5:00 p.m. (Eastern Time) on February 6, 2023 (the "**Bid Deadline**"); and
 - (h) any Potential Bidder that wished to participate in the SISP could contact the SISP Advisor to receive additional information.
23. A copy of the January 3 Press Release is attached hereto as **Exhibit "H"**.
24. In accordance with the SISP Timeline, the SISP Advisor sent the Teaser Letter and an NDA to each Known Potential Bidder on January 3, 2023. Throughout the SISP, the Teaser Letter and NDA were also made available to any other party (i) upon request or (ii) that was identified by the Applicants or the Monitor as a Potential Bidder.
25. Five Potential Bidders executed NDAs and were provided with access to a confidential data room established by the SISP Advisor to facilitate their due diligence. Such Potential Bidders were also provided with a confidential information memorandum prepared by the SISP Advisor, in consultation with the Applicants and the Monitor.
26. Each Potential Bidder that wished to make a bid in the SISP was required to deliver a written copy of its bid by no later than the Bid Deadline, with such bid including or conforming to the requirements prescribed under the bidding procedures (collectively, the "**Required Bid Terms**

and Materials"). Any such bid, if satisfying the Required Bid Terms and Materials and received by the Bid Deadline, would constitute a "**Qualified Bid**" in the SISP.

27. A single letter of intent (the "**LOI**") was delivered by a Potential Bidder (the "**Interested Party**") by the Bid Deadline. No Potential Bidder advised the SISP Advisor, the Applicants or the Monitor that a Qualified Bid (or any bid at all) would be forthcoming if the Bid Deadline were to be extended.

28. The LOI was not compliant with the Required Bid Terms and Materials. Indeed, among other things, the LOI:

- (a) failed to provide aggregate consideration of \$6,600,000;
- (b) was conditional on the outcome of unperformed due diligence;
- (c) did not include a duly authorized and executed copy of a proposed purchase agreement;
- (d) did not include an assumption of liabilities and other economic terms at least as favourable in the aggregate as those in the Stalking Horse Bid; and
- (e) failed to provide a cash deposit in the amount of not less than five percent (5%) of the amount of the purchase price, in immediately available funds.

29. Due to the above-referenced deficiencies, the LOI did not, and without a waiver of nearly all of the Required Bid Terms and Materials, could not, constitute a Qualified Bid. As no Qualified Bids were submitted by the Bid Deadline, other than the Stalking Horse Bid, the Stalking Horse

Bid was deemed to be the Successful Bid (as defined in the SISP), and the SISP did not proceed to an auction.

B. The Outcome of the Stalking Horse SPA

30. To enhance the efficacy of the SISP and establish an appropriate, valuable and competitive floor for bids submitted in accordance therewith, the Applicants entered into the Stalking Horse SPA, in consultation with the Monitor.

31. The Stalking Horse SPA contemplated a reverse vesting transaction, pursuant to which the Stalking Horse Bidder would acquire all of the issued and outstanding shares in the capital of TJAC and MYM owned by Trichome (collectively, the "**Purchased Shares**"). If selected as the Successful Bid and consummated in accordance with its terms, the Stalking Horse Bid was expected to, among other things, ensure the preservation of the Canadian Business as a going concern and the continued employment of a significant number of the Applicants' employees.

32. As described in the March 2 Affidavit, despite being deemed to be the Successful Bid in the SISP, the Stalking Horse Bidder formally and irrevocably advised that it did not intend to close the transactions contemplated by the Stalking Horse SPA. Accordingly, the Stalking Horse SPA was subsequently terminated with the Monitor's consent. The SPA Deposit provided by the Stalking Horse Bidder under the Stalking Horse SPA became the property of the Applicants as liquidated damages (and not as a penalty) upon the termination of the Stalking Horse SPA.

33. The Termination of the Stalking Horse SPA coincided with the Applicants' receipt of lower than expected accounts receivables, resulting in the Applicants having insufficient availability under the DIP Facility to continue operating the Canadian Business in the ordinary course. Due to

the Applicants' lack of availability under the DIP Facility (which has since matured), the termination of the Stalking Horse SPA and the absence of an alternative Qualified Bid, the DIP Lender advised the Applicants that it would not continue to fund the Canadian Business' ordinary course operations or a further formal marketing process.

34. On March 9, 2023, after careful consideration and in consultation with the Monitor, the Applicants sought and obtained the Stay Extension Order to facilitate the Wind-Down. At that time, the proceeds of the Wind-Down were expected to be sufficient to pay amounts secured by the Administration Charge, the Directors' Charge and at least a portion of the DIP Lender's Charge.

III. THE SALE AGREEMENT AND THE SUCCESS FEE

35. With a view to improving the recoveries anticipated from the Wind-Down, the Applicants and the Monitor continued to market the Canadian Business and the Applicants' assets, including the Applicants' "WAGNERS" and "Highland Grow" brands (together, the "**Brands**"), following the termination of the Stalking Horse SPA.

36. After consultation with the DIP Lender and the Monitor, the Applicants engaged Hyde to lead an informal marketing process for the Canadian Business or the Applicants' assets during the Wind-Down. Hyde's marketing process was commenced on February 21, 2023, and solicited interest from twelve potential bidders, including the Interested Party. Each of the twelve potential bidders was provided with a confidential information memorandum concerning the acquisition opportunity. Of the twelve potential bidders contacted, seven expressed an interest in the acquisition opportunity and three (the "**LOI Parties**") provided letters of intent by March 10, 2023. The LOI Parties were subsequently requested to submit their "best bid". The bid submitted by the

Purchaser was selected as the highest and best offer given, among other things, the aggregate consideration, security and certainty provided.

37. The Applicants', the Monitors' and Hyde's continued efforts to market the Canadian Business and the Applicants' assets have culminated in the Applicants entering into the Sale Agreement with the Purchaser. The Sale Agreement and the resulting Success Fee are each described below.

A. The Sale Agreement

38. The Sale Agreement is the product of extensive discussion and negotiation among the Applicants and the Purchaser, in consultation with the Monitor and the DIP Lender. The Purchaser is an arm's length party and affiliate of True North Cannabis Co., an Ontario-based Cannabis retail chain. A copy of the Sale Agreement is attached hereto as **Exhibit "I"**.

39. The Sale Agreement contemplates a reverse vesting transaction, pursuant to which the Purchaser will acquire all of the Purchased Shares. If approved and consummated in accordance with its terms, the Sale Agreement and the Transaction contemplated therein are expected to ensure the continuation of the Canadian Business as a going concern. The salient features of the Sale Agreement are summarized in the table immediately below:

Summary of the Sale Agreement	
Term	Details
Vendor	Trichome
Purchased Entities	TJAC, TRC, MYM, MYMB, and Highland.
Residual Cos.	The following corporations will be incorporated prior to the Closing Time:

Summary of the Sale Agreement	
Term	Details
	<p>(a) TJAC Residual Co., being a wholly owned subsidiary of Trichome, to which any Excluded Assets, Excluded Contracts and Excluded Liabilities of TJAC will be transferred as part of the Closing Sequence;</p> <p>(b) TRC Residual Co., being a wholly owned subsidiary of TJAC, to which any Excluded Assets, Excluded Contracts and Excluded Liabilities of TRC will be transferred as part of the Closing Sequence;</p> <p>(c) MYM Residual Co., being a wholly owned subsidiary of Trichome, to which any Excluded Assets, Excluded Contracts and Excluded Liabilities of MYM will be transferred as part of the Closing Sequence;</p> <p>(d) MYMB Residual Co., being a wholly owned subsidiary of MYM, to which any Excluded Assets, Excluded Contracts and Excluded Liabilities of MYMB will be transferred as part of the Closing Sequence; and</p> <p>(e) Highland Residual Co., being a wholly owned subsidiary of MYMB, to which any Excluded Assets, Excluded Contracts and Excluded Liabilities of Highland will be transferred as part of the Closing Sequence.</p> <p>The issued and outstanding shares in the capital of TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. are Excluded Assets.</p>
Purchased Shares	The Purchaser will purchase all of the issued and outstanding shares in the capital of TJAC owned by Trichome, and all of the issued and outstanding shares in the capital of MYM owned by Trichome.
Purchase Price	<p>The purchase price (the "Purchase Price") for the Purchased Shares is \$3,375,000, to be paid and satisfied as follows, subject to the Closing Sequence:</p> <p>(a) the \$500,000 (the "Deposit") paid on behalf of the Purchaser to the Monitor and currently held in trust by the Monitor, will be released and distributed in accordance the Closing Sequence;</p> <p>(b) the Purchaser will pay the sum of \$500,000 to the Monitor on the Closing Date (the "Cash Payment") by wire transfer of immediately available funds, which Cash Payment will</p>

Summary of the Sale Agreement	
Term	Details
	<p>be held in escrow by the Monitor and released to the Vendor in accordance with the Closing Sequence;</p> <p>(c) the Purchaser will issue in favour of the Vendor a secured interest bearing promissory note in the principal face amount of \$2,375,000 (the "Secured Promissory Note"), all obligations under which will be secured by a (i) guarantee and general security interest granted by 2767888 Ontario Inc. (the "Guarantor") in favour of the Vendor in, among other things, all of the present and after-acquired property of the Guarantor; and (ii) mortgages registered against each of the Collateral Properties in favour of the Vendor. Such Secured Promissory Note will be reduced on a dollar-for-dollar basis by the Assumed Liabilities Employee Amount (as defined below); and</p> <p>(d) the Purchase Price will be fully and indefeasibly satisfied, on the Closing Date, by (i) the crediting of the Deposit to the Vendor, (ii) the release of the Cash Payment to the Vendor, and (iii) the issuance of the Secured Promissory Note to the Vendor, in each case in accordance with the Closing Sequence.</p>
Deferred Consideration	<p>Each of TJAC and Highland, as partial consideration for the assumption by the corresponding Residual Co. of its Excluded Liabilities, will pay deferred consideration (each, "Deferred Consideration") in an amount equal to the Deferred Consideration Note Amount, which Deferred Consideration shall not be reduced following the Closing Date by any returns to such Purchased Entity that occur subsequent to the receipt of any receivables of any Purchased Entity from any provincial cannabis purchasing agencies, non-government distributors, and/or direct sale retailers in respect of the period prior to the Closing Date (the "Closing Date Purchased Entity Receivables").</p> <p>Each Purchased Entity will satisfy the Deferred Consideration by delivering to the Monitor on behalf of the corresponding Residual Co., on Closing, an interest-free, limited recourse promissory note in the principal face amount of the Deferred Consideration Note Amount, in favour of such Residual Co., which will be secured solely by such Purchased Entity's Closing Date Purchased Entity Receivables (each such note, a "Deferred Consideration Note").</p> <p>The Deferred Consideration Note Amount, in respect of each Deferred Consideration Note issued by a Purchased Entity, will be</p>

Summary of the Sale Agreement	
Term	Details
	<p>equal to the initial principal amount of \$1.00, which will be automatically and immediately increased following the Closing Date, from time to time, on a dollar-for-dollar basis by the amount of any applicable Closing Date Purchased Entity Receivable actually received by such applicable Purchased Entity from and following Closing.</p> <p>For a period of eighteen (18) months after the Closing Date, the Purchaser will, and will cause the Purchased Entities to, use commercially reasonable efforts to collect all Closing Date Purchased Entity Receivables in the same manner that a prudent cannabis vendor would use to collect its own receivables, and to cause the Purchased Entities to use the proceeds thereof solely to repay the Deferred Consideration Notes forthwith, and in any event, on a weekly basis, provided that the Purchaser will not be required to institute any legal proceeding and any reasonable and documented out-of-pocket expenses (with the exception of employee related expenses) incurred by the Purchaser in connection with the collection of any Closing Date Purchased Entity Receivable that are approved by the Vendor in advance will be deducted from the amount remitted to the applicable Residual Co.</p> <p>The Purchaser will provide: (i) an executive officer of the Vendor, TJAC Residual Co. and Highland Residual Co. with "read-only" access to TJAC's and Highland's bank accounts for 120 days following Closing; and (ii) the Vendor and the Monitor with weekly updates with respect to the Purchased Entities' efforts to collect all Closing Date Purchased Entity Receivables for 120 days following Closing, and thereafter will timely respond to any reasonable inquiries from the Vendor or the Monitor regarding the Closing Date Purchased Entity Receivables, including requests for reconciliations of the amounts collected in TJAC's and Highland's bank accounts and remitted to TJAC Residual Co. and Highland Residual Co., respectively.</p>
Retained Assets and Assumed Liabilities	<p>On the Closing Date, each Purchased Entity will retain all of the assets owned by it immediately prior to Closing, including its Anticipated Inventory, Assumed Contracts, Permits and Licenses, Goodwill, Intellectual Property, Subsidiary Shares, Books and Records and those assets listed on Schedule "I" to the Sale Agreement (collectively, the "Retained Assets"), except for inventory sold in the ordinary course of business in the Interim Period, and the Excluded Assets and Excluded Contracts, and will</p>

Summary of the Sale Agreement	
Term	Details
	<p>remain liable in respect of the Assumed Liabilities in accordance with the terms of the Sale Agreement.</p> <p>Subject to the rights of the Purchaser, with the prior written consent of the Vendor, the applicable Purchased Entity and the Monitor, to modify the Assumed Contracts and Assumed Liabilities, the Assumed Liabilities include the following:</p> <ul style="list-style-type: none"> (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "G" to the Sale Agreement (which may be amended by the Purchaser until 5:00 p.m. (Eastern Time) on Mach 31, 2023); (b) Liabilities which relate to the Business or the Retained Assets, including Liabilities under any Assumed Contracts, Permits and Licenses or Permitted Encumbrances, in each case, to the extent forming part of the Retained Assets and arising out of events or circumstances that occur after the Closing, exclusive of any Liabilities relating to or in connection with (i) any event, occurrence or circumstance or (ii) failure to perform, improper performance, breach, default or violation by a Purchased Entity, in each case, at any time prior to the Closing; (c) Liabilities of the Purchased Entities, which are to be performed after the Closing that are not specifically identified as Excluded Liabilities; (d) the Deferred Consideration Notes; and (e) Liabilities for (i) wages, vacation pay and Benefit Plans owing by any Purchased Entity to any Employee accruing to and after the Closing Time and (ii) vacation pay owing by any Purchased Entity to any Employee which accrued prior to the Closing Time, provided that the face amount of the Secured Promissory Note will be reduced on a dollar-for-dollar basis by such Liabilities in this paragraph (e) that accrued prior to the Closing Time (the "Assumed Liabilities Employee Amount").
As is, Where is	<p>The Purchased Shares (together with all assets held by each Purchased Entity at Closing, including the Retained Assets) will be sold and delivered to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained in the Sale Agreement.</p>

Summary of the Sale Agreement	
Term	Details
Conditions to Closing	<p>The completion of the Transactions contemplated by the Sale Agreement are conditional upon the satisfaction or waiver of, among others, the following conditions:</p> <ul style="list-style-type: none"> (a) the Approval and Vesting Order shall have been issued by the Court and shall not have been vacated, set aside or stayed; (b) during the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by the Sale Agreement; or (iii) modifying or amending the Approval and Vesting Order without the consent of the Purchaser; (c) during the Interim Period, there shall have been no Material Adverse Effect; (d) pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall, prior to Closing as part of the Closing Sequence, be transferred to the applicable Residual Cos., to another Affiliate of the Vendor that is not a Purchased Entity, or Discharged; and (ii) each Purchased Entity and its business and property shall, prior to Closing as part of the Closing Sequence, be released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities and the Permitted Encumbrances, if any); (e) the landlord in respect of the Trillium Lease shall have provided its consent to the change of control that will arise in connection with the Transactions, or the Approval and Vesting Order shall provide that the landlord may not rely on the change of control as a basis to declare a default; and (f) the Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.
Target Closing Date	April 6, 2023 (the " Target Closing Date ").

Summary of the Sale Agreement	
Term	Details
Outside Date	April 11, 2023 (the " Outside Date ").
Termination	<p>The Sale Agreement may be terminated on or prior to the Closing Date in, among other ways, the following:</p> <ul style="list-style-type: none"> (a) by the mutual agreement of the Vendor (with the prior written consent of the Monitor), the Purchased Entities (with the prior written consent of the Monitor) and the Purchaser; (b) by the Purchaser, on the one hand, or the Vendor and the Purchased Entities (with the prior written consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of the Sale Agreement, by the Party proposing to terminate the Sale Agreement; (c) by the Purchaser, on the one hand, or the Vendor and Purchased Entities (with the consent of the Monitor), on the other hand, upon notice to the other Parties if (i) the Approval and Vesting Order has not been obtained by the Target Closing Date or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of the Sale Agreement by the Party proposing to terminate the Sale Agreement; (d) by the Vendor and the Purchased Entities (with the prior written consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in the Sale Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.2 of the Sale Agreement, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor and the Purchased Entities or cured by the Purchaser within five (5) Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under the Sale Agreement at such time; or (e) by the Purchaser, if there has been a material violation or breach by the Vendor or any Purchased Entity of any

Summary of the Sale Agreement	
Term	Details
	agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1 of the Sale Agreement, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Vendor or applicable Purchased Entity within five (5) business days of the Purchaser providing notice to the Vendor and applicable Purchased Entity of such breach, unless the Purchaser is in material breach of its obligations under the Sale Agreement at such time.

40. If the Sale Agreement and the Transactions are approved pursuant to the proposed Approval and Vesting Order, the Vendor, the Purchaser and the Purchased Entities intend to close the Transactions expeditiously and, in any event, by the Target Closing Date (i.e. the date the within motion is scheduled to be heard). Upon delivery of the Monitor's certificate to the Purchaser (the "**Effective Time**"), certifying the Monitor's receipt of written confirmation that all conditions to closing have been satisfied or waived by the parties to the Sale Agreement, the following steps will occur and will be deemed to have occurred in the manner and sequence set out in the Closing Sequence:

- (a) the Purchaser shall pay the Cash Payment in immediately available funds to the Monitor, to be held in escrow and released in accordance with the Closing Sequence;
- (b) the following will occur, and will be deemed to occur, concurrently:
 - (i) all of TJAC's, TRC's, MYM's, MYMB's and Highland's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively

in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively, and all Claims (as defined in the Approval and Vesting Order) and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;

- (ii) the Excluded Liabilities and the Excluded Contracts of TJAC, TRC, MYM, MYMB and Highland shall be transferred to, assumed by and vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively (who, in each case, shall be deemed to be party to such Excluded Contracts), and shall no longer be obligations of TJAC, TRC, MYM, MYMB and Highland, as applicable, each of which Purchased Entity and its Retained Assets shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities, and all Claims and Encumbrances are hereby expunged and discharged as against the Retained Assets; and
 - (iii) TJAC will issue a Deferred Consideration Note to TJAC Residual Co. and Highland will issue a Deferred Consideration Note to Highland Residual Co.;
- (c) all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any person and are convertible or

exchangeable for any securities of any of the Purchased Entities or which require the issuance, sale or transfer by any of the Purchased Entities, of any shares or other securities of the Purchased Entities, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Purchased Entities, or otherwise relating thereto, shall be deemed terminated and cancelled without any payment or other consideration;

- (d) the Purchase Price shall be paid and satisfied in accordance with Section 7.2(d) of the Sale Agreement and all of the Vendor's right, title and interest in and to the Purchased Shares will vest absolutely and exclusively in the Purchaser free and clear of and from any and all Claims and Encumbrances, and all of the Encumbrances affecting or relating to the Purchased Shares will be expunged and discharged as against the Purchased Shares; and
- (e) the Purchased Entities will and will be deemed to cease to be Applicants in these CCAA proceedings, and the Purchased Entities shall be deemed to be released from the purview of the Amended and Restated Initial Order and all other Orders of this Court granted in respect of these CCAA proceedings, save and except for the proposed Approval and Vesting Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

41. Following the implementation of the Closing Sequence, the Purchased Entities will retain all of the Retained Assets and remain liable for all of the Assumed Liabilities, and the Purchaser will be the owner of all of the Purchased Shares. Pursuant to the proposed Approval and Vesting Order, each of the Residual Cos. in which all of the Excluded Assets, Excluded Liabilities and

Excluded Contracts will have been vested in and transferred to, will be added as Applicants in these CCAA proceedings as of the Effective Time. As the Purchased Entities will be owned and controlled by the Purchaser as of the Effective Time, they will be removed as Applicants in these CCAA proceedings pursuant to the proposed Approval and Vesting Order.

42. In accordance with the terms of the Approval and Vesting Order, the nature of the Excluded Liabilities, including their amount and their secured or unsecured status, will not be affected or altered as a result of their transfer to the Residual Cos. Any person that prior to the Effective Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Contract and/or Excluded Liability, will no longer have such right or claim against the applicable Purchased Entity but will have an equivalent Excluded Liability Claim against the applicable Residual Co. in respect of the Excluded Contract and/or Excluded Liability from and after the Effective Time in its place and stead. Put simply, the Excluded Contracts and the Excluded Liabilities, including, without limitation, the ABL Agreement, the DIP Agreement and the Purchased Entities' obligations under the DIP Agreement prior to the Effective Time, will be obligations of the Residual Cos. in which they will have been vested in and transferred to from and after the Effective Time.

43. For the purposes of determining the nature and priority of Claims from and after the Effective Time and subject to the payment of the Success Fee:

- (a) the Deposit, the Cash Payment and any amounts received under the Secured Promissory Note (the "**Note Proceeds**") shall be allocated to the Vendor; and

- (b) any amounts received under any Deferred Consideration Note (collectively with the Deposit, the Cash Payment and the Note Proceeds, the "**Proceeds**") shall be allocated to the applicable Residual Cos.

44. Pursuant to the proposed Approval and Vesting Order, all Claims and Encumbrances will attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Retained Assets immediately prior to the sale.

45. If received as anticipated, the Proceeds are currently expected to be sufficient to pay amounts secured by the Administration Charge, the Directors' Charge and a significant portion (or potentially all) of the DIP Lender's Charge. To the extent that all amounts secured by the Charges are ultimately satisfied by the Proceeds, the Agent and the Lenders may receive a modest recovery under the ABL Agreement. The Proceeds will not however, be sufficient to satisfy claims subordinate to the Charges and the Agent's and the Lenders' security, including the claims of general unsecured creditors. Although both the (i) Agent and the Lenders and (ii) Trichome will still suffer a significant or total shortfall under the ABL Agreement and the Secured Trichome Loans, respectively, the Proceeds will provide materially better recovery to the DIP Lender and potentially, the Agent and the Lenders, than that which could otherwise be achieved through the Wind-Down or in a bankruptcy.

B. Approval of the Sale Agreement and Proceeding by Way of a Reverse Vesting Transaction

46. The Sale Agreement employs a reverse vesting transaction structure to preserve TJAC's and Highland's Cannabis Licenses, which could not otherwise be transferred expediently in the ordinary course and are essential to the Canadian Business' operations. I am advised by Sean Zweig

of Bennett Jones LLP, and believe that, reverse vesting transaction structures akin to that contemplated by the Sale Agreement have previously been used to effectuate the sale of licensed cannabis companies under the CCAA to navigate regulatory hurdles and decrease closing uncertainty.

47. In the circumstances, the benefits of ensuring the seamless and expedient closing of the Transactions under the Sale Agreement and preserving the Cannabis Licenses by way of a reverse vesting transaction cannot be overstated. Due to their limited liquidity, the Applicants cannot continue to fund the costs of the Canadian Business, including those required to preserve the Brands and the Applicants' current product listings. If the closing of the Transactions were to be delayed beyond the Outside Date by the onerous regulatory approvals and transaction complexities that would attend a conventional asset purchase, the value of the Canadian Business would be severely diminished, to the detriment of the Applicants' creditors.

48. Put simply, proceeding by way of a reverse transaction is the only commercially reasonable means by which the value of the Canadian Business can be maximized, and a going concern result achieved, in the circumstances. For this reason, it was imperative to both the Applicants and the Purchaser in negotiating the Sale Agreement that it be effectuated by way of a reverse vesting transaction. As such, the granting of the Approval and Vesting, in the form proposed, is a condition precedent to the closing of the Transactions.

49. The Applicants believe that the Sale Agreement and the Transactions contemplated therein provide the best possible outcome for their stakeholders in the circumstances given that, among other things:

- (a) the Sale Agreement and the Transactions are the culmination of:

- (i) an unsuccessful Court-approved SISP developed by the Applicants, in consultation with the Monitor and the SISP Advisor, which provided a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business, in which no Qualified Bids were received;
 - (ii) the Applicants' and the Monitor's marketing efforts following the termination of the Stalking Horse SPA;
 - (iii) Hyde's efforts to solicit interest in the Canadian Business; and
 - (iv) extensive negotiation between the Purchaser and the Applicants, in consultation with the Monitor, the DIP Lender and the Agent;
- (b) the proposed reverse vesting transaction structure is the only commercially reasonable means in the circumstances by which the Cannabis Licenses can be preserved and the Canadian Business can be sold and its value maximized;
- (c) the Sale Agreement and the Transactions preserve the going concern value of the Canadian Business for the benefit of the Applicants' stakeholders, including certain of their employees, customers and vendors;
- (d) the additional time, expense and closing uncertainty accompanying a potential customary asset purchase transaction capable of preserving the Cannabis Licenses, if any, would result in significant diminution in value to the Canadian Business, to the detriment of the Applicants' creditors;

- (e) in addition to yielding a superior economic result to that which could be obtained using a conventional asset purchase transaction, the reverse vesting transaction contemplated by the Sale Agreement produces a superior economic result to that which could otherwise be achieved by the Wind-Down;
- (f) the Applicants' only reasonable restructuring alternative to the Sale Agreement and the Transactions in view of their limited liquidity and the realizable value of their Assets in the circumstances, is a bankruptcy – an outcome that would foreclose a going concern result to the detriment of the Applicants' stakeholders, and which would involve significant regulatory issues because a trustee in bankruptcy cannot take possession of cannabis;
- (g) the Sale Agreement and the Transactions present the only commercially reasonable and viable transaction capable of being effectuated before the value of the Canadian Business is severely impaired given the Applicants' limited liquidity and inability to continue to fund the Canadian Business' operations;
- (h) the Applicants are not aware of any creditor that would be materially disadvantaged by the proposed Sale Agreement and the Transactions, including their implementation by way of a reverse vesting transactions;
- (i) the Applicants believe that the Purchase Price, together with the Deferred Consideration, is commensurate with the value of the Purchased Shares and the Retained Assets and adequately reflects the value of preserving the Cannabis Licenses through the proposed reverse vesting transaction structure;

- (j) the parties with the primary economic interest in the Applicants and these CCAA proceedings, being the DIP Lender and the Agent, were consulted throughout the negotiation of the Sale Agreement and are supportive of the approval of the Sale Agreement and the consummation of the Transactions contemplated therein; and
- (k) the closing of the Transactions are based on customary conditions, including the granting of the Approval and Vesting Order, and is not predicated on onerous closing obligations.

50. The Monitor has advised that it is supportive of the approval of the Sale Agreement and the consummation of the Transactions contemplated therein. In addition to articulating its support for the approval of the Sale Agreement, I understand that the Monitor will provide its views as to the relative recoveries between the Transactions and a potential bankruptcy of the Applicants in its Fifth Report of the Monitor, to be filed (the "**Fifth Report**").

C. The Success Fee

51. As referenced above, following the termination of the Stalking Horse SPA, the Applicants and the Monitor continued to market the Canadian Business and the Applicants' assets. After consultation with the DIP Lender and the Monitor, the Applicants engaged Hyde to lead an informal marketing process for the Canadian Business.

52. Hyde provides various advisory and investment services to the global cannabis industry. Since its inception, Hyde has provided services in connection with 21 cannabis M&A/restructuring consultations, and has brokered the purchase and sale of numerous licensed cannabis business having an aggregate value of approximately \$38 million.

53. In consideration for providing advisory and investment services, the Applicants, in consultation with the Monitor and the DIP Lender, agreed to provide Hyde with a success fee (the "**Success Fee**") equal to 5% of the first \$2 million of the purchase price of any transaction brokered by Hyde (the "**Minimum Purchase Price**"), plus 7.5% of the amount by which the purchase price exceeds the Minimum Purchase Price. As the Sale Agreement was brokered by Hyde, the proposed Approval and Vesting Order authorizes and directs the Vendor to pay the Success Fee as follows:

- (a) to pay from the Cash Payment received on the Closing Date the amount of \$56,500.00 (for greater certainty, being \$50,000 plus applicable HST) to Hyde within five (5) business days of the Closing Date; and
- (b) to pay from the Note Proceeds (i) five percent of the first \$1 million in Note Proceeds received by the Vendor (the "**Initial Note Proceeds**"), and 7.5% of all Note Proceeds received by the Vendor in excess of the Initial Note Proceeds (the "**Additional Note Proceeds**"), in each case, plus applicable HST, to Hyde within five (5) business days of receipt of all of the Initial Note Proceeds and all of the Additional Note Proceeds, respectively.

54. In accordance with the proposed Approval and Vesting Order, the payment of the Success Fee is conditional upon the receipt of the Cash Payment, release of the Deposit and completion of the Transactions. Moreover, under the terms of the proposed Approval and Vesting Order the payment of the majority of the Success Fee is also conditioned upon receipt of the Initial Note Proceeds and the Additional Note Proceeds.

55. The Applicants believe that the Success Fee is both reasonable and appropriate in the circumstances. Specifically, the Applicants are of the view that the Success Fee is appropriately

conditioned and if payable, will fairly remunerate Hyde, having regard to the breadth of its experience, the services provided, the outcome achieved and the benefit expected to accrue to the Applicants and their stakeholders as a result of Hyde's considerable marketing efforts.

56. Each of the Monitor, the DIP Lender and the Agent has advised that it is supportive of the payment of the Success Fee to Hyde in the manner contemplated under the proposed Approval and Vesting Order.

IV. THE EXTENSION OF THE STAY OF PROCEEDINGS

57. The Stay of Proceedings granted under the Stay Extension Order will expire on April 21, 2023. Pursuant to the proposed Approval and Vesting Order, the Applicants are seeking to extend the Stay of Proceedings to and including October 31, 2023.

58. Since the commencement of these CCAA proceedings, the Applicants have acted, and continue to act, in good faith and with due diligence to:

- (a) stabilize and continue the Canadian Business' ordinary course operations;
- (b) apprise key stakeholders of these CCAA proceedings;
- (c) liaise with suppliers to ensure the continued provision of goods and services required to maintain the Canadian Business' ordinary course operations;
- (d) conserve costs, including through employee terminations and, with the Monitor's consent, the disclaimer of certain agreements;
- (e) coordinate (i) advances under the DIP Facility in accordance with the DIP Agreement and (ii) the execution of the DIP Amendments;

- (f) negotiate and execute the Stalking Horse SPA;
 - (g) develop and assist with the implementation of the SISP;
 - (h) develop and begin to implement the Wind-Down following the termination of the Stalking Horse SPA; and
 - (i) negotiate and execute the Sale Agreement.
59. If extended, the Stay of Proceedings will, among other things:
- (a) continue to preserve the *status quo* and prevent enforcement action by, among others, the Applicants' contractual counterparties;
 - (b) afford the Applicants the breathing space and stability required to close the Transactions expeditiously with a view to preserving and maximizing value for the Applicants' stakeholders;
 - (c) provide time for the Purchaser to (i) pay the Note Proceeds to the Vendor, and (ii) collect and remit the Deferred Consideration, pursuant to and in accordance with the Secured Promissory Note and each Deferred Consideration Note, respectively; and
 - (d) allow the Applicants to seek such further relief as may be required to facilitate the orderly wind-down of the Vendor and the Residual Cos., one or more distributions to the Applicants' creditors, and the termination of these CCAA proceedings.
60. In connection with the proposed extension of the Stay of Proceedings, the Applicants, with the assistance of the Monitor, prepared a revised cash flow analysis (the "**Revised Cash Flow**") to

determine their funding requirements during the Stay Period. I understand that a copy of the Revised Cash Flow will be attached to the Fifth Report. As the Revised Cash Flow illustrates, the Applicants are forecast to have sufficient liquidity to fund the Canadian Business and the costs of these CCAA proceedings through the end of the Stay Period, provided that the Sale Agreement is approved and the Transactions close.

61. In light of the foregoing, I believe that the proposed extension of the Stay of Proceedings is both necessary and in the best interests of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed extension of the Stay of Proceedings.

62. The Monitor has advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period and that it believes that such extension is reasonable and appropriate in the circumstances. Each of the DIP Lender and the Agent has similarly advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period.

V. CONCLUSION

63. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize the Canadian Business, apprise their stakeholders of these CCAA proceedings, advance their restructuring efforts, and identify a value-maximizing transaction. The Sale Agreement and the Transactions contemplated therein are the product of the Applicants' significant efforts in this regard, and reflect the only viable value-maximizing transaction to have materialized in these CCAA proceedings.

64. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants and their stakeholders. Such relief is supported, in each case, by the Monitor, the DIP Lender and the Agent.

65. I swear this affidavit in support of the Applicants' motion for the proposed Approval and Vesting Order and for no other or improper purpose.

SWORN REMOTELY by Michael Ruscetta stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Oakville, in the Province of Ontario, on March 30, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Joshua Foster

JOSHUA FOSTER

Commissioner for Taking Affidavits
(or as may be)

Michael Ruscetta

MICHAEL RUSCETTA

TAB A

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

Court File No.: CV-22-00689857-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME
JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC.,
TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC.,
AND HIGHLAND GROW INC.**

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 2, 2023)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 2, 2023)**

I, Michael Ruscetta, of the city of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the former Chief Executive Officer of Trichome Financial Corp. ("**Trichome**"), having resigned from that position on February 19, 2023. I remain a director of Trichome, Trichome JWC Acquisition Corp. ("**TJAC**"), MYM Nutraceuticals Inc. ("**MYM**"), Trichome Retail Corp. ("**TRC**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with Trichome, TJAC, MYM, TRC and MYMB, the "**Applicants**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of a motion by the Applicants for an order (the "**Stay Extension Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) granting an extension of the Stay of Proceedings (as defined below) to and including April 21, 2023 (the "**Stay Period**");
- (b) approving (i) the Third Report of KSV Restructuring Inc. ("**KSV**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), dated February 22, 2023 (the "**Third Report**"), the First Supplement to the Third Report of the Monitor, to be filed (the "**First Supplement to the Third Report**"), and the activities of the Monitor referred to therein, and (ii) the fees and disbursements of the Monitor and its counsel referred to in the First Supplement to the Third Report; and
- (c) subject to the requirements set out within the Stay Extension Order, authorizing each of the Applicants to permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$3,000,000 in the aggregate with the consent of the Monitor and the DIP Lender (as defined below).

3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit that I previously swore in these proceedings on January 1, 2023 (the "**January 1 Affidavit**") in support of the Applicants' motion for the Stalking Horse and SISP Approval Order (as defined below). A copy of the January 1 Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

4. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

I. BACKGROUND AND STATUS OF THESE CCAA PROCEEDINGS

5. The Applicants, with the exception of Trichome, which is a direct subsidiary, are all indirect wholly owned subsidiaries of IM Cannabis Corp. ("**IMCC**"). IMCC is a publicly traded international cannabis company, which is not an Applicant in these CCAA proceedings.

6. Through their licensed operating subsidiaries, TJAC and Highland, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in Canada (the "**Canadian Business**"). Following months of liquidity challenges and despite concerted efforts to improve their financial position, conserve costs and restructure the Canadian Business, the Applicants faced a dire liquidity crisis.

7. Having regard to the best interests of the Applicants and their stakeholders, and after extensive review and careful consideration of the strategic options and alternatives available, the boards of directors of the Applicants resolved to seek urgent relief under the CCAA. Accordingly, the Applicants sought, and on November 7, 2022, obtained an initial order under the CCAA (the "**Initial Order**").

8. Among other things, the Initial Order:

- (a) appointed KSV as the Monitor;
- (b) stayed, until November 17, 2022, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and

officers, or affecting the Canadian Business or the Property (as defined in the Initial Order), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");

- (c) approved the Applicants' ability to borrow under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Facility**") pursuant to a DIP facility agreement dated November 6, 2022 (as amended, the "**DIP Agreement**"), among TJAC, as borrower, Trichome, TRC, MYM, MYMB and Highland, as guarantors, and Cortland Credit Lending Corporation ("**Cortland**"), as agent for and on behalf of the lenders party thereto (the "**DIP Lender**"); and
- (d) granted the following charges over the Property:
 - (i) the Administration Charge (as defined in the Initial Order) up to a maximum amount of \$750,000;
 - (ii) the Directors' Charge (as defined in the Initial Order) up to a maximum amount of \$967,000; and
 - (iii) the DIP Lender's Charge (as defined in the Initial Order) up to a maximum amount of \$1,825,000.

9. On November 17, 2022, the Applicants sought and obtained an amended and restated Initial Order (the "**Amended and Restated Initial Order**") pursuant to the CCAA, *inter alia*:

- (a) granting an extension of the Stay of Proceedings to and including February 3, 2023; and

- (b) approving increases to the Directors' Charge and the DIP Lender's Charge up to the maximum amounts of \$2,922,000 and \$4,875,000, respectively.

10. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on January 9, 2023, obtained an order (the "**Stalking Horse and SISP Approval Order**") under the CCAA, among other things:

- (a) approving a sale and investment solicitation process, including corresponding bidding and auction procedures (the "**SISP**");
- (b) approving the letter agreement dated November 7, 2022 (the "**SISP Advisor Engagement Agreement**"), among the Applicants and Stoic Advisory Inc. (the "**SISP Advisor**"), and authorizing the Applicants, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms;
- (c) authorizing the SISP Advisor and the Applicants to implement the SISP, with the oversight of the Monitor;
- (d) authorizing and approving the Applicants' execution of the stalking horse share purchase agreement dated December 12, 2022 (the "**Stalking Horse SPA**"), among the Applicants and L5 Capital Inc. (the "**Stalking Horse Bidder**"), *nunc pro tunc*, and approving the Stalking Horse SPA, including the Expense Reimbursement set out therein, solely for the purposes of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**");

- (e) approving the Applicants' execution of the first amending agreement to the DIP Agreement dated December 14, 2022 and the second amending agreement to the DIP Agreement dated January 6, 2023, each among the Applicants and the DIP Lender (together, the "**DIP Amendments**"), *nunc pro tunc*; and
- (f) granting an extension of the Stay of Proceedings to and including March 10, 2023.

11. On February 22, 2023, the Monitor filed the Third Report pursuant to subsection 23(1)(d)(i) of the CCAA to advise the Court and the Applicants' stakeholders of certain material adverse changes in the Applicants' financial circumstances including that, as more fully described below:

- (a) on February 13, 2023, the Stalking Horse Bidder advised that it would not complete the transactions contemplated by the Stalking Horse SPA and acknowledged the forfeiture of the deposit (\$250,000) paid thereunder (the "**Deposit**"); and
- (b) the Applicants did not have liquidity under the DIP Facility or otherwise to pay certain post-filing operating expenses.

12. Copies of the Initial Order, the Amended and Restated Initial Order, the Stalking Horse and SISP Approval Order, the Third Report and other materials filed in these CCAA proceedings are available on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/trichome>. For ease of reference, copies of the Stalking Horse and SISP Approval Order and the accompanying endorsement of the Honourable Madam Justice Conway dated January 9, 2023, are attached hereto as **Exhibits "B"** and **"C"**, respectively.

13. The Applicants now seek the proposed Stay Extension Order to allow the Applicants to address their liquidity challenges and respond to the difficulties that have ensued since the termination of the Stalking Horse SPA.

II. THE SISP AND THE STALKING HORSE SPA

A. The SISP and its Results

14. The Applicants developed the SISP, in consultation with the Monitor and the SISP Advisor, to solicit interest in all of their rights, title and interest in and to all of their assets or all of the shares in the capital of the Applicants (collectively, the "**Vendors' Assets**"). A comprehensive description of the SISP and related bidding and auction procedures was provided in the January 1 Affidavit. A summary of the SISP and its results is set out below.

15. The SISP was intended to provide a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business and maximizing recovery for the Applicants' stakeholders. To maximize flexibility in the SISP, the SISP made clear that the Applicants would consider any of the following bids, in each case, subject to the terms of the SISP:

- (a) a bid for all of the Vendors' Assets;
- (b) separate bids to acquire some but not all of the Vendors' Assets; or
- (c) a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Applicants.

16. In anticipation of the SISP's commencement, and in view of the timeline governing the material steps therein (the "**SISP Timeline**"), the following initial steps were completed by January 3, 2023:

- (a) the SISP Advisor, with the assistance of the Applicants and the Monitor, prepared
 - (i) a list of approximately 200 potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (each a "**Known Potential Bidder**"), and
 - (ii) a process summary (the "**Teaser Letter**") describing the Vendors' Assets, outlining the bidding procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the bidding procedures; and
- (b) the Applicants, with the assistance of the SISP Advisor and the Monitor, prepared a non-disclosure agreement (an "**NDA**") for use in the SISP.

17. On January 3, 2023, the Applicants issued a press release (the "**January 3 Press Release**") with a view to providing broad notice of, and soliciting additional interest in, the SISP. The January 3 Press Release announced that:

- (a) under the Monitor's supervision, the SISP Advisor was conducting the SISP to solicit interest in the sale of the Vendors' Assets;
- (b) in connection with the SISP, the Applicants had executed the Stalking Horse SPA with the Stalking Horse Bidder;
- (c) the Stalking Horse Bidder is controlled by Marc Lustig ("**Mr. Lustig**"), a director of Trichome;

- (d) the Stalking Horse SPA offered total consideration of approximately \$6,300,000, plus the collection of certain receivables and the sale of inventory, if any, at the time of closing the transactions contemplated thereunder;
 - (e) the Applicants intended to seek Court-approval of the SISP and the Stalking Horse SPA, solely for the purposes of acting as the "stalking horse bid" in the SISP on January 9, 2023;
 - (f) if approved by the Court for the purposes of acting as the "stalking horse bid" in the SISP, the Stalking Horse SPA would be subject to higher and otherwise superior bids received in the SISP;
 - (g) a Potential Bidder that wished to make a bid in the SISP must deliver a written copy of its bid by no later than 5:00 p.m. (Eastern Time) on February 6, 2023 (the "**Bid Deadline**"); and
 - (h) any Potential Bidder that wished to participate in the SISP could contact the SISP Advisor to receive additional information.
18. A copy of the January 3 Press Release is attached hereto as **Exhibit "D"**.
19. In accordance with the SISP Timeline, the SISP Advisor sent the Teaser Letter and an NDA to each Known Potential Bidder on January 3, 2023. Throughout the SISP, the Teaser Letter and NDA were also made available to any other party (i) upon request or (ii) that was identified by the Applicants or the Monitor as a Potential Bidder.

20. Five Potential Bidders executed NDAs and were provided with access to a confidential data room established by the SISP Advisor to facilitate their due diligence. Such Potential Bidders were also provided with a confidential information memorandum prepared by the SISP Advisor, in consultation with the Applicants and the Monitor.

21. Each Potential Bidder that wished to make a bid in the SISP was required to deliver a written copy of its bid by no later than the Bid Deadline, with such bid including or conforming to the requirements prescribed under the bidding procedures (collectively, the "**Required Bid Terms and Materials**"). Any such bid, if satisfying the Required Bid Terms and Materials and received by the Bid Deadline, would constitute a "**Qualified Bid**" in the SISP.

22. A single letter of intent (the "**LOI**") was delivered by a Potential Bidder (the "**Interested Party**") by the Bid Deadline. No Potential Bidder advised the SISP Advisor, the Applicants or the Monitor that a Qualified Bid (or any bid at all) would be forthcoming if the Bid Deadline were to be extended.

23. The LOI was not compliant with the Required Bid Terms and Materials. Indeed, among other things, the LOI:

- (a) failed to provide aggregate consideration of \$6,600,000;
- (b) was conditional on the outcome of unperformed due diligence;
- (c) did not include a duly authorized and executed copy of a proposed purchase agreement;

- (d) did not include an assumption of liabilities and other economic terms at least as favourable in the aggregate as those in the Stalking Horse Bid; and
- (e) failed to provide a cash deposit in the amount of not less than five percent (5%) of the amount of the purchase price, in immediately available funds.

24. Due to the above-referenced deficiencies, the LOI did not, and without a waiver of nearly all of the Required Bid Terms and Materials, could not, constitute a Qualified Bid. As no Qualified Bids were submitted by the Bid Deadline, other than the Stalking Horse Bid, the Stalking Horse Bid was deemed to be the Successful Bid, and the SISP did not proceed to an auction.

25. By letter dated February 7, 2023 (the "**February 7 Letter**"), Bennett Jones LLP ("**Bennett Jones**"), counsel to the Applicants, informed the Stalking Horse Bidder, through its counsel, Blake, Cassels & Graydon LLP ("**Blakes**"), that:

- (a) the Stalking Horse Bid was deemed to be the Successful Bid in accordance with the SISP;
- (b) the Applicants would proceed to prepare motion materials seeking the Approval and Vesting Order, *inter alia*, approving the Stalking Horse Bid and the transactions thereunder; and
- (c) the Applicants would promptly canvass the Court's availability to hear the Applicants' motion for the Approval and Vesting Order.

26. A copy of the February 7 Letter, on which the Monitor and its counsel were copied, is attached hereto as **Exhibit "E"**.

27. As discussed in detail below, despite being deemed to be the Successful Bid in the SISP, the Stalking Horse Bidder has formally and irrevocably advised that it does not intend to close the transactions contemplated by the Stalking Horse SPA.

B. The Termination of the Stalking Horse SPA

28. The Applicants entered into the Stalking Horse SPA, in consultation with the Monitor, to enhance the efficacy of the SISP and establish an appropriate, valuable and competitive floor for bids submitted in accordance therewith. As noted in the January 1 Affidavit and the January 3 Press Release, the Stalking Horse Bidder is a related party as it is controlled by Mr. Lustig, a director of Trichome and the Chair of IMCC.

29. The Stalking Horse SPA contemplated a reverse vesting transaction, pursuant to which the Stalking Horse Bidder would acquire all of the issued and outstanding shares in the capital of TJAC and MYM owned by Trichome. The material terms of the Stalking Horse SPA were described in the January 1 Affidavit and are not repeated herein. A copy of the Stalking Horse SPA is attached hereto as **Exhibit "F"**.

30. If selected as the Successful Bid and consummated in accordance with its terms, the Stalking Horse Bid was expected to:

- (a) ensure the preservation of the Canadian Business as a going concern and the continued employment of a significant number of the Applicants' employees; and
- (b) provide sufficient proceeds to:
 - (i) pay for all post-filing goods and services provided to the Applicants;

- (ii) pay the fees and disbursements of the Monitor, counsel to the Monitor and counsel to the Applicants in these CCAA proceedings, to the extent unpaid (which amounts are secured by the Administration Charge in priority to both the Directors' Charge and the DIP Lender's Charge);
- (iii) satisfy the Applicants' indemnification obligations in respect of potential liabilities faced by the Applicants' directors and officers during these CCAA proceedings (which obligations are secured by the Directors' Charge in priority to the DIP Lender's Charge);
- (iv) repay all amounts owing to the DIP Lender under the DIP Facility (which amounts are secured by the DIP Lender's Charge);
- (v) repay all amounts owing to Cortland, in its capacity as Agent (in such capacity, the "**Agent**") for the lenders under the credit agreement dated May 14, 2021 (collectively, the "**Lenders**"), among TJAC, as borrower, Cortland, as Agent, and Trichome, as initial guarantor (as amended pursuant to an amending agreement no. 1 dated August 27, 2021, and as further amended by an amending agreement no. 2 dated March 31, 2022, the "**ABL Agreement**");
- (vi) partially repay amounts owing to Trichome under (A) a secured convertible debenture dated August 28, 2020 issued by TJAC in favour of Trichome (as amended by a first amendment to secured convertible debenture dated July 20, 2022, the "**Secured Debenture**") and (B) a secured grid promissory note

dated August 28, 2020 issued by TJAC in favour of Trichome (together with the Secured Debenture, the "**Secured Trichome Loans**");

- (vii) repay certain pre-filing withholding tax arrears owing to the Canada Revenue Agency; and
- (viii) potentially fund modest distributions to certain of the Applicants' pre-filing unsecured creditors.

31. On February 13, 2023, Blakes sent a letter (the "**Termination Letter**") to Bennett Jones on behalf of the Stalking Horse Bidder, with a copy to the Monitor and its counsel, among other things:

- (a) providing formal and irrevocable notice that the Stalking Horse Bidder did not intend to close the Transactions contemplated by the Stalking Horse Bid;
- (b) advising that the Stalking Horse Bidder would (i) not dispute the Applicants' election, if any, to terminate the Stalking Horse Bid pursuant to Section 9.1(e) thereof,¹ and (ii) waive the cure period provided for therein in the event of such election (the "**Waiver**");
- (c) acknowledging that under the circumstances, the Deposit provided by the Stalking Horse Bidder would be forfeited;

¹ Section 9.1(e) of the Stalking Horse SPA provides as follows: "This Agreement may be terminated on or prior to the Closing Date: [...] (e) by the Vendor and the Purchased Entities (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor and the Purchased Entities or cured by the Purchaser within five (5) Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under this Agreement at such time".

- (d) confirming that the Stalking Horse Bidder would not dispute the forfeiture of the Deposit; and
- (e) noting that, pursuant to Section 2.3 of the Stalking Horse SPA, the retention of the Deposit is the sole and exclusive remedy available to the Applicants under the Stalking Horse SPA.

32. A copy of the Termination Letter is attached hereto as **Exhibit "G"**. Following receipt of the Termination Letter, the Applicants advised the Monitor that no additional goods or services would be purchased by the Applicants absent the Monitor's prior consent.

33. In consultation with the Monitor, Bennett Jones responded on behalf of the Applicants to the Termination Letter by way of letter dated February 16, 2023 (the "**February 16 Letter**"). Among other things, the February 16 Letter advised that:

- (a) based on the content of the Termination Letter, the conditions enumerated in Section 8.2 of the Stalking Horse Bid, which are for the exclusive benefit of the Applicants, would not be satisfied nor complied with, as applicable, by the Outside Date, and would not be waived by the Applicants under the circumstances;
- (b) with the consent of the Monitor, the Applicants were electing to terminate the Stalking Horse SPA pursuant to, and in accordance with, Section 9.1(e) thereof;
- (c) in accordance with the terms of the Stalking Horse SPA, including Section 2.3 thereof, the full amount of the Deposit constitutes the property of, and would be transferred to, the Applicants as liquidated damages (and not as a penalty);

- (d) the Stalking Horse Bidder had no entitlement to the Expense Reimbursement in the circumstances; and
- (e) the Applicants were reserving all of their rights in connection with the issues raised by and within the Termination Letter, including the Stalking Horse Bidder's failure to complete the transactions contemplated by the Stalking Horse SPA.

34. A copy of the February 16 Letter, on which the Monitor and its counsel were copied, is attached hereto as **Exhibit "H"**.

35. Since the termination of the Stalking Horse SPA, the Applicants and the Monitor have continued to market the Canadian Business and the Applicants' assets, including the Applicants' "WAGNERS" and "Highland Grow" brands (together, the "**Brands**"). This has included engaging in further discussions with the Interested Party. To date, these efforts have not resulted in an executable transaction, but the Applicants remain hopeful one or more transactions will materialize.

C. The Transition to an Orderly Wind-Down

36. Due predominantly to lower than expected sales and accounts receivable collections, the Applicants do not have sufficient availability under the DIP Facility to continue operating the Canadian Business in the ordinary course. Moreover, in accordance with the terms of the DIP Agreement, all outstanding principal and interest under the DIP Facility will become due and payable as of March 13, 2023. Since there is no availability under the DIP Facility, the Applicants have not been, and will not be, able to fund the Canadian Business' ordinary course operations.

37. Given the Applicants' current lack of availability under the DIP Facility, the termination of the Stalking Horse SPA and the absence of an alternative Qualified Bid, the DIP Lender has advised the Applicants that it will not continue to fund the Canadian Business' ordinary course operations or a further formal marketing process. Rather, due to the financial position of the Applicants, the factors noted in the preceding paragraph and the failed Stalking Horse Bid and SISP, the DIP Lender has made clear that it will only fund expenses required for the purposes of winding-down the Canadian Business in an orderly manner.

38. Having regard to the results of the SISP, and the Applicants' limited liquidity and obligations under the DIP Agreement, the Applicants, in consultation with the Monitor, have determined to commence an orderly wind-down of the Canadian Business. As outlined in the Third Report, the Applicants decided to not repay any amounts owing under the DIP Facility or incur or pay any other obligations that are not critical to the wind-down of the Canadian Business until a more fulsome wind-down plan is established.

39. The Applicants' wind-down is anticipated to take approximately five weeks and will be conducted in accordance with the limitations imposed under the CCAA and terms of the Amended and Restated Initial Order, as modified by the proposed Stay Extension Order, including each of the Applicants' authority to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate (the "**Sale Authority**");

- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender; and
- (c) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate.

40. To facilitate the Applicants' wind-down, the proposed Stay Extension Order also authorizes each of the Applicants, with the consent of the Monitor and the DIP Lender, to dispose of redundant or non-material assets with values in excess of the existing Sale Authority. In particular, if the Stay Extension Order is granted, each of the Applicants will be authorized to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$3,000,000 in the aggregate with the consent of the Monitor and the DIP Lender.

41. Excluding the Brands, the Applicants' remaining material assets are comprised of accounts receivable, inventory of approximately 3,600 kilograms of cannabis, and certain real property in Halifax, Nova Scotia owned by MYMB (the "**Real Property**"). The Applicants' accounts receivable are primarily from provincial regulators and are expected to be paid in the normal course. The Applicants, in consultation with the DIP Lender, are in discussion with several parties to facilitate the sale of the Applicants' cannabis inventory to potential purchasers. The Applicants are also in the process of engaging a real estate agent to sell the Real Property.

42. The proceeds of the orderly wind-down of the Canadian Business are currently expected to be sufficient to pay amounts secured by the Administration Charge, the Directors' Charge and at least a portion of the DIP Lender's Charge. The Agent and the Lenders however, are currently expected to suffer a significant (and potentially total) shortfall under the ABL Agreement, while Trichome is anticipated to have no recovery under the Secured Trichome Loans. Certain post-

filing amounts previously incurred by the Applicants that are unrelated to the orderly wind-down of the Canadian Business are likewise anticipated to remain unpaid.

43. In an effort to improve stakeholder recovery, the Applicants, in consultation with the Monitor and the DIP Lender, intend to continue to explore opportunities to sell the Brands and/or other assets during the orderly wind-down of the Canadian Business.

III. THE EXTENSION OF THE STAY OF PROCEEDINGS

44. The Stay of Proceedings granted under the Stalking Horse and SISP Approval Order will expire on March 10, 2023. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay of Proceedings to and including April 21, 2023.

45. Since the commencement of these CCAA proceedings, the Applicants have acted, and continue to act, in good faith and with due diligence to:

- (a) stabilize and continue the Canadian Business' ordinary course operations;
- (b) apprise key stakeholders of these CCAA proceedings;
- (c) liaise with suppliers to ensure the continued provision of goods and services required to maintain the Canada Business' ordinary course operations;
- (d) conserve costs, including through employee terminations and, with the Monitor's consent, the disclaimer of certain agreements;
- (e) negotiate and execute the SISP Advisor Engagement Agreement;

- (f) coordinate (i) advances under the DIP Facility in accordance with the DIP Agreement and (ii) the execution of the DIP Amendments;
 - (g) negotiate and execute the Stalking Horse SPA;
 - (h) develop and assist with the implementation of the SISP; and
 - (i) develop and begin to implement a wind-down plan following the termination of the Stalking Horse SPA.
46. If extended, the Stay of Proceedings will, among other things:
- (a) continue to preserve the *status quo* and prevent enforcement action by, among others, the Applicants' contractual counterparties;
 - (b) afford the Applicants the breathing space and stability required to conduct an orderly wind-down of the Canadian Business with a view to preserving and maximizing value for the Applicants' stakeholders; and
 - (c) allow the Applicants to seek such further relief as may be required to facilitate the orderly wind-down of the Canadian Business, including one or more approval and vesting orders.
47. In connection with the proposed extension of the Stay of Proceedings, the Applicants, with the assistance of the Monitor, prepared a revised cash flow analysis (the "**Revised Cash Flow**") to determine their funding requirements during the Stay Period. I understand that a copy of the Revised Cash Flow will be attached to the First Supplement to the Third Report of the Monitor, to be filed. As the Revised Cash Flow illustrates, the Applicants are forecast to have sufficient

liquidity to fund the wind-down of the Canadian Business and the costs of these CCAA proceedings through the end of the Stay Period.

48. In light of the foregoing, I believe that the proposed extension of the Stay of Proceedings is both necessary and in the best interests of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed extension of the Stay of Proceedings.

49. The Monitor has advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period and that it believes that such extension is reasonable and appropriate in the circumstances. Each of the DIP Lender and the Agent has similarly advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period.

IV. THE MONITOR'S REPORTS, FEES AND ACTIVITIES

50. The proposed Stay Extension Order approves the Third Report and the First Supplement to the Third Report, as well as the activities of the Monitor described therein. The proposed Stay Extension Order also approves the fees and disbursements of the Monitor and its counsel, as set out in the First Supplement to the Third Report.

51. I am advised by the Monitor, and believe that, the Monitor and its counsel will prepare and file fee affidavits with the Court in advance of the hearing of the within motion.

V. CONCLUSION

52. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize the Canadian Business, apprise their stakeholders

of these CCAA proceedings, advance their restructuring efforts, and identify a value-maximizing transaction. The Applicants intend to continue to act in good faith and with due diligence to conduct an efficient, fair and orderly wind-down of the Canadian Business, with the oversight and assistance of the Monitor.

53. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants and their stakeholders. Such relief is supported, in each case, by the Monitor, the DIP Lender and the Agent.

54. I swear this affidavit in support of the Applicants' motion for the proposed Stay Extension Order and for no other or improper purpose.

SWORN REMOTELY by Michael Ruscetta stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 2nd, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Joshua Foster

JOSHUA FOSTER

Commissioner for Taking Affidavits

(or as may be)

Michael Ruscetta

MICHAEL RUSCETTA

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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 2, 2023)

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Lawyers for the Applicants

TAB B

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)



Court File No.: CV-22-00689857-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 9 TH
)	
JUSTICE CONWAY)	DAY OF JANUARY, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRICHOME FINANCIAL CORP.,
TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM
INTERNATIONAL BRANDS INC., AND HIGHLAND GROW
INC. (collectively the "**Applicants**", and each an "**Applicant**")

STALKING HORSE AND SISP APPROVAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, extending the stay period and approving the (i) SISP (as defined below), (ii) Stalking Horse SPA (as defined below) solely for the purpose of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**"), including the Expense Reimbursement (as defined in the Stalking Horse SPA) contained therein, (iii) SISP Advisor Engagement Agreement (as defined below), (iv) Pre-Filing Report, the First Report and the Second Report and the activities of the Monitor referred to therein (each as defined below), (v) DIP Amendments (as defined below) and (vi) fees and disbursements of the Monitor and its counsel referred to in the Second Report, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicants, the affidavit of Michael Ruscetta sworn January 1, 2023 and the Exhibits thereto (the "**Ruscetta Affidavit**"), the affidavit of Michael Ruscetta sworn January 6, 2023 and the Exhibit thereto (the "**Supplemental Ruscetta**

Affidavit"), and the Second Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated January 4, 2023 (the "**Second Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Cortland Credit Lending Corporation, as agent for and on behalf of certain lenders (the "**DIP Lender**"), and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Joshua Foster, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as Schedule "A", including without limitation, the Bidding Procedures and Auction Procedures set out therein (the "**SISP**"), or the Amended and Restated Initial Order of the Honourable Madam Justice Conway dated November 17, 2022 (the "**Amended and Restated Initial Order**"), as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including March 10, 2023.

APPROVAL OF THE SISP ADVISOR'S ENGAGEMENT

4. **THIS COURT ORDERS** that the letter agreement dated November 7, 2022, among the Applicants and Stoic Advisory Inc. (the "**SISP Advisor**") attached as Exhibit "F" to the Ruscetta Affidavit (the "**SISP Advisor Engagement Agreement**"), is hereby approved and the Applicants are hereby authorized, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms.

APPROVAL OF THE SISP

5. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved and the Applicants, the SISP Advisor and the Monitor, are authorized and directed to carry out the SISP in accordance with its terms and the terms of this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

6. **THIS COURT ORDERS** that the Applicants, the SISP Advisor and the Monitor and their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants, the SISP Advisor or the Monitor, as applicable, as determined by this Court.

7. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order or in the SISP, neither the SISP Advisor nor the Monitor shall take Possession of the Business or the Property or be deemed to take Possession of the Business or the Property, including pursuant to any provision of the Cannabis Legislation or the Environmental Legislation.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and any similar legislation in any other applicable jurisdictions, the Applicants, the SISP Advisor, the Monitor and each of their respective Assistants are hereby authorized and permitted to disclose and transfer to each Qualified Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction,

shall return all such information to the Applicants, the SISP Advisor or the Monitor, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicants, the SISP Advisor or the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, the SISP Advisor or the Monitor or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants, the SISP Advisor or the Monitor.

APPROVAL OF THE STALKING HORSE SPA

9. **THIS COURT ORDERS** that the Applicants' execution of the stalking horse share purchase agreement among L5 Capital Inc. (the "**Stalking Horse Bidder**") and the Applicants dated December 12, 2022 and attached to the Ruscetta Affidavit as Exhibit "G" (the "**Stalking Horse SPA**"), is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the Applicants, with the consent of the Monitor, and the Stalking Horse Bidder may agree to in writing, and the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse SPA is hereby approved as the Stalking Horse Bid; provided that, nothing herein approves the sale and vesting of the Purchased Shares (as defined in the Stalking Horse SPA) to the Stalking Horse Bidder pursuant to the Stalking Horse SPA and that the approval of the sale and vesting of such Purchased Shares shall be considered by this Court on a subsequent motion made to this Court following completion of the SISP if the Stalking Horse Bid is the Successful Bid.

10. **THIS COURT ORDERS** that the Expense Reimbursement is hereby approved and Trichome is hereby authorized to pay the Expense Reimbursement subject to and in accordance with the terms of the Stalking Horse SPA.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

11. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated November 7, 2022 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 14, 2022 (the "**First Report**"), and the Second Report, and the activities of the Monitor referred to therein be

and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

12. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Second Report, be and are hereby approved.

DIP AMENDMENTS

13. **THIS COURT ORDERS** that the Applicants' execution of the first amending agreement dated December 14, 2022 and the second amending agreement dated January 6, 2023, each among the Applicants and the DIP Lender, and attached to the Ruscetta Affidavit as Exhibit "H" and the Supplemental Ruscetta Affidavit as Exhibit "A" (together the "**DIP Amendments**"), respectively, is hereby authorized and approved, *nunc pro tunc*.

14. **THIS COURT ORDERS** that paragraphs 32 to 37 of the Amended and Restated Initial Order shall apply to the DIP Agreement as amended by the DIP Amendments and all references to the DIP Agreement contained in the Amended and Restated Initial Order shall be deemed to be references to the DIP Agreement as amended by the DIP Amendments.

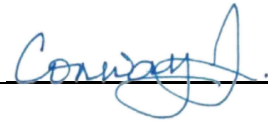
GENERAL

15. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the SISF at any time.

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

18. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



SCHEDULE "A"

SISP

**IN THE MATTER OF TRICHOME FINANCIAL CORP., TRICHOME JWC
ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL
CORP., MYM INTERNATIONAL BRANDS INC. AND HIGHLAND GROW INC.**

SALE AND INVESTMENT SOLICITATION PROCESS

On November 7, 2022, Trichome Financial Corp. ("**Trichome**"), Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc. and Highland Grow Inc. (collectively with Trichome, the "**Vendors**") obtained an initial order (as amended and restated on November 17, 2022, and as may be further amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985. c. C-36, as amended (the "**CCAA**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as the Monitor in the Applicants' CCAA proceedings (in such capacity, the "**Monitor**").

On January 9, 2023, the Court granted an order (the "**Stalking Horse and SISP Approval Order**") under the CCAA, among other things: approving a sale and investment solicitation process (the "**SISP**") and corresponding Bidding Procedures and Auction Procedures (each as defined below); approving the letter agreement dated November 7, 2022 between the Vendors and Stoic Advisory Inc. (the "**SISP Advisor**"); authorizing the SISP Advisor and the Vendors to implement the SISP, with the oversight of the Monitor; approving and accepting solely for the purposes of conducting the SISP, the stalking horse share purchase agreement dated December 12, 2022 (the "**Stalking Horse Bid**") among the Vendors and L5 Capital Inc. (the "**Stalking Horse Bidder**"); and approving the payment of an expense reimbursement (the "**Expense Reimbursement**") by Trichome to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid.

Set forth below are the bidding procedures ("**Bidding Procedures**") to be employed with respect to the sale of the Vendors' Assets (as defined below) pursuant to the Court-approved SISP.

Subject to Court availability and the terms hereof, the Vendors shall bring a motion (the "**Approval and Vesting Order Motion**") on or before March 3, 2023, seeking an order (the "**Approval and Vesting Order**") by the Court authorizing the Vendors to proceed with the sale of the Vendors' Assets to the Qualified Bidder making the Successful Bid (each as defined below) (the "**Successful Bidder**").

BIDDING PROCEDURES**Key Dates**

January 3, 2023	Delivery of the Teaser Letter (as defined below) and sales packages
January 3, 2023	Confidential data site to be established
February 6, 2023 at 5:00 p.m. (Eastern Time)	Bid Deadline (as defined below) - due date for bids and deposits
February 14, 2023	Monitor to provide the Stalking Horse Bidder and each Qualified Bidder a schedule setting forth either or both (i) the highest or otherwise best fully binding offer for all of the Vendors' Assets and (ii) the highest or otherwise best fully binding offer(s) for all or any combination of the Vendors' Assets
February 17, 2023 at 10:00 a.m. (Eastern Time)	Auction (as defined below), if any
February 21, 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (if no Auction)
March 3, 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (if Auction)

Solicitation of Interest: Notice of the SISP and Bidding Procedures

As soon as reasonably practicable, but in any event no later than January 3, 2023:

- (i) the SISP Advisor, with the assistance of the Vendors and the Monitor, will prepare
 - (a) a list of potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (each a "**Known Potential Bidder**"), and
 - (b) a process summary (the "**Teaser Letter**") describing the Vendors' Assets, outlining these Bidding Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to these Bidding Procedures; and

- (ii) the Vendors, with the assistance of the SISP Advisor and the Monitor, will prepare a non-disclosure agreement (an "NDA") to be provided to Potential Bidders (as defined below).

The SISP Advisor will send the Teaser Letter and an NDA to each Known Potential Bidder by no later than January 3, 2023, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Vendors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Assets to Be Sold En Bloc or Piecemeal

The Vendors are offering for sale all of the Vendors' right, title and interest in and to all of the Vendors' assets or all of the shares in the capital of the Vendors by way of a share sale through a reverse vesting transaction (collectively, the "**Vendors' Assets**"). The Vendors will consider (i) a bid for all of the Vendors' Assets (an "**En Bloc Bid**") or (ii) separate bids to acquire some but not all of the Vendors' Assets ("**Piecemeal Bids**"), provided that the Vendors will only consider Piecemeal Bids if a combination of one or more Piecemeal Bids in the aggregate meet the requirements to be a Qualified Bid (as defined below). The Vendors' preferred transaction structure is an En Bloc Bid.

Although the Vendors are seeking bids to purchase some or all of the Vendors' Assets, the Vendors will also consider a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Vendors (a "**Plan Bid**") provided that such Plan Bid will only be a Qualified Bid if it: (i) provides for the indefeasible payment in full of the Expense Reimbursement and, unless otherwise consented to by the Agent (as defined below) and the DIP Lender (as defined in the Initial Order), all amounts owing to Cortland Credit Lending Corporation ("**Cortland**"), including without limitation, the secured indebtedness owing to Cortland, as agent for and on behalf of the Vendors' senior secured lenders (in such capacity, the "**Agent**") and the indebtedness owing to Cortland as the DIP Lender under the DIP Agreement (as defined in the Initial Order), on or before the Outside Date (as defined in the Stalking Horse Bid) regardless of the timeline for such Plan Bid; (ii) has conditions that, in the reasonable opinion of the Vendors and the Monitor, are likely to be satisfied; and (iii) includes a fully-funded commitment to provide any additional interim financing required by the Vendors to complete all of the steps necessary to implement such Plan Bid, such financing to be subordinate to the existing Administration Charge, the Directors' Charge and the DIP Lender's Charge (each as defined in the Initial Order).

The Bidding Process and the Auction

The SISP Advisor, under the supervision of the Vendors and the Monitor, shall be responsible for the marketing and sale of the Vendors' Assets pursuant to the Stalking Horse and SISP Approval Order, the SISP and these Bidding Procedures on behalf of the Vendors (the "**Bidding Process**"). The Monitor, with the consent of the Vendors, shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Process, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the prior written consent of the Stalking Horse Bidder or a further Order of the Court.

The Monitor will be responsible for conducting an auction (the "**Auction**"), if required in accordance with the terms of these Bidding Procedures, on behalf of the Vendors.

Participation Requirements

Any interested party that wishes to participate in the Bidding Process (each a "**Potential Bidder**") must provide to the Vendors:

- (i) an NDA executed by it, which shall enure to the benefit of any purchaser of the Vendors' Assets, or any portion thereof; and
- (ii) a letter setting forth the identity of the Potential Bidder, and the contact information for such Potential Bidder.

To be a "**Qualified Bidder**", a Potential Bidder must satisfy the Required Bid Terms and Materials (as defined below).

Bid Deadline

A Potential Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Terms and Materials to the Monitor no later than 5:00 p.m. (Eastern Time) on February 6, 2023 (the "**Bid Deadline**"). Written copies of bids and the Required Bid Terms and Materials shall be delivered by the Bid Deadline by email to the Monitor at the following address:

KSV Restructuring Inc. 150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
Attention: Murtaza Tallat
Email: mtallat@ksvadvisory.com

The Monitor shall forthwith provide copies of any bids received to the Vendors.

Bid Requirements

All bids (other than the Stalking Horse Bid) must include or conform with the following requirements (collectively, the "**Required Bid Terms and Materials**"):

- (i) the identity of each entity or person and representatives thereof who are authorized to appear and act on behalf of the Potential Bidder for all purposes regarding the transaction;
- (ii) aggregate consideration of CAD\$6,600,000, which shall include cash consideration in an amount of at least CAD\$5,300,000, being (x) the amount payable under the Stalking Horse Bid (CAD\$5,000,000), plus (y) the Expense Reimbursement (CAD\$200,000) and (z) a CAD\$100,000 minimum bid increment;
- (iii) a description of the Vendors' Assets to be included in the transaction, and an allocation of the purchase price to such Vendors' Assets;

- (iv) a provision stating that the Potential Bidder's offer is irrevocably open for acceptance until the earlier of (a) the date that the Vendors' Assets have been sold pursuant to the closing of the transaction(s) approved by the Court; and (b) the Outside Date;
- (v) there shall be no provision making the Potential Bidder's offer conditional on obtaining financing or any internal approval or on the outcome of unperformed due diligence or any other contingencies more burdensome than those set forth in the Stalking Horse Bid;
- (vi) a duly authorized and executed copy of a proposed purchase agreement and a redline of the Potential Bidder's proposed purchase agreement reflecting variations from the form of purchase agreement uploaded to the data site (the "**Modified Purchase Agreement**");
- (vii) there shall be no provision within the Modified Purchase Agreement requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment;
- (viii) evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Monitor and the Vendors to make a determination as to the Potential Bidder's financial and other capabilities to consummate the proposed transaction;
- (ix) an assumption of liabilities and other economic terms pursuant to the Modified Purchase Agreement that are at least as favorable in the aggregate as those in the Stalking Horse Bid, including with respect to the Closing Date Purchased Entity Receivables and the Closing Date Purchased Entity Inventory (each as defined in the Stalking Horse Bid); and
- (x) a cash deposit in the amount of not less than five percent (5%) of the amount of the purchase price ("**Bid Deposit**"), in immediately available funds in the form of a wire transfer, bank draft or such other form acceptable to the Monitor, acting reasonably, which shall be held by the Monitor in trust (the "**Escrow Funds**"). The Escrow Funds shall be disbursed only as follows: (a) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be disbursed in accordance with its binding transaction agreement; and (b) if the Qualified Bidder is not the Successful Bidder, then its Bid Deposit shall be returned to it, without interest, forthwith following the expiration of its offer (which in the case of the Back-Up Bid (as defined below) shall be following closing of the sale to the Successful Bidder).

A bid from a Potential Bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a "**Qualified Bid**". The Monitor shall notify each Potential Bidder with respect to whether it has submitted a Qualified Bid as soon as practicable after the Bid Deadline. In consultation with the Vendors, the Monitor may waive compliance with any one or more of the Required Bid Terms and Materials and deem such non-compliant bid to be a Qualified Bid.

The Vendors and the Monitor shall review the Qualified Bids to determine which Qualified Bid is the best offer. The Vendors, with the consent of the Monitor, reserve the right to determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "**Lead Bid**"). A copy of the Lead Bid will be provided by the Monitor to all Qualified Bidders after the Bid Deadline and no later than 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction.

Notwithstanding the Required Bid Terms and Materials detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder.

If no Qualified Bids are submitted by the Bid Deadline other than the Stalking Horse Bid, the Stalking Horse Bid shall be deemed to be the Successful Bid, and the SISP shall not proceed to an Auction.

The Sale and Auction Process

If one or more Qualified Bids (other than that submitted by the Stalking Horse Bidder) have been received by the Monitor on or before the Bid Deadline, the Monitor shall advise all Qualified Bidders of the Lead Bid and invite all Qualified Bidders (including the Stalking Horse Bidder) to participate in the Auction to be conducted by the Monitor in accordance with the Auction Procedures attached hereto as Schedule "A" (the "**Auction Procedures**"). The Auction will be conducted by video conference and/or in person at the discretion of the Monitor.

Determination of the Highest and/or Best Bid: The Vendors and the Monitor shall determine after each round of offers in the Auction, in their reasonable business judgment, the best bid to be designated as the Lead Bid for the following round in the Auction. In making such determination, the Vendors and the Monitor may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any, and the related implied impact on recoveries for creditors; (iii) the ability of the applicable Qualified Bidder to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes made to the Stalking Horse Bid; and (vii) such other considerations as the Vendors or the Monitor deem relevant in their reasonable business judgment. At the end of each round of offers, the Monitor shall advise the Qualified Bidders of the material terms of the then highest and/or best bid, and the basis for calculating the total consideration offered in such bid. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Bid Increment (as defined in the Auction Procedures)), then such Qualified Bidder shall not be entitled to continue to participate in the next round of offers or in any subsequent round.

If only one Qualified Bid is submitted after a round of offers then that Qualified Bid shall be the Successful Bidder. The next highest offer, as determined by the Vendors and the Monitor (the "**Back-Up Bid**"), shall be required to keep its offer open and available for acceptance until the closing of the Court-approved sale of the Vendors' Assets to the Successful Bidder.

Highest Versus Best Offer

In determining the Lead Bid, the highest and/or best sale offer during each round of offers, and the Successful Bid, the Vendors and the Monitor are not required to select the offer with the highest purchase price and may, exercising their reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Vendors and the Monitor may give such weight to the non-monetary considerations as they determine, exercising their reasonable business judgment, is appropriate and reasonable, including those considerations described above under "Determination of the Highest and/or Best Bid".

Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the SISP and the Bidding Process, Trichome has agreed to pay the Stalking Horse Bidder, under the conditions outlined herein and in the Stalking Horse Bid, the Expense Reimbursement on account of its reasonable and documented out of pocket fees and expenses, up to a maximum of CAD\$200,000 inclusive of HST, in the event that the Stalking Horse Bidder is not the Successful Bidder.

The Expense Reimbursement is a material inducement for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Expense Reimbursement, if payable under the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Stalking Horse and SISP Approval Order.

Acceptance of Qualified Bids

The sale of the Vendors' Assets to any Successful Bidder by the Vendors is expressly conditional upon the approval of such bid (the "**Successful Bid**") by the Court at the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Vendors to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Vendors will be deemed to have accepted a bid only when the bid has been approved by the Court at the Approval and Vesting Order Motion.

"As Is, Where Is, With All Faults"

The sale of the Vendors' Assets or any portion thereof shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the SISP Advisor, the Monitor or the Vendors or their respective agents, representatives, partners or employees, or any of the other parties participating in the Bidding Process, except as may otherwise be provided in a definitive purchase agreement with the Vendors. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Vendors' Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Vendors' Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Vendors' Assets,

the financial performance of the Vendors' Assets or the physical condition or location of the Vendors' Assets, or the completeness of any information provided in connection therewith, the SISP or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Vendors.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, and subject to any permitted encumbrances therein (in each case, the "**Permitted Encumbrances**"), all of the Vendors' right, title and interest in and to the Vendors' Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order except for the Permitted Encumbrances, if any.

Approval and Vesting Order Motion Hearing

The Approval and Vesting Order Motion shall, subject to the Court's availability, take place on or before March 3, 2023 (or, if there is no Auction, on or before February 21, 2023). The Vendors, with the consent of the Monitor, reserve their right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of the Approval and Vesting Order Motion in order to achieve the maximum value for the Vendors' Assets.

Miscellaneous

The SISP, the Bidding Process and these Bidding Procedures are solely for the benefit of the Vendors and nothing contained in the Stalking Horse and SISP Approval Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Stalking Horse and SISP Approval Order. The Expense Reimbursement incorporated in these Bidding Procedures is solely for the benefit of the Stalking Horse Bidder.

Participants in the SISP and the Bidding Process, are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Qualified Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction, including, without limitation, any actions pursuant to these Bidding Procedures or within the Auction, except, for greater certainty, the Expense Reimbursement if payable under the Stalking Horse Bid.

Except as provided in the Stalking Horse and SISP Approval Order and these Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Stalking Horse and SISP Approval Order, the SISP, the Bidding Process and these Bidding Procedures.

The Monitor may provide general updates and information in respect of the SISP to the Agent and the DIP Lender throughout the SISP on a confidential basis, upon irrevocable confirmation in writing from Cortland, that it will not submit any bid in the SISP, including without limitation, in its capacity as the Agent or the DIP Lender.

SCHEDULE "A"

AUCTION PROCEDURES

Auction

1. If an Auction is to be conducted pursuant to the Bidding Procedures to which these Auction Procedures are appended, the Monitor will notify the Qualified Bidders. The Auction will be convened by the Monitor and conducted by video conference and/or in person (at the discretion of the Monitor) at 10:00 a.m. (Eastern Time) on February 17, 2023, or such other time as the Monitor may advise. Capitalized terms used but not defined have the meaning ascribed to them in the Bidding Procedures. The Auction shall be conducted in accordance with the following procedures:
 - a) Participation at the Auction. Only a Qualified Bidder is eligible to participate in the Auction. The Monitor shall provide all Qualified Bidders with the amount of the Lead Bid by 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction. Each Qualified Bidder must inform the Monitor whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Monitor, the Vendors, the Agent and the DIP Lender and their respective counsel and other advisors shall be permitted to attend the Auction.
 - b) No Collusion. Each Qualified Bidder participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bidding Process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid or the Back-Up Bid.
 - c) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "Opening Bid" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - d) Monitor Shall Conduct the Auction. The Monitor and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Monitor shall provide a copy of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor and the Vendors reasonably deem relevant to the value of the Qualified Bid, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Monitor's and the Vendors' assessment of the certainty of the Qualified Bidder to close the proposed transaction on or before the Outside Date;

(iv) the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes from the Opening Bid of the previous round; and (vii) such other considerations as the Monitor or the Vendors deem relevant in their reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- e) Terms of Overbids. An "**Overbid**" is any bid made at the Auction subsequent to the Monitor's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment*: Any Overbid shall be made in minimum cash purchase price increments of CAD\$100,000 above the Opening Bid, or such increments as the Monitor, in consultation with the Vendors, may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - (ii) *Bid Requirements same as for Qualified Bids*: An Overbid must comply with the Required Bid Terms and Materials (except as modified in accordance with the terms of these Auction Procedures), provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder and open for acceptance as a Back-Up Bid until the closing of the Successful Bid.
 - (iii) *Announcing Overbids*: At the end of each round of bidding, the Monitor shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired, the liabilities proposed to be assumed, if any, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - (iv) *Consideration of Overbids*: The Monitor, in consultation with the Vendors, reserves the right to make one or more adjournments in the Auction in durations set by the Monitor to, among other things: (A) allow individual Qualified Bidders to consider how they wish to proceed; (B) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (C) give Qualified Bidders the opportunity to provide the Monitor or the Vendors with such additional evidence as they may require that the Qualified Bidder has obtained all necessary internal approvals, has

sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Monitor and the Vendors may have clarifying discussions with a Qualified Bidder, and the Monitor and the Vendors may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.

- (v) *Failure to Bid*: If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.

- f) Additional Procedures. The Monitor, in consultation with the Vendors, may adopt additional or alternative rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding, provided that they are not inconsistent with any of the provisions of the Bidding Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.

- g) Closing the Auction. The Auction shall be closed once the Vendors, after considering the Monitor's recommendation, have: (i) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the Bid Assessment Criteria; and (ii) identified the Successful Bid and the Back-Up Bid and the Monitor has advised the Qualified Bidders participating in the Auction of such determination.

- h) Finalizing Documentation. Promptly following a bid of a Qualified Bidder being declared the Successful Bid or the Back-Up Bid, the Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreement(s) as may be required to reflect and evidence the Successful Bid or Back-Up Bid, as applicable. For greater certainty, every bid made at the Auction is deemed to be a signed and binding bid based on the bidder's original Qualified Bid.

Court File No.: CV-22-00689857-00CL

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION
CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM
INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.**

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

Proceeding commenced at Toronto

**STALKING HORSE AND SISP APPROVAL
ORDER**

BENNETT JONES LLP
3400 One First Canadian Place
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Lawyers for the Applicants

TAB C

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 9 TH
)	
JUSTICE CONWAY)	DAY OF MARCH, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRICHOME FINANCIAL CORP.,
TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM
INTERNATIONAL BRANDS INC., AND HIGHLAND GROW
INC. (collectively the "**Applicants**")

ORDER
(Stay Extension)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, *inter alia*, extending the stay period and granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicants, the affidavit of Michael Ruscetta sworn March 2, 2023 and the Exhibits thereto, the Third Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated February 22, 2023 (the "**Third Report**"), and the Fourth Report of the Monitor dated March 6, 2023 (the "**Fourth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Cortland Credit Lending Corporation, as agent for and on behalf of certain lenders (the "**DIP Lender**"), and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Joshua Foster, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order of the Honourable Madam Justice Conway dated November 17, 2022 (the "**Amended and Restated Initial Order**").

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including April 21, 2023.

DISPOSITION OF ASSETS

4. **THIS COURT ORDERS** that, notwithstanding anything contained in the Amended and Restated Initial Order, each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$3,000,000 in the aggregate with the consent of the Monitor and the DIP Lender.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

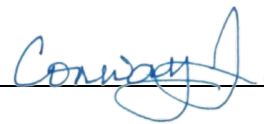
5. **THIS COURT ORDERS** that the Third Report, the Fourth Report, and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.
6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Fourth Report, be and are hereby approved.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Stay Extension)

BENNETT JONES LLP
3400 One First Canadian Place
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Lawyers for the Applicants

TAB D

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)



SUPERIOR COURT OF JUSTICE

COUNSEL SLIPCOURT FILE NO.: CV-22-00689857-00CL DATE: 9 January 2023NO. ON LIST: 7

TITLE OF PROCEEDING: RE TRICHOME FINANCIAL CORP. et al

BEFORE JUSTICE:
CONWAY**PARTICIPANT INFORMATION****For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig Joshua Foster	The Applicants	zweigs@bennettjones.com fosterj@bennettjones.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Noah Goldstein Murtaza Tallat	KSV Restructuring Inc. representatives	ngoldstein@ksvadvisory.com mtallat@ksvadvisory.com
Jane Dietrich Ryan Jacobs Jeremy Bornstein	The Monitor	jdietrich@cassels.com rjacobs@cassels.com jbornstein@cassels.com
John J. Salmas Mark A. Freake	The Agent and DIP Lender	John.salmas@dentons.com Mark.freake@dentons.com
Chris Burr	The Stalking Horse Bidder	Chris.burr@blakes.com

ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicants dated January 5, 2023.

The Applicants bring this motion for a variety of relief today including approval of the SISP, approval of the SISP Advisor Engagement Agreement, authorization for the SISP Advisor and Applicants to implement the SISP with the oversight of the Monitor, approval of the Stalking Horse APA for purposes of the acting as the stalking horse bid in the SISP, approval of the DIP Amendment, and an extension of the Stay of Proceedings to and including March 10, 2023.

The motion is unopposed. It is further supported by the Monitor and Cortland Credit Lending Corporation, as DIP Lender and Agent for the other senior secured lenders.

All of this relief is acceptable to me. The SISP and Stalking Horse APA are designed to move forward the sale/investor process and canvass the market for the Applicants' assets and business. The SISP and SISP Timelines have been developed in consultation with the Monitor and the SISP Advisor. The Stalking Horse APA contains no break fee and there is a cap on Expense Reimbursement. The DIP Amendment does not increase the amount of the maximum borrowing under that facility or require a change to the quantum of the DIP Lender's Charge.

I am further extending the Stay of Proceedings from its current January 13, 2023 expiry date to March 10, 2023. I am satisfied that the Applicants are acting in good faith and with due diligence in advancing their restructuring objectives. The extension will allow the SISP to run and the market to be canvassed. With the DIP financing in place, as amended, the Applicants are forecast to have sufficient liquidity to fund their operations and these proceedings during the extended period.

Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.

T A B L E

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-22-00689857-00CL DATE: 9 March 2023

NO. ON LIST: 3

TITLE OF PROCEEDING: RE Trichome Financial Corp. Et Al

BEFORE JUSTICE: MADAM JUSTICE CONWAY

PARTICIPANT INFORMATION
For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig		zweigs@bennettjones.com
Joshua Foster		fosterj@bennettjones.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jane Dietrich	KSV Restructuring Inc.	jdietrich@cassels.com
Chris Burr	L5 Capital	chris.burr@blakes.com
John Salmas	Cortland Credit Lending Corporation	john.salmas@dentons.com

ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the signed order of today's date.

The Applicants seek an extension of the Stay Period until April 21, 2023, an increase in the limit for disposal of redundant or non-material assets, approval of the Monitor's Third Report and Fourth Report and the activities set out therein, and approval of the fees and disbursements of the Monitor and its counsel as set out in the Fourth Report.

The relief sought is supported by the Monitor, the DIP lender, and Cortland as agent, and is otherwise unopposed.

As described by the Monitor in the Fourth Report, the stay extension is required to enable the Applicants to assess the Expressions of Interest (as defined in s. 4.1(2)) and potentially seek court approval of the sale of certain assets. The extension will further enable the Applicants to complete an orderly wind-down. There is sufficient liquidity during the extended Stay Period, as set out in the Updated Cash Flow Forecast. I am satisfied that the Applicants have been acting in good faith and with due diligence. The Monitor states at para. 7.0(2)(d) of the Fourth Report that no vendor should be prejudiced as a result of the extension, subject to not paying certain outstanding post-filing amounts. I am granting the extension.

The increased limit for disposal of redundant or non-material assets is acceptable, particularly since any sale requires the consent of the Monitor and the DIP lender.

The remaining relief is acceptable to me.

Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

TAB F

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

Court File No.: CV-22-00689857-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME
JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC.,
TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC.,
AND HIGHLAND GROW INC.**

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn January 1, 2023)**

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

**AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn January 1, 2023)**

I, Michael Ruscetta, of the city of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the Chief Executive Officer of Trichome Financial Corp. ("**Trichome**"). I am also a director of Trichome, Trichome JWC Acquisition Corp. ("**TJAC**"), MYM Nutraceuticals Inc. ("**MYM**"), Trichome Retail Corp. ("**TRC**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with Trichome, TJAC, MYM, TRC and MYMB, the "**Applicants**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. I swear this affidavit in support of a motion by the Applicants for an order (the "**Stalking Horse and SISP Approval Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) approving a sale and investment solicitation process, including corresponding Bidding Procedures and Auction Procedures (each as defined below) (the "**SISP**");
- (b) approving the letter agreement dated November 7, 2022 (the "**SISP Advisor Engagement Agreement**"), among the Applicants and Stoic Advisory Inc. ("**Stoic**" or the "**SISP Advisor**"), and authorizing the Applicants, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms;
- (c) authorizing the SISP Advisor and the Applicants to implement the SISP, with the oversight of KSV Restructuring Inc. ("**KSV**"), in its capacity as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**");
- (d) authorizing and approving the Applicants' execution of the share purchase agreement dated December 12, 2022 (the "**Stalking Horse SPA**"), among the Applicants and L5 Capital Inc. (the "**Stalking Horse Bidder**"), *nunc pro tunc*, and approving the Stalking Horse SPA, including the Expense Reimbursement (as defined below) set out therein, solely for the purposes of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**");
- (e) approving the Applicants' execution of the first amending agreement among the Applicants and the DIP Lender (as defined below) dated December 14, 2022 (the "**DIP Amendment**") to the DIP Agreement (as defined below), *nunc pro tunc*;
- (f) granting an extension of the Stay of Proceedings (as defined below) to and including March 10, 2023 (the "**Stay Period**"); and

(g) approving (i) the Pre-Filing Report of the Monitor dated November 7, 2022 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 14, 2022 (the "**First Report**"), the Second Report of the Monitor, to be filed (the "**Second Report**"), and the activities of the Monitor described therein, and (ii) the fees of the Monitor and its counsel referred to in the Second Report.

3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit that I previously swore in these proceedings on November 7, 2022 (the "**First Ruschetta Affidavit**") in support of the Applicants' application for an initial order under the CCAA (the "**Initial Order**"), the SISP or the Stalking Horse SPA, as applicable. A copy of the First Ruschetta Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

4. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

II. BACKGROUND AND STATUS OF THE CCAA PROCEEDINGS

5. Through their licensed operating subsidiaries, TJAC and Highland, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in Canada (the "**Canadian Business**"). Following months of liquidity challenges and despite concerted efforts to improve their financial position, conserve costs and restructure the Canadian Business, the Applicants recently faced a dire liquidity crisis.

6. Having regard to the best interests of the Applicants and their stakeholders, and after extensive review and careful consideration of the strategic options and alternatives available, the boards of directors of the Applicants resolved to seek urgent relief under the CCAA. Accordingly,

the Applicants sought, and on November 7, 2022, obtained the Initial Order. Copies of the Initial Order and the accompanying endorsement of the Honourable Madam Justice Conway dated November 7, 2022 are attached hereto as **Exhibits "B" and "C"**, respectively.

7. Among other things, the Initial Order:

- (a) appointed KSV as the Monitor;
- (b) stayed, until November 17, 2022, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and officers, or affecting the Canadian Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");
- (c) approved the Applicants' ability to borrow under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Facility**") pursuant to a DIP facility agreement dated November 6, 2022 (the "**DIP Agreement**"), among TJAC, as borrower, Trichome, TRC, MYM, MYMB and Highland, as guarantors, and Cortland Credit Lending Corporation ("**Cortland**"), as agent for and on behalf of the lenders party thereto (the "**DIP Lender**"); and
- (d) granted the following charges over the Property:
 - (i) the Administration Charge up to a maximum amount of \$750,000;
 - (ii) the Directors' Charge up to a maximum amount of \$967,000; and
 - (iii) the DIP Lender's Charge up to a maximum amount of \$1,825,000.

8. On November 17, 2022, the Applicants sought and obtained an amended and restated Initial Order (the "**Amended and Restated Initial Order**") pursuant to the CCAA, which, *inter alia*:

- (a) granted an extension of the Stay of Proceedings to and including February 3, 2023; and
- (b) approved increases to the Directors' Charge and the DIP Lender's Charge up to the maximum amounts of \$2,922,000 and \$4,875,000, respectively.

9. Copies of the Amended and Restated Initial Order and the accompanying endorsement of the Honourable Madam Justice Conway dated November 17, 2022 are attached hereto as **Exhibits "D"** and **"E"**, respectively.

10. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to stabilize and continue the Canadian Business' ordinary course operations, and advance their restructuring objectives. In this regard, the Applicants have, with the assistance and oversight of the Monitor, among other things:

- (a) apprised key stakeholders of these CCAA proceedings and material updates within these CCAA proceedings;
- (b) liaised with suppliers to ensure the continued provision of goods and services required to maintain the Canada Business' ordinary course operations;
- (c) coordinated (i) advances under the DIP Facility in accordance with the DIP Agreement and (ii) the execution of the DIP Amendment;

- (d) conserved costs, including through certain employee terminations, the majority of which were provided between two and four weeks working notice;
- (e) disclaimed certain agreements, with the Monitor's approval, including in respect of the Applicants' unused office space in Vancouver, British Columbia, the Manitou Facility and the Applicants' leased forklift;
- (f) prepared the proposed SISP;
- (g) negotiated and executed the SISP Advisor Engagement Agreement and the Stalking Horse SPA with a view to facilitating and enhancing the SISP; and
- (h) prepared materials in support of the within motion.

11. Pursuant to the proposed Stalking Horse and SISP Approval Order, the Applicants now seek additional relief to permit and facilitate the SISP's implementation with a view to identifying one or more value maximizing transaction opportunities.

III. THE SISP ADVISOR

12. For the purposes of facilitating the SISP, the Applicants engaged in discussions with Stoic, a boutique corporate finance advisory firm focused on the global cannabis industry, regarding its retention as an advisor in connection with the potential sale, transfer or disposition of all or part of the Applicants' equity securities or assets or the Canadian Business in one or more transactions (each a "**Transaction**"). These discussions culminated in the Applicants entering into the SISP Advisor Engagement Agreement with the SISP Advisor. A copy of the SISP Advisor Engagement Agreement is attached hereto as **Exhibit "F"**.

13. Pursuant to the SISP Advisor Engagement Agreement, the SISP Advisor will provide several financial advisory services to the Applicants in connection with the SISP (collectively, the "Services"). The Services include, among others:

- (a) advising the Applicants' management in its consideration and analysis of a Transaction and developing the Applicants' strategy with regard to the Transaction, including the identification and sourcing (subject to the Applicants' prior approval) of potential buyers and managing the process for obtaining reviewing, responding to and entering into any confidentiality agreements, term sheets, letters of intent and/or definitive agreements with potential buyers;
- (b) assisting the Applicants with potential buyers' due diligence review processes, including the preparation and vetting of due diligence review materials, the creation and management of a secure virtual data room containing such due diligence materials and responding to due diligence requests from potential buyers;
- (c) advising the Applicants in their negotiations regarding the financial and other terms of a Transaction; and
- (d) preparing or assisting the Applicants to prepare any financial models and market details associated with a Transaction.

14. Pursuant to the SISP Advisor Engagement Agreement and in consideration for providing the Services to the Applicants, the SISP Advisor is entitled to a fixed cash fee (the "**Transaction Fee**") in an amount equal to \$50,000 per month, payable monthly from the execution of the SISP Advisor Engagement Agreement up to a maximum of \$300,000 (or 6 months) (the "**Maximum**

Fee"). The SISP Advisor Engagement Agreement does not entitle the SISP Advisor to a success fee or any other form of consideration beyond the Transaction Fee.

15. In the event that a Transaction (other than a stalking horse transaction) is anticipated to close prior to the full amount of the Maximum Fee having been paid to the SISP Advisor, all remaining amounts comprising the Maximum Fee will be payable upon consummation of such Transaction. However, if a stalking horse transaction, including the Stalking Horse Bid, closes prior to the full amount of the Maximum Fee having been paid by the Applicants to the SISP Advisor, no further Transaction Fee payment will be due and payable.

16. I believe that the Applicants' engagement of the SISP Advisor is in the best interests of the Applicants and their stakeholders and will enhance the prospect of value maximizing transactions, beyond the Stalking Horse Bid, materializing in the SISP. The SISP Advisor has extensive mergers and acquisitions, financial advisory and capital markets experience, with particular expertise in the cannabis sector. Having previously been an informal advisor to Trichome, and the Court-approved mergers and acquisitions advisor in the JWC CCAA Proceedings in respect of the JWC SISP, Stoic is familiar with, and well-positioned to solicit interest in, the Canadian Business and the Applicants' assets.

17. The Applicants believe that the SISP Advisor's engagement and remuneration are appropriate given the SISP Advisor's experience, the breadth of the Services to be provided and the benefit expected to accrue to the Applicants and their stakeholders by virtue of the SISP Advisor's involvement in the SISP. The Monitor, the DIP Lender and Cortland, in its capacity as agent for and on behalf of the Applicants' senior secured lenders (in such capacity, the "Agent"),

have advised that they are supportive of the SISP Advisor's engagement and the proposed approval of the SISP Advisor Engagement Agreement.

IV. THE SISP AND THE STALKING HORSE AGREEMENT

A. The SISP

18. The Applicants developed the SISP, in consultation with the Monitor and the SISP Advisor, to solicit interest in all of their right, title and interest in and to all of their assets or all of the shares in the capital of the Applicants (collectively, the "**Vendors' Assets**"). To maximize flexibility in the SISP, the Applicants will consider a bid for all of the Vendors' Assets (an "**En Bloc Bid**") or separate bids to acquire some but not all of the Vendors' Assets ("**Piecemeal Bids**"). The Applicants will only consider Piecemeal Bids if a combination of one or more Piecemeal Bids in the aggregate meet the requirements to be a Qualified Bid (as defined below).

19. In addition to seeking an En Bloc Bid and Piecemeal Bids, the Applicants will also consider a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Applicants (a "**Plan Bid**"). However, pursuant to the SISP, a Plan Bid will only constitute a Qualified Bid if it:

- (a) provides for the indefeasible payment in full of the Expense Reimbursement, and unless otherwise consented to by the DIP Lender and the Agent, the secured indebtedness owing to Cortland, as both the Agent and the DIP Lender, on or before April 30, 2023 (the "**Outside Date**");
- (b) has conditions that, in the reasonable opinion of the Applicants and the Monitor, are likely to be satisfied; and

- (c) includes a fully-funded commitment to provide any additional interim financing required by the Applicants to complete all of the steps necessary to implement such Plan Bid, with such financing being subordinate to the existing Administration Charge, the Directors' Charge and the DIP Lender's Charge.

20. The SISP Advisor, under the supervision of the Applicants and the Monitor, will be responsible for the marketing and sale of the Vendors' Assets (the "**Bidding Process**") pursuant to the proposed Stalking Horse and SISP Approval Order, the SISP and the bidding procedures to be employed in the SISP (the "**Bidding Procedures**"). The Monitor will be responsible for conducting an auction (the "**Auction**"), if required in accordance with the terms of the Bidding Procedures, on behalf of the Applicants.

21. In consultation with the Monitor and the SISP Advisor, and with a view to balancing the Applicants' desire to maximize the solicitation of interest in the Vendors' Assets or the Canadian Business, the efficient resolution of these CCAA proceedings and the Applicants' liquidity constraints, the Applicants intend to commence certain preliminary steps in the SISP prior to the hearing of the within motion. The timeline governing all of the material steps in the SISP is set out immediately below (the "**SISP Timeline**"):

SISP Timeline	
Date	Step
January 3, 2023	Delivery of the Teaser Letter (as defined below) and sales packages
January 3, 2023	Confidential data site to be established
February 6, 2023 at 5:00 p.m. (Eastern Time)	Bid Deadline (as defined below) - due date for bids and deposits
February 14, 2023	Monitor to provide the Stalking Horse Bidder and each Qualified Bidder (as defined below) a schedule setting

	forth either or both (i) the highest or otherwise best fully binding offer for all of the Vendors' Assets and (ii) the highest or otherwise best fully binding offer(s) for all or any combination of the Vendors' Assets
February 17, 2023 at 10:00 a.m. (Eastern Time)	Auction, if any
February 21, 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (as defined below) (if no Auction)
March 3, 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (if Auction)

22. The SISP Advisor and the Monitor have advised that the SISP Timeline is appropriate in the circumstances and will provide sufficient opportunity to solicit interest for a sale of the Vendors' Assets or the reorganization or recapitalization of the Canadian Business. Additionally, the SISP Advisor has specifically advised that, in its view, a longer timeline would not be preferable regardless of liquidity or other constraints.

23. In connection with the SISP's anticipated commencement on January 3, 2023:

- (a) the SISP Advisor, with the assistance of the Applicants and the Monitor, will prepare (i) a list of potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (each a "**Known Potential Bidder**"), and (ii) a process summary (the "**Teaser Letter**") describing the Vendors' Assets, outlining the Bidding Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the Bidding Procedures; and
- (b) the Applicants, with the assistance of the SISP Advisor and the Monitor, will prepare a non-disclosure agreement (an "**NDA**") for use in the SISP.

24. In accordance with the SISP Timeline, the SISP Advisor will send the Teaser Letter and an NDA to each Known Potential Bidder on January 3, 2023. The Teaser Letter and an NDA will also be available to any other party (i) upon request or (ii) who is identified by the Applicants or the Monitor as a potential bidder. Any interested party that wishes to participate in the Bidding Process (each a "**Potential Bidder**") must provide the Applicants with (i) an NDA executed by it, which shall enure to the benefit of any purchaser of the Vendors' Assets, or any portion thereof, and (ii) a letter setting out the identity of the Potential Bidder, and the contact information for such Potential Bidder.

25. A Potential Bidder that wishes to make a bid in the SISP must deliver a written copy of its bid by no later than 5:00 p.m. (Eastern Time) on February 6, 2023 (the "**Bid Deadline**"), with such bid including or conforming to the requirements prescribed under the Bidding Procedures (collectively, the "**Required Bid Terms and Materials**"). Among other things, the Required Bid Terms and Materials include the following:

- (a) bids must provide the identity of each entity or person and representatives thereof who are authorized to appear and act on behalf of the Potential Bidder for all purposes regarding the transaction;
- (b) bids must provide aggregate consideration of \$6,600,000, which shall include cash consideration in an amount of at least \$5,300,000, being (x) the amount payable under the Stalking Horse Bid (\$5,000,000), plus (y) the Expense Reimbursement (\$200,000) and (z) a \$100,000 minimum bid increment;
- (c) bids must provide a description of the Vendors' Assets to be included in the transaction, and an allocation of the purchase price to such Vendors' Assets;

- (d) bids must include a provision stating that the Potential Bidder's offer is irrevocably open for acceptance until the earlier of (i) the date that the Vendors' Assets have been sold pursuant to the closing of the transaction(s) approved by the Court, and (ii) the Outside Date;
- (e) bids must not include a provision making the Potential Bidder's offer conditional on obtaining financing or any internal approval or on the outcome of unperformed due diligence or any other contingencies more burdensome than those set forth in the Stalking Horse Bid;
- (f) bids must include a duly authorized and executed copy of a proposed purchase agreement and a redline of the Potential Bidder's proposed purchase agreement reflecting variations from the form of purchase agreement uploaded to the data site (the "**Modified Purchase Agreement**");
- (g) bids must not include a provision within the Modified Purchase Agreement requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment;
- (h) bids must provide evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Monitor and the Applicants to make a determination as to the Potential Bidder's financial and other capabilities to consummate the proposed transaction;
- (i) bids must include an assumption of liabilities and other economic terms pursuant to the Modified Purchase Agreement that are at least as favorable in the aggregate

as those in the Stalking Horse Bid including with respect to the Closing Date Purchased Entity Receivables and the Closing Date Purchased Entity Inventory (each as defined below); and

- (j) bids must provide a cash deposit in the amount of not less than five percent (5%) of the amount of the purchase price, in immediately available funds in the form of a wire transfer, bank draft or such other form acceptable to the Monitor, acting reasonably, which shall be held by the Monitor in trust.

26. A bid from a Potential Bidder that includes all of the Required Bid Terms and Materials (a "**Qualified Bidder**") and is received by the Bid Deadline is a "**Qualified Bid**". In consultation with the Applicants, the Monitor may waive compliance with any one or more of the Required Bid Terms and Materials and deem such non-compliant bid to be a Qualified Bid.

27. The Applicants and the Monitor will review all Qualified Bids to determine which Qualified Bid is the best offer. The Applicants, with the consent of the Monitor, may determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "**Lead Bid**"). A copy of the Lead Bid will be provided by the Monitor to all Qualified Bidders after the Bid Deadline and no later than 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction. Importantly, if no Qualified Bids are submitted by the Bid Deadline other than the Stalking Horse Bid, the Stalking Horse Bid will be deemed to be the Successful Bid (as defined below). In such case, the SISP will not proceed to an Auction.

28. The Auction, if any, will be conducted in accordance with the auction procedures attached as Schedule "A" to the SISP (the "**Auction Procedures**"). The material terms of the Auction Procedures are set out in the table immediately below:

Summary of Auction Procedures	
Term	Details
Date and Venue	The Auction will be convened by the Monitor and conducted by video conference and/or in person (at the discretion of the Monitor) at 10:00 a.m. (Eastern Time) on February 17, 2023, or such other time as the Monitor may advise
Participation at the Auction	Only a Qualified Bidder is eligible to participate in the Auction. The Monitor shall provide all Qualified Bidders with the amount of the Lead Bid by 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction. Each Qualified Bidder must inform the Monitor whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Monitor, the Applicants, the Agent and the DIP Lender and their respective counsel and other advisors shall be permitted to attend the Auction
Bidding at the Auction	Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the " Opening Bid " for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "Opening Bid" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction
Monitor to Conduct the Auction	The Monitor and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Monitor shall provide a copy of the Opening Bid to all participating Qualified Bidders at the Auction.
Terms of Overbids	An " Overbid " is any bid made at the Auction subsequent to the Monitor's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with, among other conditions, the following: <ul style="list-style-type: none"> (a) any Overbid must be made in minimum cash purchase price increments of \$100,000 above the Opening Bid, or such increments as the Monitor, in consultation with the Applicants, may determine in order to facilitate the Auction; and (b) an Overbid must comply with the Required Bid Terms and Materials (except as modified in accordance with the terms of these Auction Procedures), provided, however, that the Bid Deadline will not apply.

Summary of Auction Procedures	
Term	Details
Closing the Auction	<p>The Auction shall be closed once the Applicants, after considering the Monitor's recommendation, have:</p> <ul style="list-style-type: none"> (a) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the Bid Assessment Criteria (as defined below); and (b) identified the Successful Bid and the Back-Up Bid and the Monitor has advised the Qualified Bidders participating in the Auction of such determination.

29. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor and the Applicants reasonably deem relevant to the value of the Qualified Bid. These factors may include, among others:

- (a) the amount and nature of the consideration;
 - (b) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (c) the Monitor's and the Applicants' assessment of the certainty of the Qualified Bidder to close the proposed transaction on or before the Outside Date;
 - (d) the likelihood, extent and impact of any potential delays in closing;
 - (e) any purchase price adjustment;
 - (f) the net economic effect of any changes from the Opening Bid of the previous round;
- and

- (g) such other considerations as the Monitor or the Applicants deem relevant in their reasonable business judgment (collectively, the "**Bid Assessment Criteria**").

30. As indicated in the Bidding Procedures, the sale of the Vendors' Assets to any Qualified Bidder is conditional upon the Court's approval of such bid (the "**Successful Bid**") at a motion to be brought by the Applicants in these CCAA proceedings on or before March 3, 2023 (the "**Approval and Vesting Order Motion**"). At the Approval and Vesting Order Motion, the Applicants intend to seek an order (the "**Approval and Vesting Order**") authorizing the Applicants to proceed with the sale of the Vendors' Assets to the Qualified Bidder making the Successful Bid.

31. The Applicants believe that the SISP will provide a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Vendors' Assets or investors in the Canadian Business and maximizing recovery for the Applicants' stakeholders. Accordingly, the Applicants' believe that the SISP's approval and implementation is in the best interests of the Applicants and their stakeholders.

32. Each of the DIP Lender and the Agent has advised that it is supportive of the proposed SISP. Further, the Monitor has advised that it is supportive of the proposed SISP and believes that the SISP is the best option available to the Applicants at this time.

B. The Stalking Horse SPA

33. To enhance the efficacy of the SISP and establish an appropriate, valuable and competitive floor for bids submitted in accordance therewith, the Applicants, in consultation with the Monitor, entered into the Stalking Horse SPA with the Stalking Horse Bidder. I am advised by Sean Zweig

of Bennett Jones LLP, counsel to the Applicants, and believe that, the Stalking Horse Bidder is a related party, as the Stalking Horse Bidder is controlled by Marc Lustig, a director of Trichome and the Chair of IMCC. A copy of the Stalking Horse SPA is attached hereto as **Exhibit "G"**.

34. The Stalking Horse SPA contemplates a reverse vesting transaction, pursuant to which the Stalking Horse Bidder will acquire all of the issued and outstanding shares in the capital of TJAC and MYM owned by Trichome (collectively, the "**Purchased Shares**"). As a result, the Stalking Horse SPA, if consummated, is expected to ensure the preservation of the Canadian Business as a going concern and the continued employment of a significant number of the Applicants' employees. The salient features of the Stalking Horse SPA are summarized in the table immediately below:

Summary of the Stalking Horse SPA	
Term	Details
Vendor	Trichome Financial Corp. (the " Vendor ")
Purchased Entities	TJAC, TRC, MYM, MYMB, and Highland (collectively, the " Purchased Entities ", and each a " Purchased Entity ").
Residual Cos.	<p>The following corporations (collectively, the "Residual Cos.") will be incorporated prior to the Closing Time:</p> <ul style="list-style-type: none"> (a) TJAC Residual Co., being a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of TJAC will be transferred as part of the Closing Sequence; (b) TRC Residual Co., being a wholly owned subsidiary of TJAC, to which any Excluded Assets and Excluded Liabilities of TRC will be transferred as part of the Closing Sequence; (c) MYM Residual Co., being a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of MYM will be transferred as part of the Closing Sequence;

Summary of the Stalking Horse SPA	
Term	Details
	<p>(d) MYMB Residual Co., being a wholly owned subsidiary of MYM, to which any Excluded Assets and Excluded Liabilities of MYMB will be transferred as part of the Closing Sequence; and</p> <p>(e) Highland Residual Co., being a wholly owned subsidiary of MYMB, to which any Excluded Assets and Excluded Liabilities of Highland will be transferred as part of the Closing Sequence.</p> <p>The issued and outstanding shares in the capital of TRC Residual Co., MYMB Residual Co. and Highland Residual Co. are to be Excluded Assets. The issued and outstanding shares to be held by Trichome in TJAC Residual Co. and MYM Residual Co. are not among the Purchased Shares.</p>
Purchased Shares	The Stalking Horse Bidder will purchase all of the issued and outstanding shares in the capital of TJAC owned by Trichome, and all of the issued and outstanding shares in the capital of MYM owned by Trichome.
Purchase Price	<p>The purchase price (the "Purchase Price") for the Purchased Shares is \$5,000,000, to be paid and satisfied as follows, subject to the Closing Sequence:</p> <p>(a) the Stalking Horse Bidder has paid \$250,000 (the "Deposit") to the Monitor, by wire transfer of immediately available funds, which Deposit shall be held in escrow by the Monitor, to be distributed or credited to the Vendor in accordance with the Stalking Horse SPA;</p> <p>(b) the Stalking Horse Bidder shall pay the sum of \$4,750,000 to the Monitor on the Closing Date (the "Cash Payment") by wire transfer of immediately available funds, which Cash Payment shall be held in escrow by the Monitor in accordance with the Closing Sequence; and</p> <p>(c) the Purchase Price shall be fully and indefeasibly satisfied, on the Closing Date, by (i) the crediting of the Deposit to the Vendor, and (ii) the repayment of the Pre-Closing Loan (such loan to be advanced by payment of the Cash Payment) in accordance with the Closing Sequence.</p>
Deferred Consideration	As partial consideration for the assumption by the corresponding Residual Co. of its Excluded Liabilities, each Purchased Entity shall pay deferred consideration (the " Deferred Consideration ")

Summary of the Stalking Horse SPA	
Term	Details
	<p>pursuant to a secured limited recourse promissory note in an amount equal to 100% of:</p> <ul style="list-style-type: none"> (a) all actual receipts obtained by the Purchased Entity after the Closing Date on account of any receivables due and owing to such Purchased Entity on the Closing Date (the "Closing Date Purchased Entity Receivables"); (b) the costs of the cannabis inventory expected to be held by the Purchased Entity at Closing as set out in the Stalking Horse SPA, which inventory is subject to change based on, among other things, market availability, provided however, that in no circumstances will the aggregate cost of such inventory of all of the Purchased Entities exceed \$1,300,000 (the "30-Day Inventory"); and (c) all actual receipts obtained by the Purchased Entity after the Closing Date on account of the sale of any inventory owned by such Purchased Entity on the Closing Date other than 30-Day Inventory (the "Closing Date Purchased Entity Inventory").
Retained Assets and Assumed Liabilities	<p>On the Closing Date, each Purchased Entity shall retain all of the assets owned by it immediately prior to Closing, including its Contracts, Permits, Goodwill, Intellectual Property, Licences, Subsidiary Shares and Books and Records (the "Retained Assets"), except for inventory sold in the ordinary course of business in the Interim Period, and the Excluded Assets and Excluded Contracts (if any), and shall remain liable in respect of the Assumed Liabilities in accordance with the terms of the Stalking Horse SPA.</p>
As is Where is	<p>The Purchased Shares (together with all assets held by each Purchased Entity at Closing, including the Retained Assets) shall be sold and delivered to the Stalking Horse Bidder on an "as is, where is" basis, subject only to the representations and warranties contained in the Stalking Horse SPA.</p>
Conditions to Closing	<p>Completion of the Transactions contemplated by the Stalking Horse SPA are conditional upon the satisfaction or waiver of, among others, the following conditions:</p> <ul style="list-style-type: none"> (a) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court and shall not have been vacated, set aside or stayed;

Summary of the Stalking Horse SPA	
Term	Details
	<p>(b) during the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by the Stalking Horse SPA; or (iii) modifying or amending the Approval and Vesting Order without the consent of the Stalking Horse Bidder;</p> <p>(c) pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to the applicable Residual Cos., to another Affiliate of the Vendor that is not a Purchased Entity, or Discharged; and (ii) each Purchased Entity, its business and property shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities and the Permitted Encumbrances, if any); and</p> <p>(d) the Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.</p>
Target Closing Date	The date that is five business days from the date on which the Approval and Vesting Order is granted, or such other date as the Vendor (with the consent of the Monitor) and the Stalking Horse Bidder may agree to in writing.
Outside Date	April 30, 2023
Termination	<p>The Stalking Horse SPA may be terminated on or prior to the Closing Date in, among other ways, the following:</p> <p>(a) by the mutual agreement of the Vendor (with the consent of the Monitor), the Purchased Entities (with the consent of the Monitor) and the Stalking Horse Bidder;</p> <p>(b) automatically and without any action or notice by either the Vendor and the Purchased Entities to the Stalking Horse Bidder or the Stalking Horse Bidder to the Vendor and the Purchased Entities, immediately (i) upon the selection by the Vendor and the Purchased Entities, in consultation with the Monitor, of a Successful Bid, if the Stalking Horse Bid is neither the Successful Bid nor the Back-Up Bid selected</p>

Summary of the Stalking Horse SPA	
Term	Details
	<p>at such time, or (ii) upon the Closing of the Successful Bid(s) if the Stalking Horse Bid is the Back-Up Bid; and</p> <p>(c) by the Stalking Horse Bidder, on the one hand, or the Vendor and the Purchased Entities (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of the Stalking Horse SPA, by the party proposing to terminate.</p>

35. At this time, approval of the Stalking Horse SPA is being sought solely for the purposes of approving it as the Stalking Horse Bid in the SISP. If the proposed Stalking Horse and SISP Approval Order is granted and the Stalking Horse SPA is approved for this narrow purpose, it will be subject to higher and otherwise superior bids received by the Applicants in the SISP. To the extent that the Stalking Horse Bid is the Successful Bid in the SISP, the Applicants will seek approval of the transaction contemplated by the Stalking Horse SPA at the Approval and Vesting Order Motion.

36. The Applicants believe that the consideration provided under the Stalking Horse SPA, including the Purchase Price and the Deferred Consideration, is fair and reasonable. Moreover, the Applicants believe that the Stalking Horse SPA will serve as an appropriate backstop and valuable floor for bids in the proposed SISP. The baseline Purchase Price, the Deferred Consideration and the transaction structure proposed under the Stalking Horse SPA is expected to promote the submission of competitive bids in the SISP, and thereby maximize value for the Applicants and their stakeholders.

37. To compensate the Stalking Horse Bidder for performing the due diligence and incurring the expenses necessary to negotiate and execute the Stalking Horse SPA, the Applicants have agreed to pay the Stalking Horse Bidder an expense reimbursement on account of its reasonable and documented out of pocket fees and expenses, up to a maximum of \$200,000 inclusive of HST (the "**Expense Reimbursement**"). There is no "break fee" in addition to the Expense Reimbursement.

38. Pursuant to the proposed Stalking Horse and SISP Approval Order and the Stalking Horse SPA, the Expense Reimbursement will become payable in the event that:

- (a) the Stalking Horse Bid is not the Successful Bid;
- (b) the Stalking Horse SPA is terminated by the Stalking Horse Bidder at any time following the Outside Date, if closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the closing not having occurred is not due to any act or omission, or breach of the Stalking Horse SPA, by the Stalking Horse Bidder;
- (c) the Stalking Horse SPA is terminated by the Stalking Horse Bidder if (i) the Approval and Vesting Order has not been obtained by the Target Closing Date or (ii) the Court declines at any time to grant the Approval and Vesting Order, in each case for reasons other than a breach of the Stalking Horse SPA by the Stalking Horse Bidder; or
- (d) the Stalking Horse SPA is terminated by the Stalking Horse Bidder because there has been a material violation or breach by the Applicants of any agreement,

covenant, representation or warranty which would prevent the satisfaction of, or compliance with certain of the closing conditions under the Stalking Horse SPA by the Outside Date and such violation or breach has not been waived by the Stalking Horse Bidder or cured by the applicable Applicant in accordance with the Stalking Horse SPA.

39. The Expense Reimbursement, if payable, in addition to the return of the Deposit to the Stalking Horse Bidder in accordance with the Stalking Horse SPA, is the sole remedy of the Stalking Horse Bidder for any breach of the Stalking Horse SPA by any of the Applicants.

40. In view of the benefits of having a Stalking Horse Bid capable of assuring a going concern result, the expenses incurred and to be incurred by the Stalking Horse Bidder, and the risks attending the Stalking Horse Bidder's participation in the SISP, the Applicants believe that the Expense Reimbursement is fair and reasonable in the circumstances.

41. Each of the Monitor, the DIP Lender and the Agent has advised that it is supportive of the approval of the Stalking Horse SPA for the purposes of acting as the Stalking Horse Bid in the SISP and the Expense Reimbursement.

V. THE DIP AMENDMENT

42. As noted above, the Initial Order authorized the Applicants to borrow under a DIP Facility in accordance with the terms of the DIP Agreement. Since the granting of the Initial Order, the Applicants, with the oversight of the Monitor, have entered into the DIP Amendment to, among other things, ensure that the Applicants have sufficient liquidity to meet their working capital requirements in these CCAA proceedings. The Applicants now seek approval of the DIP

Amendment pursuant to the proposed Stalking Horse and SISP Approval Order. A copy of the DIP Amendment is attached hereto as **Exhibit "H"**.

43. Principally, the DIP Amendment modifies the manner in which the Over-Advance Amount (as defined in the DIP Agreement) is calculated under the DIP Agreement for the period between the week ended December 9, 2022 to the week ended March 3, 2023 (the "**Borrowing Period**"). Importantly, the DIP Amendment does not alter the maximum principal amount of borrowings permitted under the DIP Facility and the Amended and Restated Initial Order nor does it necessitate a change to the quantum of the DIP Lender's Charge. Rather, the DIP Amendment simply changes the timing of certain advances.

44. Absent the DIP Amendment, the Applicants would not have sufficient borrowing availability under the DIP Facility to meet their working capital requirements during the Borrowing Period. This result would be detrimental to the Canadian Business' operations, the proposed SISP and the Applicants' stakeholders, and would likely precipitate an event of default under the DIP Agreement.

45. It is a condition subsequent to the DIP Amendment that the Applicants seek approval of the DIP Amendment by no later than January 13, 2023. The Monitor has advised that it is supportive of the DIP Amendment and believes that its terms are reasonable and appropriate in the circumstances.

VI. THE EXTENSION TO THE STAY OF PROCEEDINGS

46. The Stay of Proceedings under the Amended and Restated Initial Order will expire on February 3, 2023. Pursuant to the proposed Stalking Horse and SISP Approval Order, the Applicants are seeking to extend the Stay of Proceedings to and including March 10, 2023.

47. If extended, the Stay of Proceedings will, among other things:

- (a) continue to preserve the *status quo* and prevent enforcement action by, among others, the Applicants' contractual counterparties;
- (b) afford the Applicants the breathing space and stability required to preserve the Canadian Business;
- (c) obviate the need to expend additional time and costs in seeking an extension of the Stay of Proceedings prior to the proposed Approval and Vesting Order Motion;
- (d) allow the SISP Advisor, under the supervision of the Applicants and the Monitor, to conduct the SISP; and
- (e) seek approval of the transaction contemplated under the Stalking Horse SPA or one or more other value-maximizing transactions that may materialize in the SISP at the Approval and Vesting Order Motion.

48. In connection with the proposed extension of the Stay of Proceedings, the Applicants, with the assistance of the Monitor, prepared a revised cash flow analysis (the "**Revised Cash Flow Forecast**") to determine their funding requirements during the Stay Period. I understand that a copy of the Revised Cash Flow Forecast will be attached to the Second Report. As the Revised

Cash Flow Forecast illustrates, the Applicants are forecast to have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through the end of the Stay Period, provided the DIP Amendment is approved and the term of the DIP Agreement is extended pursuant to a further amending agreement.

49. In light of the foregoing, I believe that the proposed extension of the Stay of Proceedings is both necessary and in the best interests of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed extension of the Stay of Proceedings.

50. The Monitor has advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period and that it believes that such extension is reasonable and appropriate in the circumstances. Each of the DIP Lender and the Agent has likewise advised that it is supportive of the proposed extension of the Stay of Proceedings through the Stay Period.

VII. THE MONITOR'S REPORTS, FEES AND ACTIVITIES

51. The proposed Stalking Horse and SISP Approval Order approves the Pre-Filing Report, the First Report and the Second Report of the Monitor, as well as the activities of the Monitor described therein. The proposed Stalking Horse and SISP Approval Order also approves the fees and disbursements of the Monitor and its counsel set out in the Second Report. To date, no approval in respect of the Monitor's reports to Court, the Monitor's activities or the fees and disbursements of the Monitor and its counsel has been sought in these CCAA proceedings.

52. I am advised by the Monitor, and believe that, the Monitor and its counsel will prepare and file fee affidavits with the Court in advance of the hearing of the within motion.

VIII. CONCLUSION

53. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize the Canadian Business, apprise their stakeholders of these CCAA proceedings, liaise with their vendors and advance their restructuring efforts. In that time, the Applicants have maintained their ordinary course operations. With the benefit of the Monitor's ongoing assistance and oversight, the Applicants will continue to preserve and operate the Canadian Business while the SISP is conducted.

54. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants and their stakeholders. Such relief will advance the purposes of these CCAA proceedings and is supported, in each case, by the Monitor, the DIP Lender and the Agent.

55. I swear this affidavit in support of the Applicants' motion for the proposed Stalking Horse and SISP Approval Order and for no other or improper purpose.

SWORN REMOTELY by Michael Ruscetta stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Oakville, in the Province of Ontario, on January 1st, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Joshua Foster
JOSHUA FOSTER

Commissioner for Taking Affidavits
 (or as may be)

Michael Ruscetta

MICHAEL RUSCETTA

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

Court File No.: CV-22-00689857-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn January 1, 2023)

BENNETT JONES LLP
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Lawyers for the Applicants

TAB G

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits

(or as may be)

TRICHOME FINANCIAL CORP.

- AND -

TRICHOME JWC ACQUISITION CORP.

- AND -

TRICHOME RETAIL CORP.

- AND -

MYM NUTRACEUTICALS INC.

- AND -

MYM INTERNATIONAL BRANDS INC.

- AND -

HIGHLAND GROW INC.

- AND -

L5 CAPITAL INC.

STALKING HORSE SHARE PURCHASE AGREEMENT

DATED DECEMBER 12, 2022

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STALKING HORSE SHARE PURCHASE AGREEMENT

THIS STALKING HORSE SHARE PURCHASE AGREEMENT dated December 12, 2022 is made by and between **TRICHOME FINANCIAL CORP.**, a corporation incorporated under the laws of Ontario ("**Trichome**" or the "**Vendor**"), **TRICHOME JWC ACQUISITION CORP.**, a corporation incorporated under the laws of Ontario ("**TJAC**"), **TRICHOME RETAIL CORP.**, a corporation incorporated under the laws of Ontario ("**TRC**"), **MYM NUTRACEUTICALS INC.**, a corporation continued under the laws of Ontario ("**MYM**"), **MYM INTERNATIONAL BRANDS INC.**, a corporation continued under the laws of Ontario ("**MYMB**") **HIGHLAND GROW INC.**, a corporation incorporated under the laws of Nova Scotia ("**Highland**") and **L5 CAPITAL INC.**, a corporation incorporated under the laws of British Columbia (the "**Purchaser**").

RECITALS:

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 7, 2022 (as amended and restated on November 17, 2022, and as may be further amended, restated or varied from time to time, the "**Initial Order**"), Trichome, TJAC, TRC, MYM, MYMB and Highland (collectively, the "**CCAA Applicants**") obtained relief under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and KSV Restructuring Inc. was appointed as monitor (the "**Monitor**");

AND WHEREAS Trichome is the sole shareholder of TJAC and MYM, TJAC is the sole shareholder of TRC, MYM is the sole shareholder of MYMB and MYMB is the sole shareholder of Highland;

AND WHEREAS the CCAA Applicants intend to bring a motion before the Court on or before January 13, 2023 (subject to the Court's availability) for the Stalking Horse and SISP Approval Order (as defined below), among other things, approving a sale and investment solicitation process, in form and substance as attached hereto as Schedule "A" (the "**SISP**");

AND WHEREAS the Purchaser has agreed to act as the "stalking horse bidder" in connection with the SISP, on the terms of this stalking horse share purchase agreement (this "**Agreement**"), meaning that, in the absence of one or more of the CCAA Applicants accepting one or more bids for the Purchased Shares and/or Retained Assets (each as defined below) made in accordance with the SISP that is superior to this Agreement (as determined by the CCAA Applicants, in consultation with the Monitor, in accordance with the SISP), the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Purchased Shares on the terms and subject to the conditions set forth in this Agreement, in accordance with the SISP and the Stalking Horse and SISP Approval Order and subject to obtaining the Approval and Vesting Order (as defined below);

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as defined below) hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement, in addition to the terms defined in the preamble and the recitals, above, the following terms shall have the following meanings:

"30-Day Inventory" means, in respect of a Purchased Entity, the cannabis inventory expected to be held by the Purchased Entity at Closing set out in Schedule "I" hereto, which inventory is subject to change based on, among other things, market availability; provided, however, that in no circumstance will the aggregate cost of the 30-Day Inventory of all of the Purchased Entities exceed \$1,300,000.

"Action" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"Approval and Vesting Order" means an order of the Court in form and substance satisfactory to the Parties and the Monitor, each acting reasonably, among other things, approving this Agreement and the Transactions contemplated hereby, adding the Residual Cos. as applicants in the CCAA Proceedings, terminating the CCAA Proceedings in respect of the Purchased Entities, and vesting in and to the Residual Cos. the Excluded Assets, Excluded Contracts and the Excluded Liabilities.

"Assumed Liabilities" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "G" (which, subject to Section 4.3, may be amended by the Purchaser by submitting an amended list no later than ten (10) Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables); (b) Liabilities which relate to the Business or the Retained Assets, including Liabilities under any Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; (c) Liabilities of the Purchased Entities which are to be performed after the Closing (including for the avoidance of doubt, Transaction Taxes) that are not specifically identified as Excluded Liabilities; (d) the Excluded Liability Promissory Notes (provided that such Liabilities shall be paid in accordance with Section 7.2(e), and any further or additional Liability under the Excluded Liability Promissory Notes shall be an Excluded

Liability); and (e) Liabilities for wages, vacation pay and Benefit Plans owing by any Purchased Entity to any Employee accruing to and after the Closing Time.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"**Back-Up Bid**" has the meaning ascribed to it in the SISP.

"**Benefit Plans**" means all plans with respect to the Employees or former Employees to which any of the Purchased Entities is a party to or bound by or to which any of the Purchased Entities has an obligation to contribute relating to retirement savings, pensions, bonuses, profit sharing, deferred compensation, share purchase or share option, share appreciation, phantom stock, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefit plan.

"**Books and Records**" means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of the Vendor, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

"**Business**" means the business and operations carried on by each Purchased Entity as at the date of this Agreement and as at the date of Closing pertaining to the sale, processing and cultivation of cannabis.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario.

"**Cannabis Act and Cannabis Regulations**" means the *Cannabis Act* (Canada), all regulations in force thereunder from time to time, and any provincial laws or regulations governing the cultivation, manufacture, production, storage, marketing or sale of cannabis that may be in effect from time to time.

"**Cannabis Licenses**" means all Authorizations related to cannabis and issued by Health Canada to the Purchased Entities, including Authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

"**Cash Payment**" has the meaning set out in Section 2.2(b).

"**CCAA Proceedings**" means the proceedings commenced by the CCAA Applicants under the CCAA.

"**Charges**" has the meaning ascribed to it in the Initial Order.

"**Closing**" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"**Closing Date**" means the date on which Closing occurs.

"**Closing Date Purchased Entity Inventory**" has the meaning set out in Section 4.4.

"**Closing Date Purchased Entity Receivables**" has the meaning set out in Section 4.4.

"**Closing Sequence**" has the meaning set out in Section 7.2.

"**Closing Time**" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"**Conditions Certificates**" has the meaning set out in Section 8.3.

"**Contracts**" means all written contracts, agreements, leases, understandings and arrangements that are Related to the Business to which any Purchased Entity is a party or by which any Purchased Entity is bound or in which any Purchased Entity has, or will at Closing have, any rights, including, the Trillium Lease and any Contracts in respect of Employees, in each case excluding Excluded Assets and Excluded Contracts.

"**Deferred Consideration**" has the meaning set out in Section 4.4.

"**Deferred Consideration Note**" has the meaning set out in Section 4.4.

"**Deferred Consideration Note Amount**" means, in respect of a Deferred Consideration Note issued by a Purchased Entity, (i) the total amount owing to the Purchased Entity pursuant to the Closing Date Purchased Entity Receivables, plus (ii) the cost of the 30-Day Inventory of the Purchased Entity, plus (iii) the book value of the Closing Date Purchased Entity Inventory of the Purchased Entity.

"**Deposit**" has the meaning set out in Section 2.2.

"**Direct Purchased Entities**" means, collectively, TJAC and MYM, and "**Direct Purchased Entity**" means any one of them.

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Disclaimers**" means collectively, the (a) Manitou Disclaimer, (b) MYM Disclaimer and (c) TJAC Disclaimer.

"**Employees**" means all individuals who, as of the Closing Time, are employed or engaged as an independent contractor by a Purchased Entity, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees or independent contractors who are to be terminated pursuant to Section 8.1(g), and "**Employee**" means any one of them.

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, rights of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

"Encumbrances To Be Discharged" means all Encumbrances on the Purchased Shares and Retained Assets, including without limitation the Encumbrances listed in Schedule "F", and excluding only the Permitted Encumbrances, which, Schedule may be amended by the Purchaser by submitting an amended list no later than ten (10) days before the granting of the Approval and Vesting Order.

"Excluded Assets" means those assets of each Purchased Entity listed in Schedule "C", an amended list of which, subject to Section 4.3, may be delivered by the Purchaser to the Vendor no later than ten (10) Business Days before the Target Closing Date.

"Excluded Assets Bill of Sale" has the meaning set out in Section 4.2.

"Excluded Contracts" means those Contracts of each Purchased Entity that relate to any Excluded Assets and/or are listed in Schedule "D", an amended list of which, subject to Section 4.3, may be delivered by the Purchaser to the Vendor no later than ten (10) Business Days before the Target Closing Date.

"Excluded Liabilities" means all debts, obligations, Liabilities, Encumbrances, indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any Purchased Entity or relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than the Assumed Liabilities, including, *inter alia*, the non-exhaustive list of those certain Liabilities set forth in Schedule "E" (which, subject to Section 4.3, may be revised by the Purchaser at any time prior to ten (10) Business Days before the Target Closing Date), any and all Liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any Purchased Entity may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Employees whose employment with any Purchased Entity or its Affiliates is terminated on or before Closing and all Liabilities to or in respect of any Purchased Entity's Affiliates.

"Excluded Liability Assumption Agreement" has the meaning set out in Section 4.1.

"Excluded Liability Price" has the meaning set out in Section 4.1.

"Excluded Liability Promissory Note" has the meaning set out in Section 4.1.

"Filing Date" means November 7, 2022.

"Goodwill" means the goodwill of the Business and relating to the Retained Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Business, research materials, research and development files and the exclusive right of each of the Purchased Entities to represent itself as carrying on the Business and to all rights in respect of the names "WAGNERS" and "Highland Grow" and any variations of such names.

"Governmental Authority" means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

"Highland Residual Co." means a corporation to be incorporated as a wholly owned subsidiary of MYMB, to which any Excluded Assets and Excluded Liabilities of Highland will be transferred as part of the Closing Sequence.

"HST" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"Indirect Purchased Entities" means, collectively, TRC, MYMB and Highland, and **"Indirect Purchased Entity"** means any one of them.

"Intellectual Property" means all intellectual property and industrial property used by the Vendor or any Purchased Entity, throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all rights, titles, interests, and benefits in and to (a) trade-marks, service marks, trade dress, corporate, partnership and business names, fictitious names and other trade names, (b) inventions, patent rights, arts, processes, machines, manufactures, compositions of matter, (c) works, copyrights, neighbouring rights, moral rights, software and databases, (d) designs and industrial designs, (e) know-how, trade secrets, proprietary information, formulae, recipes, systems, methods and techniques and related documentation, customer and supplier information, and market and survey information, (f) telephone numbers, domain names and social media identities, and all derivatives, modifications and improvements of the foregoing.

"Interim Period" means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

"Investment Canada Act" means the *Investment Canada Act* (Canada).

"Legal Proceeding" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

"Liabilities" means, with respect to any Person, all costs, expenses, charges, debts, liabilities, commitments or obligations of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Material Adverse Effect" means any change, event, development, occurrence, facts, condition or effect (each, an "Effect") that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), including without limitation COVID-19, (b) a change in sales or forecasted sales, (c) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities markets in general, including changes in interest rates; or (d) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Vendor or other CCAA Applicants with any third party, including any of the CCAA Applicants' customers, employees, shareholders, financing sources, vendors, distributors, partners or suppliers as a direct result of the execution, announcement or performance of this Agreement, shall not qualify as a Material Adverse Effect.

"**Manitou Disclaimer**" means the disclaimer of the Manitou Lease by TJAC pursuant to and in accordance with section 32 of the CCAA, which is currently set to become effective on December 23, 2022.

"**Manitou Lease**" means the Amended and Restated Lease Agreement dated February 1, 2018, between Homer Land Corp., as landlord, and James E. Wagner Cultivation Ltd., as tenant, in respect of certain leased premises situated on lands known municipally as 530 Manitou Drive, Kitchener, Ontario, as assigned by James E. Wagner Cultivation Ltd. to TJAC pursuant to a Lease Assignment Agreement dated July 28, 2020 and Consent to Assignment dated July 23, 2020, among James E. Wagner Cultivation Ltd., TJAC and Homer Land Corp.

"**Monitor's Certificate**" means the certificate, substantially in the form to be attached as Schedule "B" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor, the Purchased Entities and the Purchaser in accordance with Section 8.3, and thereafter filed by the Monitor with the Court.

"**MYM Disclaimer**" means the disclaimer of the MYM Office Lease by MYM pursuant to and in accordance with section 32 of the CCAA, which is currently set to become effective on December 17, 2022.

"**MYM Office Lease**" means the Lease dated April 13, 2018, between The Manufacturers Life Insurance Company, as landlord, and MYM, as tenant, in respect of certain leased premises located in a building having a municipal address of 1095 West Pender Street in the City of Vancouver, British Columbia and known as Manulife Place.

"**MYM Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of MYM will be transferred as part of the Closing Sequence.

"**MYMB Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of MYM, to which any Excluded Assets and Excluded Liabilities of MYMB will be transferred as part of the Closing Sequence.

"**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means April 30, 2023, or such other date as the Vendor and each Purchased Entity (with the consent of the Monitor) and the Purchaser may agree to in writing.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permits and Licenses**" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business, including: (a) the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business and issued to, granted to, conferred upon, or otherwise created for, any Purchased Entity; and (b) the Cannabis Licenses.

"Permitted Encumbrances" means the Encumbrances related to the Retained Assets listed in Schedule "H", an amended list of which may be agreed to by the Purchaser, the Vendor, the Purchased Entities and the Monitor prior to the granting of the Approval and Vesting Order.

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"Personal Property" means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

"Personal Property Lease" means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any Purchased Entity is a party or under which it has rights to use Personal Property.

"Pre-Closing Loan" has the meaning set out in Section 7.2(a).

"Professional Costs" means amounts owing to professional advisors in connection with the CCAA Proceedings, including, without limitation, the CCAA Applicants' counsel, the Monitor and the Monitor's counsel and any other financial advisor retained by the CCAA Applicants or the Monitor.

"Purchased Entities" means, collectively, the Direct Purchased Entities and the Indirect Purchased Entities, and **"Purchased Entity"** means any one of them.

"Purchased Shares" means, collectively, (a) all of the issued and outstanding shares in the capital of TJAC owned by Trichome, and (b) all of the issued and outstanding shares in the capital of MYM owned by Trichome (for greater certainty, including any shares issued to Trichome as part of the Closing Sequence).

"Purchase Price" has the meaning set out in Section 2.2.

"Qualified Bid" has the meaning ascribed to it in the SISP.

"Related to the Business" means primarily (a) used in, (b) arising from or (c) otherwise related to the Business or any part thereof.

"Representative" when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"Residual Cos." means, collectively, TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., and **"Residual Co."** means any one of them.

"Retained Assets" has the meaning set out in Section 4.2.

"Secured Debenture" means the Secured Convertible Debenture dated August 28, 2020 issued by TJAC in favour of Trichome, as amended by a First Amendment to Secured Convertible Debenture dated July 20, 2022.

"Stalking Horse and SISP Approval Order" means an order of the Court in form and substance attached hereto as Schedule "B", with such amendments as are acceptable to the Vendor, the Purchased Entities, the

Purchaser and the Monitor, among other things, approving (a) the SISP, (b) this Agreement solely for the purposes of acting as the "stalking horse bid" in the SISP, and (c) the Expense Reimbursement.

"**Subsidiary Shares**" means collectively, (a) all of the issued and outstanding shares in the capital of TRC owned by TJAC, (b) all of the issued and outstanding shares in the capital of the MYMB owned by MYM, and (c) all of the issued and outstanding shares in the capital of Highland owned by MYMB.

"**Successful Bid**" has the meaning ascribed to it in the SISP.

"**Straddle Period Tax Returns**" has the meaning set out in Section 10.1.

"**Statement of Trade Payables**" means a statement from the Vendor, certified by an officer of each Purchased Entity and acceptable to the Monitor, setting out (a) a list of vendors that have provided goods and/or services to each Purchased Entity in the ordinary course of business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, and (b) the corresponding amounts owing to each such vendor.

"**Target Closing Date**" means the date that is five (5) Business Days from the date on which the Approval and Vesting Order is granted, or such other date as the Vendor (with the consent of the Monitor) and the Purchaser may agree to in writing.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

"**Taxes**" or "**Tax**" means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" means those individuals employed or engaged as independent contractors by a Purchased Entity whose employment or engagement, as applicable, will be terminated prior to Closing, as listed in a terminated employee/independent contractor list to be sent by the Purchaser to the Vendor and the Purchased Entities no later than ten (10) Business Days before the Target Closing Date.

"**Transaction Taxes**" means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax consequences arising from, or relating to, or in respect of the consummation of the Transactions.

"**Transactions**" means all of the transactions contemplated by this Agreement.

"**TJAC Disclaimer**" means the disclaimer of the TJAC Lease by TJAC pursuant to and in accordance with section 32 of the CCAA, which is currently set to become effective on December 23, 2022.

"**TJAC Lease**" means the Lease Agreement 20006383 between TJAC, as lessee, and Bennington Financial Corp., as lessor, executed by such parties on March 21, 2022 and March 25, 2022, respectively, in connection with a 2021 Hangcha Forklift having serial number R5BJ00068 and model number CPD25-XD2-C.

"**TJAC Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of TJAC will be transferred as part of the Closing Sequence.

"**TRC Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of TJAC, to which any Excluded Assets and Excluded Liabilities of TRC will be transferred as part of the Closing Sequence.

"**Trillium Lease**" means the lease agreement between James E. Wagner Cultivation Ltd. and Blue Top Properties (855 Trillium) Inc. dated December 13, 2013 in respect of a 15,000 sq. ft. processing and packaging facility located at 855 Trillium Drive, Unit B, Kitchener, Ontario, N2R 1J9, as assigned to TJAC pursuant to a Lease Assignment Agreement dated July 28, 2020, and as amended pursuant to a Renewal Agreement of Lease dated November 25, 2020.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern Time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern Time on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.

- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.
- (i) *No Strict Construction.* The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party, including, without limitation, the doctrine of *contra proferentum*.

1.6 Exhibits and Schedules

- (a) The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

- Schedule "A" - SISIP
- Schedule "B" - Stalking Horse and SISIP Approval Order
- Schedule "C" - Excluded Assets
- Schedule "D" - Excluded Contracts

Schedule "E"	-	Excluded Liabilities
Schedule "F"	-	Encumbrances to be Discharged
Schedule "G"	-	Assumed Liabilities
Schedule "H"	-	Permitted Encumbrances
Schedule "I"	-	30-Day Inventory

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE & ALLOCATION OF PURCHASE PRICE

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, on the Closing Date in accordance with the Closing Sequence, the Vendor shall sell, transfer, convey and assign the Purchased Shares to the Purchaser, and the Purchaser shall purchase the Purchased Shares from the Vendor, free and clear of all Encumbrances (other than the Permitted Encumbrances), and in consideration thereof, the Purchaser shall satisfy the Purchase Price as set out in Section 2.2.

2.2 Purchase Price

The purchase price (the "**Purchase Price**") for the Purchased Shares shall be \$5,000,000, to be paid and satisfied as follows, subject to the Closing Sequence:

- (a) Deposit. The Purchaser shall pay \$250,000 (the "**Deposit**") to the Monitor, by wire transfer of immediately available funds, on the second Business Day after execution by the Parties of this Agreement, and the Deposit shall be held in escrow by the Monitor, to be distributed in accordance with Section 2.3 or credited to the Vendor in accordance with Section 2.2(c) and the Closing Sequence.
- (b) Cash Payment. The Purchaser shall pay the sum of \$4,750,000 to the Monitor on the Closing Date (the "**Cash Payment**") by wire transfer of immediately available funds, which Cash Payment shall be held in escrow by the Monitor in accordance with the Closing Sequence.
- (c) Full Purchase Price. The Purchase Price shall be fully and indefeasibly satisfied, on the Closing Date, by (i) the crediting of the Deposit to the Vendor, and (ii) the repayment of the Pre-Closing Loan (such loan to be advanced by payment of the Cash Payment) in accordance with the Closing Sequence.

2.3 Treatment of Deposit

If the Closing does not occur for any reason other than the Agreement having been terminated by the Vendor pursuant to Section 9.1(e), the Deposit will be forthwith refunded in full to the Purchaser (without interest,

offset or deduction). If the Agreement is terminated by the Vendor pursuant to Section 9.1(e), the full amount of the Deposit shall become the property of, and shall be transferred to, the Vendor as liquidated damages (and not as a penalty) to compensate the Vendor for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions; the retention of the Deposit in accordance with this Section 2.3 shall be the sole and exclusive remedy of the Vendor for a breach of this Agreement by the Purchaser.

ARTICLE 3 PROCEDURE

3.1 Motion for Stalking Horse and SISP Approval Order

The Vendor shall, together with the other CCAA Applicants, file with the Court, as soon as practicable following the execution and delivery of this Agreement, a motion seeking the Court's issuance of the Stalking Horse and SISP Approval Order. The Purchaser shall cooperate with the CCAA Applicants in their efforts to obtain the issuance and entry of the Stalking Horse and SISP Approval Order. The Purchaser, at its own expense, will promptly provide to the CCAA Applicants all such information within its possession or under its control as the CCAA Applicants or the Monitor may reasonably request to assist in obtaining the Stalking Horse and SISP Approval Order. The Vendor and the other CCAA Applicants shall serve their motion record seeking the Stalking Horse and SISP Approval Order on not less than seven (7) days' notice, and shall serve any party or parties as the Purchaser may reasonably request.

3.2 Motion for Approval and Vesting Order

If this Agreement is determined to be the Successful Bid in accordance with the SISP, the Vendor shall, together with the other CCAA Applicants, file with the Court in accordance with the SISP a motion seeking the Court's issuance of the Approval and Vesting Order. The Purchaser shall cooperate with the CCAA Applicants in their efforts to obtain the issuance and entry of the Approval and Vesting Order. The Purchaser, at its own expense, will promptly provide to the CCAA Applicants all such information within its possession or under its control as the CCAA Applicants or the Monitor may reasonably request to assist in obtaining the Approval and Vesting Order. The Vendor and the other CCAA Applicants shall serve their motion record seeking the Approval and Vesting Order on not less than seven (7) days' notice, and shall serve any party or parties as the Purchaser may reasonably request.

3.3 One or More Qualified Bids

If one or more Qualified Bids (other than this Agreement) are received pursuant to the SISP, the CCAA Applicants, in consultation with the Monitor, shall pursue such bid(s) in accordance with the SISP, provided that nothing in this Section 3.3 will prevent this Agreement from constituting the Back-Up Bid in accordance with the SISP.

3.4 Expense Reimbursement

If this Agreement is terminated pursuant to Section 9.1(b) herein and the Purchased Shares, shares of any Indirect Purchased Entity, or Retained Assets are sold pursuant to either the Successful Bid or the Back-Up Bid, or by the Purchaser pursuant to Sections 9.1(c), 9.1(d) or 9.1(f), the Purchaser shall be entitled to an expense reimbursement for 100% of its actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing this Agreement, in the aggregate total amount not to exceed \$200,000, inclusive of HST, from the proceeds of such sale (the "**Expense Reimbursement**"). The Expense Reimbursement, if payable, will, in addition to the return of the Deposit pursuant to Section 2.3, be the sole and exclusive remedy as liquidated damages of the Purchaser, whether

at Law or in equity, for any breach by the Vendor or any of the Purchased Entities of the terms and conditions of this Agreement. For greater certainty, the Vendor's obligation to pay the Expense Reimbursement pursuant to this Section 3.4 is expressly subject to the Court's approval and the granting of the Stalking Horse and SISP Approval Order.

ARTICLE 4 TRANSFER OF CERTAIN ASSETS AND LIABILITIES

4.1 Transfer of Excluded Liabilities to Residual Cos.

On the Closing Date, the Excluded Liabilities of each Purchased Entity shall be assumed by the Residual Co. corresponding to that Purchased Entity, and each Purchased Entity shall, in consideration for the applicable Residual Co. assuming the Excluded Liabilities of such Purchased Entity, issue to its corresponding Residual Co. (a) an interest-free promissory note (each, an "**Excluded Liability Promissory Note**") in an amount to be agreed by the Vendor, the applicable Purchased Entity, the Purchaser and the Monitor (each, an "**Excluded Liability Price**"), and (b) if applicable, a Deferred Consideration Note in accordance with Section 4.4. The Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Vesting Order and evidenced by one or more assignment and assumption agreements in form and substance acceptable to the Purchaser, the applicable Purchased Entity, the Vendor and the Monitor (each, an "**Excluded Liability Assumption Agreement**"). Notwithstanding any other provision of this Agreement, neither the Purchaser nor any Purchased Entity shall assume or have any Liability for any of the Excluded Liabilities, and all Excluded Liabilities shall be Discharged from each Purchased Entity and its assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Vesting Order. For greater certainty, each Purchased Entity shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, of the Purchased Entity arising in connection with the assignment of the Excluded Liabilities to its corresponding Residual Co. and the assumption by such Residual Co. of same.

4.2 Transfer of Excluded Assets and Excluded Contracts to Residual Cos.

On the Closing Date, each Purchased Entity shall retain all of the assets owned by it immediately prior to Closing, including its Contracts, Permits, Goodwill, Intellectual Property, Licences, Subsidiary Shares and Books and Records (the "**Retained Assets**"), except for inventory sold in the ordinary course of business in the Interim Period, and the Excluded Assets and Excluded Contracts (if any), and shall remain liable in respect of the Assumed Liabilities in accordance with the terms of this Agreement. Each Purchased Entity shall transfer its respective Excluded Assets and Excluded Contracts, if any, to its corresponding Residual Co., in accordance with the Closing Sequence, on the Closing Date and same shall be vested in such Residual Co. pursuant to the Approval and Vesting Order as evidenced by one or more bills of sale and assignments of contracts, in form and substance satisfactory to the Purchaser, Vendor, Purchased Entity and the Monitor (each, an "**Excluded Assets Bill of Sale**").

4.3 Selection of Excluded Assets, Excluded Contracts, Excluded Liabilities and Assumed Liabilities

For the avoidance of doubt, the Purchaser shall be entitled, without the consent of the Vendor, any Purchased Entity or the Monitor, to revise the list of Excluded Assets, Excluded Contracts, Excluded Liabilities and Assumed Liabilities set out in Schedule "C", Schedule "D", Schedule "E" and Schedule "G", respectively, by adding or deleting assets, contracts or liabilities, at any time that is not later than ten (10) Business Days before the Target Closing Date, subject to the Permitted Encumbrances and Encumbrances to be Discharged and provided that:

- (a) any addition or deletion of any Excluded Asset, Excluded Contract, Excluded Liability or Assumed Liability shall not affect the Purchase Price;
- (b) the Purchaser shall not be permitted to revise the list of Excluded Liabilities so as to include those Liabilities listed under the Statement of Trade Payables or Liabilities described under paragraphs (b), (c), (d) or (e) of the definition of "Assumed Liabilities";
- (c) the Purchaser shall not be permitted to revise the list of Excluded Assets so as to include the 30-Day Inventory, the Closing Date Purchased Entity Inventory or the Closing Date Purchased Entity Receivables; and
- (d) if applicable, the Purchaser shall (i) advise the Vendor and TJAC of its decision to revise the list of Excluded Contracts set out in Schedule "D" so as to include the Trillium Lease by no later than thirty (30) days' before the Target Closing Date and (ii) deliver a list of contracts to disclaim to the Vendor and the Purchased Entity that is the counterparty to such contract no later than thirty (30) days before the Target Closing Date.

4.4 Deferred Consideration

Each Purchased Entity shall, as partial consideration for the assumption by the corresponding Residual Co. of its Excluded Liabilities, pay deferred consideration (each, "**Deferred Consideration**") in an amount equal to 100% of (a) all actual receipts obtained by the Purchased Entity after the Closing Date on account of any receivables due and owing to such Purchased Entity on the Closing Date (the "**Closing Date Purchased Entity Receivables**"), (b) the costs of the 30-Day Inventory of such Purchased Entity set out in Schedule "I" hereto (which, for greater certainty, may be adjusted lower in accordance with the definition of "30-Day Inventory"), and (c) all actual receipts obtained by the Purchased Entity after the Closing Date on account of the sale of any inventory owned by such Purchased Entity on the Closing Date other than 30-Day Inventory (the "**Closing Date Purchased Entity Inventory**"). Each Purchased Entity shall satisfy the Deferred Consideration by delivering to the Monitor on behalf of the corresponding Residual Co., on Closing, an interest-free, limited recourse promissory note in the principal face amount of the Deferred Consideration Note Amount, in favour of such Residual Co., which shall be secured by such Purchased Entity's Closing Date Purchased Entity Receivables, 30-Day Inventory and Closing Date Purchased Entity Inventory, and shall provide that the Residual Co.'s recourse for all obligations under the note shall be limited to such Purchased Entity's (a) Closing Date Purchased Entity Receivables, (b) 30-Day Inventory, (c) Closing Date Purchased Entity Inventory, and (d) any proceeds thereof, and for the avoidance of doubt neither the Purchaser nor the Purchased Entity shall have any liability under the note other than as explicitly limited by the terms of the note (each such note, a "**Deferred Consideration Note**").

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties as to the Vendor

Subject to the issuance of the Approval and Vesting Order, the Vendor represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the laws of the Province of Ontario, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

- (b) Corporate Authorization. The execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate actions on the part of the Vendor.
- (c) No Conflict. The execution, delivery and performance by the Vendor of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Vendor.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the issuance of the Stalking Horse and SISP Approval Order and the Approval and Vesting Order.
- (e) Title to Purchased Shares. The Vendor is the registered and beneficial owner of the Purchased Shares.
- (f) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor of any of the Purchased Shares or the Retained Assets.
- (g) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (h) Proceedings. There are no Legal Proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Purchased Shares, or the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.
- (i) Residence of the Vendor. The Vendor is not a non-resident of Canada within the meaning of the Tax Act.

5.2 Representations and Warranties as to the Purchased Entities

Subject to the issuance of the Approval and Vesting Order, each Purchased Entity represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) Incorporation and Status. Each Purchased Entity is a corporation incorporated and existing under the laws of the province of its incorporation, in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by each Purchased Entity of this Agreement, including the transfer of the Purchased Shares, has been authorized by all necessary corporate action on the part of each Purchased Entity.

- (c) No Conflict. The execution, delivery and performance by each Purchased Entity of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of any Purchased Entity.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by each Purchased Entity and constitutes a legal, valid and binding obligation of such Purchased Entity, enforceable against it in accordance with its terms subject only to the issuance of the Stalking Horse and SISP Approval Order and the Approval and Vesting Order.
- (e) Authorized and Issued Capital.
 - (i) The authorized capital of TJAC consists of an unlimited number of common shares.
 - (ii) The authorized capital of TRC consists of an unlimited number of common shares.
 - (iii) The authorized capital of MYM consists of an unlimited number of common shares.
 - (iv) The authorized capital of MYMB consists of an unlimited number of common shares.
 - (v) The authorized capital of Highland consists of an unlimited number of common shares.

There are no issued and outstanding common shares or other securities of the Direct Purchased Entities other than the Purchased Shares, there are no issued and outstanding common shares or other securities of the Indirect Purchased Entities other than the shares owned by the Direct Purchased Entities (or, in the case of Highland, the shares owned by MYMB), nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of any Purchased Entity other than the Secured Debenture.

- (f) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from any Purchased Entity of any of the Retained Assets.
- (g) Proceedings. To the knowledge of each Purchased Entity, there are no Legal Proceedings pending against any Purchased Entity or threatened, with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Closing of the Transactions, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent any Purchased Entity from fulfilling any of their obligations set forth in this Agreement.
- (h) Cannabis Licenses. The Cannabis Licenses are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or

privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licenses.

- (i) Tax. All Taxes shown as due and owing on the Tax Returns and any related notices of assessment for each Purchased Entity for all Tax periods ending on or prior to the Closing Date have been duly and timely paid. Each Purchased Entity has withheld and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld or deducted.

5.3 Representations and Warranties as to the Purchaser

The Purchaser represents and warrants to and in favour of the Vendor and each Purchased Entity as follows and acknowledges and agrees that the Vendor and each Purchased Entity are relying upon such representations and warranties in connection with the sale by the Vendor of the Purchased Shares:

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of the Province of British Columbia and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and this Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement.
- (f) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Purchase Price to the Vendor; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (g) Security Clearances. Each officer, director, or any other Person that may exercise, or is in a position to exercise, direct control over either holder of the Cannabis Licenses or of the Purchaser, namely Marc Lustig, have obtained security clearances as required to maintain the Cannabis Licenses under Applicable Law.

- (h) Investment Canada Act. The Purchaser is a "Canadian" or a "WTO Investor" within the meaning of the Investment Canada Act, and the regulations thereunder.
- (i) Consents. Except for: (i) the issuance of the Approval and Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, the purchase of the Purchased Shares.
- (j) Residence of Purchaser. The Purchaser is not a non-resident of Canada within the meaning of the Tax Act.
- (k) Financial Ability. The Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of satisfying the Purchase Price and (ii) the resources and capabilities (financial or otherwise) to perform its obligations under this Agreement, including the Assumed Liabilities. The Purchaser has not, as of the date hereof, and will not have, as of the Closing Time, incurred any liability that would materially impair or adversely affect such resources and capabilities.

5.4 As is, Where is

The Purchased Shares (together with all assets held by each Purchased Entity at Closing, including the Retained Assets) shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject to the representations and warranties contained in Sections 5.1 and 5.2. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Shares or the Retained Assets, and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transactions contemplated hereby, including with respect to the Purchased Shares or the Retained Assets. The disclaimer in this Section 5.4 is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by any Purchased Entity or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges and agrees that it has been provided adequate access to the personnel, properties, assets, premises, Books and Records, and other documents and data of the Vendor and the Purchased Entities in order to make an independent analysis of same. For certainty, the Vendor shall have no Liability for any Taxes payable, collectible or required to be remitted on or after Closing by any Purchased Entity in connection with (a) the Vendor or such Purchased Entity entering into this Agreement, (b) the issuance of the Approval and Vesting Order or (c) the consummation of the Transactions.

ARTICLE 6 COVENANTS

6.1 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Target Closing Date.

6.2 Interim Period

During the Interim Period and except as contemplated or permitted by this Agreement (including the Disclaimers), the Approval and Vesting Order or the SISF, as necessary in connection with the CCAA Proceedings, as otherwise required by Applicable Law or provided in the Initial Order and any other orders of the Court prior to the Closing Time, or as consented to by the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed, the Vendor and each Purchased Entity shall:

- (a) continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement;
- (b) other than the Excluded Assets and each Purchased Entity's cannabis inventory to be sold in the ordinary course pursuant to purchase orders from third parties, not transport, remove or dispose of, any of its assets out of their current locations;
- (c) not incur any incremental costs and expenses, or make disbursements, out of the ordinary course of business, unless expressly agreed to by the Vendor, the Purchaser and the Monitor; and
- (d) not enter into any non-arms' length transactions involving any Purchased Entity or its assets or the Business without the prior approval of the Purchaser.

6.3 Access During Interim Period

During the Interim Period, the Vendor and each Purchased Entity shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business, the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; (b) any invasive testing, including with respect to any real property, shall require the prior consent of the Vendor; and (c) subject to the ongoing reasonable oversight and participation of the Vendor, any applicable Purchased Entity and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and the Vendor's and each Purchased Entity's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with any Purchased Entity's operations, and the Vendor and each Purchased Entity shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.4 Regulatory Approvals and Consents

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the Cannabis Act and Cannabis Regulations.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.4.

6.5 Insurance Matters

Until the Closing, the Vendor and each Purchased Entity shall keep in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with the respective past practices of the Vendor and each Purchased Entity in the ordinary course of business.

6.6 Books and Records

The Purchaser shall cause each Purchased Entity to preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of two (2) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor, the Vendor and each Residual Co., their successors, and any trustee in bankruptcy or receiver of the Vendor and each Residual Co., and shall, at such party's sole expense, permit any of the foregoing persons to take copies of such Books and Records as they may reasonably require. As soon as practicable following the Closing and in any event no later than forty-five (45) days following the Closing, the Vendor shall deliver, at the cost of the Purchaser: (a) any and all Books and Records reasonably requested by the Purchaser; and (b) an electronic copy of all of the materials relating to the Retained Assets established in connection with the Transactions, and such materials available on such electronic copy shall be unlocked, unprotected and fully available to the Purchaser. Until such electronic copy is provided to the Purchaser, the Vendor shall permit access to such materials in such data room.

6.7 Collection of Closing Date Purchased Entity Receivables and Sale of Closing Date Purchased Entity Inventory

The Purchaser shall, and shall cause the Purchased Entities after the Closing to, use commercially reasonable efforts to collect all Closing Date Purchased Entity Receivables and to sell all Closing Date Purchased Entity Inventory, in the same manner that a prudent cannabis vendor would use to collect its own

receivables and sell its own inventory, and to cause the Purchased Entities to use the proceeds thereof to repay the Deferred Consideration Notes. This covenant shall survive the Closing.

6.8 Filing of Tax Election

The Purchaser shall, unless otherwise agreed to by the Vendor and the Purchaser in writing, cause each Purchased Entity to make an election pursuant to subsection 256(9) of the Tax Act in respect of the taxation year ending as a result of the acquisition of control of it by the Purchaser.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

7.2 Closing Sequence

On the Closing Date, Closing shall take place in accordance with the Approval and Vesting Order, in the following sequence (the "**Closing Sequence**"), provided that, subject to the Approval and Vesting Order, the Closing Sequence may be amended at any time and from time to time prior to the Closing Date with the prior written consent of the Monitor, the Vendor and the Purchaser (which consent may not be unreasonably withheld or delayed):

- (a) first, the Purchaser shall advance a super-priority interest-free loan to the Vendor in the amount of \$4,750,000 (the "**Pre-Closing Loan**") (which, pursuant to the Approval and Vesting Order, shall rank in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise other than the Charges, in favour of any Person notwithstanding the order of perfection or attachment) by paying the Cash Payment to be held in escrow by the Monitor, on behalf of the Vendor, to be released in accordance with this Closing Sequence, and shall permit the Deposit to be transferred to, and held by the Monitor on behalf of, the Purchased Entities solely in accordance with this Closing Sequence;
- (b) second, each Residual Co. shall, and the Vendor and the Purchased Entities shall cause each Residual Co. to, assume and acquire the Excluded Liabilities and Excluded Assets of its corresponding Purchased Entity, if any, pursuant to the Approval and Vesting Order and the Excluded Liabilities Assumption Agreement, and each applicable Purchased Entity shall issue an Excluded Liability Promissory Note to the applicable Residual Co.;
- (c) third, the following share subscriptions shall occur in the following sequence:
 - (i) the Vendor shall subscribe for additional common shares in the capital of TJAC for an aggregate subscription price equal to the aggregate amount owing by TJAC and TRC under the applicable Excluded Liability Promissory Notes, and hereby irrevocably directs the Monitor to cause such payment to be made from the funds held by the Monitor on its behalf, although such amount shall continue to be held by the Monitor on behalf of TJAC;

- (ii) TJAC shall subscribe for additional common shares in the capital of TRC for an aggregate subscription price equal to the aggregate amount owing by TRC under the applicable Excluded Liability Promissory Note, and hereby irrevocably directs the Monitor to cause such payment to be made from the funds held by the Monitor on its behalf, although such amount shall continue to be held by the Monitor on behalf of TRC;
 - (iii) the Vendor shall subscribe for additional common shares in the capital of MYM for an aggregate subscription price equal to the aggregate amount owing by MYM, MYMB and Highland under the applicable Excluded Liability Promissory Notes, and hereby irrevocably directs the Monitor to cause such payment to be made from the funds held by the Monitor on its behalf, although such amount shall continue to be held by the Monitor on behalf of MYM;
 - (iv) MYM shall subscribe for additional common shares in the capital of MYMB for an aggregate subscription price equal to the aggregate amount owing by MYMB and Highland under the applicable Excluded Liability Promissory Notes, and hereby irrevocably directs the Monitor to cause such payment to be made from the funds held by the Monitor on its behalf, although such amount shall continue to be held by the Monitor on behalf of MYMB; and
 - (v) MYMB shall subscribe for additional common shares in the capital of Highland for an aggregate subscription price equal to the aggregate amount owing by Highland under the applicable Excluded Liability Promissory Note, and hereby irrevocably directs the Monitor to cause such payment to be made from the funds held by the Monitor on its behalf, although such amount shall continue to be held by the Monitor on behalf of Highland;
- (d) fourth, the Purchaser shall acquire the Purchased Shares (including, for greater certainty, all shares issued to the Vendor pursuant to Section 7.2(c), the Vendor shall deliver the Purchased Shares, and the Purchase Price (including for greater certainty, the Deposit) shall be paid and satisfied as follows:
- (i) the Deposit shall be released and the Purchaser shall cease to have any claim to the return thereof; and
 - (ii) an amount equal to the amount of the Cash Payment shall be paid and satisfied by way of set-off against the Pre-Closing Loan, and the Pre-Closing Loan shall thereby be fully repaid and settled; and
- (e) fifth, each Purchased Entity shall satisfy the amount owing under any Excluded Liability Promissory Note issued by such Purchased Entity using the funds transferred to, and held by the Monitor on behalf of it pursuant to Section 7.2(c), and hereby irrevocably directs the Monitor to cause such payment to be made, although such amount shall continue to be held by the Monitor on behalf of the applicable Residual Co.

7.3 The Vendor's Closing Deliveries

At or before the Closing (as applicable), the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Stalking Horse and SISP Approval Order, as issued by the Court;
- (b) a true copy of the Approval and Vesting Order, as issued by the Court;
- (c) if applicable, share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the holder of record;
- (d) the Statement of Trade Payables, reviewed by the Monitor;
- (e) a certificate of status, compliance, good standing or like certificate with respect to the Vendor issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction;
- (f) a certificate dated as of the Closing Date and executed by an executive officer of the Vendor confirming and certifying that each of the conditions in Sections 8.1(d), 8.1(e) and 8.1(f) have been satisfied;
- (g) if required by the Purchaser, a copy of a transition services agreement, signed by the Vendor, in form and substance satisfactory to the Vendor, the Monitor and the Purchaser, each acting reasonably; and
- (h) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions and the Closing Sequence provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 The Purchaser's Closing Deliveries

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 8.2(d) and 8.2(e) have been satisfied;
- (c) the Cash Payment, in accordance with Section 2.2(b);
- (d) if required by the Vendor, a copy of a transition services agreement, signed by the Purchaser, in form and substance satisfactory to the Vendor, the Monitor and the Purchaser, each acting reasonably; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.5 The Purchased Entities' Closing Deliveries

At or before the Closing (as applicable), each Purchased Entity shall deliver or cause to be delivered to the Purchaser, the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchased Entity issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction;
- (b) a copy of an Excluded Liability Assumption Agreement, if any, signed by the applicable Purchased Entity and the applicable Residual Co.;
- (c) a copy of an Excluded Assets Bill of Sale, if any, signed by the applicable Purchased Entity and the applicable Residual Co.; and
- (d) copies of the Deferred Consideration Notes and related security documents, in accordance with Section 4.4 (originals of which shall remain with the Monitor on behalf of the Residual Cos.).

ARTICLE 8 CONDITIONS OF CLOSING

8.1 The Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that, if the Purchaser does not waive a condition and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Vendor shall take, and cause each Purchased Entity to take, all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed below in this Section 8.1 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court; (ii) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired; provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed; and (iv) at least two (2) clear Business Days have elapsed since the Approval and Vesting Order was issued by the Court.
- (b) The Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which

has the effect of: (i) making any of the Transactions illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) modifying or amending the Approval and Vesting Order without the consent of Purchaser.

- (d) No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Vesting Order), each of the representations and warranties contained in Sections 5.1 and 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Vendor and each Purchased Entity shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor or each Purchased Entity on or before the Closing.
- (g) The Purchased Entity Employees. Each Purchased Entity shall have terminated the employment or engagement, as applicable, of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Vesting Order.
- (h) Residual Co. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to the applicable Residual Cos., to another Affiliate of the Vendor that is not a Purchased Entity, or Discharged; and (ii) each Purchased Entity, its business and property shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities and the Permitted Encumbrances, if any); such that, from and after Closing the business and property of each Purchased Entity shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (i) CCAA Proceedings. Upon Closing, the CCAA Proceedings will have been terminated in respect of each Purchased Entity, its business and property, as set out in the Approval and Vesting Order.
- (j) Disclaim Contracts. Each Purchased Entity shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Vendor and the Purchased Entity that is the counterparty to such contract, and which shall be delivered by the Purchaser no later than thirty (30) days before the Target Closing Date.
- (k) Cannabis Licenses. The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.

8.2 The Vendor's and Purchased Entities' Conditions

Neither the Vendor nor any Purchased Entity shall be obligated to complete the Transactions contemplated by this Agreement unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor and the Purchased Entities, and may be waived by the Vendor and the Purchased Entities in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor and Purchased Entities only if made in writing. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court; (ii) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired; provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed; and (iv) at least two (2) clear Business Days have elapsed since the Approval and Vesting Order was issued by the Court.
- (b) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.4.
- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) modifying or amending the Approval and Vesting Order without the consent of the Vendor.
- (d) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.3 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing, except for the covenant to pay the Cash Payment, which shall have been performed in all respects.

8.3 Monitor's Certificate

When the conditions to Closing set out in Sections 8.1 and 8.2 have been satisfied and/or waived by the Vendor, Purchased Entities or the Purchaser, as applicable, the Vendor, the Purchased Entities, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (a) issue forthwith its Monitor's Certificate concurrently to the Vendor, the Purchased Entities and the Purchaser, at which time the Closing Sequence will be deemed

to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor, the Purchased Entities and the Purchaser). In the case of: (a) and (b) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual agreement of the Vendor (with the consent of the Monitor), the Purchased Entities (with the consent of the Monitor) and the Purchaser;
- (b) automatically and without any action or notice by either the Vendor and the Purchased Entities to the Purchaser or the Purchaser to the Vendor and the Purchased Entities, immediately (i) upon the selection by the Vendor and the Purchased Entities, in consultation with the Monitor, of a Successful Bid, if this Agreement is neither the Successful Bid nor the Back-Up Bid selected at such time, or (ii) upon the Closing of the Successful Bid(s) if this Agreement is the Back-Up Bid;
- (c) by the Purchaser, on the one hand, or the Vendor and the Purchased Entities (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
- (d) by the Purchaser, on the one hand, or the Vendor and Purchased Entities (with the consent of the Monitor), on the other hand, upon notice to the other Parties if (i) the Approval and Vesting Order has not been obtained by the Target Closing Date or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate this Agreement;
- (e) by the Vendor and the Purchased Entities (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor and the Purchased Entities or cured by the Purchaser within five (5) Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under this Agreement at such time; or
- (f) by the Purchaser, if there has been a material violation or breach by the Vendor or any Purchased Entity of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Vendor or applicable Purchased Entity within five (5) Business Days of the Purchaser providing notice to the Vendor and applicable Purchased Entity of such breach,

unless the Purchaser is in material breach of its obligations under this Agreement at such time.

9.2 Effect of Termination

If this Agreement is terminated pursuant to Section 9.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.3 (*Deposit*), 10.4 (*Public Announcements*), 10.5 (*Notices*), 10.9 (*Waiver and Amendment*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*No Liability*), 10.18 (*Damages*) and 10.21 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) if the Cash Payment has been paid to the Monitor pursuant to Section 7.2(a), and for any reason the Closing Sequence steps set out in Sections 7.2(b) through 7.2(e) have not occurred, the Monitor shall promptly return the Cash Payment to the Purchaser; provided, however, that this Section 9.2(b) shall be subject to Section 2.3 with respect to the Deposit.

ARTICLE 10 GENERAL

10.1 Tax Returns

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for each Purchased Entity for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause each Purchased Entity to duly and timely make or prepare all Tax Returns required to be made or prepared by them and to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. All such Tax Returns in clauses (a) and (b) of this Section 10.1 constitute the "**Straddle Period Tax Returns**". The Vendor, each Purchased Entity, the Monitor and the Purchaser shall co-operate reasonably with each other and make available to each other in a timely fashion such data and other information as may reasonably be required for the preparation of any Straddle Period Tax Return and the Purchaser shall preserve (or cause the applicable Purchased Entities to preserve) such data and other information until the expiration of any applicable limitation period under Applicable Law with respect to Taxes. The Purchaser will use commercially reasonable best efforts to provide drafts of all Straddle Period Tax Returns required to be prepared by the Purchaser or the Purchased Entities to the Vendor and the Monitor in advance of their filing with the relevant Governmental Authority. The Purchaser, the Vendor and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as the Vendor or the Monitor may request.

10.2 Survival.

Subject to Section 5.4, Section 6.7 and Section 10.1, all representations, warranties, covenants and agreements of the Vendor or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement will merge on and shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

10.3 Expenses

Except as otherwise agreed by the Parties, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers), provided that nothing in this Section 10.3 shall affect the payment of the Expense Reimbursement provided for in Section 3.4.

10.4 Public Announcements

The Vendor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the CCAA Applicants or any of their Affiliates (including IM Cannabis Corp.) under Applicable Laws or stock exchange rules, the Vendor or the Purchaser shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

10.5 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email as follows:

- (a) in the case of notice to the Vendor at:

Trichome Financial Corp.
79 Wellington Street West, Suite 3000,
Toronto, Ontario, M5K 1N2

Attention: Michael Ruscetta and Howard Steinberg
Email: mruscetta@trichomefinancial.com and hsteinberg@jwc.ca

With a copy to:

Bennett Jones LLP
First Canadian Place
100 King Street West, Suite 3400
Toronto, Ontario, M5X 1A4

Attention: Sean Zweig and Josh Foster
Email: zweigs@bennettjones.com and fosterj@bennettjones.com

- (b) in the case of a notice to the Purchaser at:

L5 Capital Inc.
2200 HSBC Building
885 West Georgia Street
Vancouver, British Columbia, V6C 3E8

Attention: Marc Lustig
 Email: mlustig.15capital@gmail.com

With a copy to:

Blake, Cassels & Graydon LLP
 Commerce Court West
 199 Bay Street, Suite 4000
 Toronto, Ontario, M5L 1A9

Attention: Chris Burr
 Email: chris.burr@blakes.com

(c) in the case of all communications by any Party, the Monitor shall be copied at:

KSV Restructuring Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9

Attention: Noah Goldstein and Murtaza Tallat
 Email: ngoldstein@ksvadvisory.com and mtallat@ksvadvisory.com

With a copy to:

Cassels Brock & Blackwell LLP
 Suite 2100, Scotia Plaza
 40 King Street West
 Toronto, Ontario, M5H 3C2

Attention: Ryan Jacobs, Jane Dietrich and Jeremy Bornstein
 Email: rjacobs@cassels.com, jdietrich@cassels.com and jbornstein@cassels.com

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Party in accordance with the provisions of this Section 10.5.

10.6 Time of Essence

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

10.7 Further Assurances

The Vendor, each Purchased Entity and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered by the Parties pursuant to this Agreement in connection with the Transactions contemplated herein constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, conditions, representations, warranties, obligations, understandings or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, pre-contractual, statutory or otherwise) except as explicitly set out in this Agreement.

10.9 Waiver and Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Vendor and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.10 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.11 Remedies Cumulative

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

10.13 Dispute Resolution

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute

shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct.

10.14 Attornment

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.14. Each Party agrees that service of process on such Party as provided in this Section 10.14 shall be deemed effective service of process on such Party.

10.15 Successors and Assigns

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.16 Assignment

Prior to Closing, the Purchaser may assign, with the consent of the Vendor and the Monitor, all or any portion of its rights and obligations under this Agreement, including the rights of the Purchaser to purchase from the Vendor the Purchased Shares prior to the issuance of the Approval and Vesting Order; provided that no such assignment shall relieve the Purchaser of any of its obligations or Liabilities under this Agreement (including the obligation to pay the Cash Payment at Closing) and further provided that such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment. Prior to Closing, neither the Vendor nor any Purchased Entity may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of their rights or obligations under this Agreement. Following Closing, the Vendor shall have the authority to assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

10.17 No Liability

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendor and the other CCAA Applicants, and the Monitor's Affiliates will have no Liability in connection with this Agreement whatsoever in their capacity as Monitor, in their personal capacity or otherwise.

10.18 Damages

Under no circumstance shall any of the Parties or their representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transactions.

10.19 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transactions or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.20 Independent Legal Advice

The Purchaser warrants that it has received independent legal advice in connection with this Agreement.

10.21 Third Party Beneficiaries

Except with respect to the Monitor pursuant to Section 10.17, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.


10.22 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by email in PDF format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.


[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

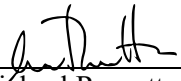
L5 CAPITAL INC.

By: 
Name: Marc Lustig
Title: President

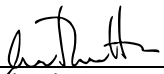
TRICHOME FINANCIAL CORP.

By: 
Name: Michael Ruscetta
Title: Director

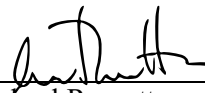
TRICHOME JWC ACQUISITION CORP.

By: 
Name: Michael Ruscetta
Title: Director


TRICHOME RETAIL CORP.

By: 
Name: Michael Ruscetta
Title: Director


MYM NUTRACEUTICALS INC.

By: 
Name: Michael Ruscetta
Title: Director

MYM INTERNATIONAL BRANDS INC.

By: 
Name: Michael Ruscetta
Title: Director

HIGHLAND GROW INC.

By: 
Name: Michael Ruscetta
Title: Director

SCHEDULE "A"

SISP

**IN THE MATTER OF TRICHOME FINANCIAL CORP., TRICHOME JWC
ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL
CORP., MYM INTERNATIONAL BRANDS INC. AND HIGHLAND GROW INC.**

SALE AND INVESTMENT SOLICITATION PROCESS

On November 7, 2022, Trichome Financial Corp. ("**Trichome**"), Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc. and Highland Grow Inc. (collectively with Trichome, the "**Vendors**") obtained an initial order (as amended and restated on November 17, 2022, and as may be further amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985. c. C-36, as amended (the "**CCAA**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as the Monitor in the Applicants' CCAA proceedings (in such capacity, the "**Monitor**").

On January [●], 2023, the Court granted an order (the "**Stalking Horse and SISP Approval Order**") under the CCAA, among other things: approving a sale and investment solicitation process (the "**SISP**") and corresponding Bidding Procedures and Auction Procedures (each as defined below); approving the letter agreement dated [●] between the Vendors and Stoic Advisory Inc. (the "**SISP Advisor**"); authorizing the SISP Advisor and the Vendors to implement the SISP, with the oversight of the Monitor; approving and accepting solely for the purposes of conducting the SISP, the stalking horse share purchase agreement dated December 12, 2022 (the "**Stalking Horse Bid**") among the Vendors and L5 Capital Inc. (the "**Stalking Horse Bidder**"); and approving the payment of an expense reimbursement (the "**Expense Reimbursement**") by Trichome to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid.

Set forth below are the bidding procedures ("**Bidding Procedures**") to be employed with respect to the sale of the Vendors' Assets (as defined below) pursuant to the Court-approved SISP.

Subject to Court availability and the terms hereof, the Vendors shall bring a motion (the "**Approval and Vesting Order Motion**") on or before [●], 2023, seeking an order (the "**Approval and Vesting Order**") by the Court authorizing the Vendors to proceed with the sale of the Vendors' Assets to the Qualified Bidder making the Successful Bid (each as defined below) (the "**Successful Bidder**").

BIDDING PROCEDURES

Key Dates

[●], 2023	Delivery of the Teaser Letter (as defined below) and sales packages
[●], 2023	Confidential data site to be established
At 5:00 p.m. (Eastern Time) on the date that is four weeks from the date on which the Stalking Horse and SISP Approval Order is granted	Bid Deadline (as defined below) - due date for bids and deposits
[●], 2023	Monitor to provide the Stalking Horse Bidder and each Qualified Bidder a schedule setting forth either or both (i) the highest or otherwise best fully binding offer for all of the Vendors' Assets and (ii) the highest or otherwise best fully binding offer(s) for all or any combination of the Vendors' Assets
[●], 2023 at 10:00 a.m. (Eastern Time)	Auction (as defined below), if any
[●], 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (if no Auction)
[●], 2023 (Eastern Time) (pending the Court's availability)	Approval and Vesting Order Motion (if Auction)

Solicitation of Interest: Notice of the SISP and Bidding Procedures

As soon as reasonably practicable, but in any event no later than [●], 2023:

- (i) the SISP Advisor, with the assistance of the Vendors and the Monitor, will prepare
 - (a) a list of potential bidders who may be interested in acquiring the Vendors' Assets in whole or in part (each a "**Known Potential Bidder**"), and
 - (b) a process summary (the "**Teaser Letter**") describing the Vendors' Assets, outlining these Bidding Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to these Bidding Procedures; and

- (ii) the Vendors, with the assistance of the SISP Advisor and the Monitor, will prepare a non-disclosure agreement (an "NDA") to be provided to Potential Bidders (as defined below).

The SISP Advisor will send the Teaser Letter and an NDA to each Known Potential Bidder by no later than [●], 2023, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Vendors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Assets to Be Sold En Bloc or Piecemeal

The Vendors are offering for sale all of the Vendors' right, title and interest in and to all of the Vendors' assets or all of the shares in the capital of the Vendors by way of a share sale through a reverse vesting transaction (collectively, the "**Vendors' Assets**"). The Vendors will consider (i) a bid for all of the Vendors' Assets (an "**En Bloc Bid**") or (ii) separate bids to acquire some but not all of the Vendors' Assets ("**Piecemeal Bids**"), provided that the Vendors will only consider Piecemeal Bids if a combination of one or more Piecemeal Bids in the aggregate meet the requirements to be a Qualified Bid (as defined below). The Vendors' preferred transaction structure is an En Bloc Bid.

Although the Vendors are seeking bids to purchase some or all of the Vendors' Assets, the Vendors will also consider a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Vendors (a "**Plan Bid**") provided that such Plan Bid will only be a Qualified Bid if it: (i) provides for the indefeasible payment in full of the Expense Reimbursement and, unless otherwise consented to by the Agent (as defined below) and the DIP Lender (as defined in the Initial Order), all amounts owing to Cortland Credit Lending Corporation ("**Cortland**"), including without limitation, the secured indebtedness owing to Cortland, as agent for and on behalf of the Vendors' senior secured lenders (in such capacity, the "**Agent**") and the indebtedness owing to Cortland as the DIP Lender under the DIP Agreement (as defined in the Initial Order), on or before the Outside Date (as defined in the Stalking Horse Bid) regardless of the timeline for such Plan Bid; (ii) has conditions that, in the reasonable opinion of the Vendors and the Monitor, are likely to be satisfied; and (iii) includes a fully-funded commitment to provide any additional interim financing required by the Vendors to complete all of the steps necessary to implement such Plan Bid, such financing to be subordinate to the existing Administration Charge, the Directors' Charge and the DIP Lender's Charge (each as defined in the Initial Order).

The Bidding Process and the Auction

The SISP Advisor, under the supervision of the Vendors and the Monitor, shall be responsible for the marketing and sale of the Vendors' Assets pursuant to the Stalking Horse and SISP Approval Order, the SISP and these Bidding Procedures on behalf of the Vendors (the "**Bidding Process**"). The Monitor, with the consent of the Vendors, shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Process, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the prior written consent of the Stalking Horse Bidder or a further Order of the Court.

The Monitor will be responsible for conducting an auction (the "**Auction**"), if required in accordance with the terms of these Bidding Procedures, on behalf of the Vendors.

Participation Requirements

Any interested party that wishes to participate in the Bidding Process (each a "**Potential Bidder**") must provide to the Vendors:

- (i) an NDA executed by it, which shall enure to the benefit of any purchaser of the Vendors' Assets, or any portion thereof; and
- (ii) a letter setting forth the identity of the Potential Bidder, and the contact information for such Potential Bidder.

To be a "**Qualified Bidder**", a Potential Bidder must satisfy the Required Bid Terms and Materials (as defined below).

Bid Deadline

A Potential Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Terms and Materials to the Monitor no later than 5:00 p.m. (Eastern Time) on the date that is four weeks from the date on which the Stalking Horse and SISP Approval Order is granted (the "**Bid Deadline**"). Written copies of bids and the Required Bid Terms and Materials shall be delivered by the Bid Deadline by email to the Monitor at the following address:

KSV Restructuring Inc. 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 Attention: Murtaza Tallat
 Email: mtallat@ksvadvisory.com

The Monitor shall forthwith provide copies of any bids received to the Vendors.

Bid Requirements

All bids (other than the Stalking Horse Bid) must include or conform with the following requirements (collectively, the "**Required Bid Terms and Materials**"):

- (i) the identity of each entity or person and representatives thereof who are authorized to appear and act on behalf of the Potential Bidder for all purposes regarding the transaction;
- (ii) a base cash purchase price equal to or greater than CAD\$5,300,000, being the amount payable under the Stalking Horse Bid (CAD\$5,000,000), plus the Expense Reimbursement (CAD\$200,000) and a CAD\$100,000 minimum bid increment (collectively, the "**Base Purchase Price**");
- (iii) a description of the Vendors' Assets to be included in the transaction, and an allocation of the purchase price to such Vendors' Assets;

- (iv) a provision stating that the Potential Bidder's offer is irrevocably open for acceptance until the earlier of (i) the date that the Vendors' Assets have been sold pursuant to the closing of the transaction(s) approved by the Court; and (ii) the Outside Date;
- (v) there shall be no provision making the Potential Bidder's offer conditional on obtaining financing or any internal approval or on the outcome of unperformed due diligence or any other contingencies more burdensome than those set forth in the Stalking Horse Bid;
- (vi) a duly authorized and executed copy of a proposed purchase agreement and a redline of the Potential Bidder's proposed purchase agreement reflecting variations from the form of purchase agreement uploaded to the data site (the "**Modified Purchase Agreement**");
- (vii) there shall be no provision within the Modified Purchase Agreement requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment;
- (viii) evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Monitor and the Vendors to make a determination as to the Potential Bidder's financial and other capabilities to consummate the proposed transaction;
- (ix) an assumption of liabilities and other economic terms pursuant to the Modified Purchase Agreement that are at least as favorable in the aggregate as those in the Stalking Horse Bid; and
- (x) a cash deposit in the amount of not less than five percent (5%) of the amount of the purchase price ("**Bid Deposit**"), in immediately available funds in the form of a wire transfer, bank draft or such other form acceptable to the Monitor, acting reasonably, which shall be held by the Monitor in trust (the "**Escrow Funds**"). The Escrow Funds shall be disbursed only as follows: (i) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be disbursed in accordance with its binding transaction agreement; and (ii) if the Qualified Bidder is not the Successful Bidder, then its Bid Deposit shall be returned to it, without interest, forthwith following the expiration of its offer (which in the case of the Back-Up Bid (as defined below) shall be following closing of the sale to the Successful Bidder).

A bid from a Potential Bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a "**Qualified Bid**". The Monitor shall notify each Potential Bidder with respect to whether it has submitted a Qualified Bid as soon as practicable after the Bid Deadline. In consultation with the Vendors, the Monitor may waive compliance with any one or more of the Required Bid Terms and Materials and deem such non-compliant bid to be a Qualified Bid.

The Vendors and the Monitor shall review the Qualified Bids to determine which Qualified Bid is the best offer. The Vendors, with the consent of the Monitor, reserve the right to determine the

value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "**Lead Bid**"). A copy of the Lead Bid will be provided by the Monitor to all Qualified Bidders after the Bid Deadline and no later than 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction.

Notwithstanding the Required Bid Terms and Materials detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Bid and the Stalking Horse Bidder shall be deemed to be a Qualified Bidder.

If no Qualified Bids are submitted by the Bid Deadline other than the Stalking Horse Bid, the Stalking Horse Bid shall be deemed to be the Successful Bid, and the SISF shall not proceed to an Auction.

The Sale and Auction Process

If one or more Qualified Bids (other than that submitted by the Stalking Horse Bidder) have been received by the Monitor on or before the Bid Deadline, the Monitor shall advise all Qualified Bidders of the Lead Bid and invite all Qualified Bidders (including the Stalking Horse Bidder) to participate in the Auction to be conducted by the Monitor in accordance with the Auction Procedures attached hereto as Schedule "A" (the "**Auction Procedures**"). The Auction will be conducted by video conference and/or in person at the discretion of the Monitor.

Determination of the Highest and/or Best Bid: The Vendors and the Monitor shall determine after each round of offers in the Auction, in their reasonable business judgment, the best bid to be designated as the Lead Bid for the following round in the Auction. In making such determination, the Vendors and the Monitor may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any, and the related implied impact on recoveries for creditors; (iii) the ability of the applicable Qualified Bidder to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes made to the Stalking Horse Bid; and (vii) such other considerations as the Vendors or the Monitor deem relevant in their reasonable business judgment. At the end of each round of offers, the Monitor shall advise the Qualified Bidders of the material terms of the then highest and/or best bid, and the basis for calculating the total consideration offered in such bid. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Bid Increment (as defined in the Auction Procedures)), then such Qualified Bidder shall not be entitled to continue to participate in the next round of offers or in any subsequent round.

If only one Qualified Bid is submitted after a round of offers then that Qualified Bid shall be the Successful Bidder. The next highest offer, as determined by the Vendors and the Monitor (the "**Back-Up Bid**"), shall be required to keep its offer open and available for acceptance until the closing of the Court-approved sale of the Vendors' Assets to the Successful Bidder.

Highest Versus Best Offer

In determining the Lead Bid, the highest and/or best sale offer during each round of offers, and the Successful Bid, the Vendors and the Monitor are not required to select the offer with the highest

purchase price and may, exercising their reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Vendors and the Monitor may give such weight to the non-monetary considerations as they determine, exercising their reasonable business judgment, is appropriate and reasonable, including those considerations described above under "Determination of the Highest and/or Best Bid".

Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the SISP and the Bidding Process, Trichome has agreed to pay the Stalking Horse Bidder, under the conditions outlined herein and in the Stalking Horse Bid, the Expense Reimbursement on account of its reasonable and documented out of pocket fees and expenses, up to a maximum of CAD\$200,000 inclusive of HST, in the event that the Stalking Horse Bidder is not the Successful Bidder.

The Expense Reimbursement is a material inducement for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Expense Reimbursement, if payable under the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Stalking Horse and SISP Approval Order.

Acceptance of Qualified Bids

The sale of the Vendors' Assets to any Successful Bidder by the Vendors is expressly conditional upon the approval of such bid (the "**Successful Bid**") by the Court at the Approval and Vesting Order Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Vendors to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Vendors will be deemed to have accepted a bid only when the bid has been approved by the Court at the Approval and Vesting Order Motion.

"As Is, Where Is, With All Faults"

The sale of the Vendors' Assets or any portion thereof shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the SISP Advisor, the Monitor or the Vendors or their respective agents, representatives, partners or employees, or any of the other parties participating in the Bidding Process, except as may otherwise be provided in a definitive purchase agreement with the Vendors. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Vendors' Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Vendors' Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Vendors' Assets, the financial performance of the Vendors' Assets or the physical condition or location of the Vendors' Assets, or the completeness of any information provided in connection therewith, the

SISP or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Vendors.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, and subject to any permitted encumbrances therein (in each case, the "**Permitted Encumbrances**"), all of the Vendors' right, title and interest in and to the Vendors' Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order except for the Permitted Encumbrances, if any.

Approval and Vesting Order Motion Hearing

The Approval and Vesting Order Motion shall, subject to the Court's availability, take place on or before [●], 2023 (or, if there is no Auction, on or before [●], 2023). The Vendors, with the consent of the Monitor, reserve their right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of the Approval and Vesting Order Motion in order to achieve the maximum value for the Vendors' Assets.

Miscellaneous

The SISP, the Bidding Process and these Bidding Procedures are solely for the benefit of the Vendors and nothing contained in the Stalking Horse and SISP Approval Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Stalking Horse and SISP Approval Order. The Expense Reimbursement incorporated in these Bidding Procedures is solely for the benefit of the Stalking Horse Bidder.

Participants in the SISP and the Bidding Process, are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Qualified Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction, including, without limitation, any actions pursuant to these Bidding Procedures or within the Auction, except, for greater certainty, the Expense Reimbursement if payable under the Stalking Horse Bid.

Except as provided in the Stalking Horse and SISP Approval Order and these Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Stalking Horse and SISP Approval Order, the SISP, the Bidding Process and these Bidding Procedures.

The Monitor may provide general updates and information in respect of the SISP to the Agent and the DIP Lender throughout the SISP on a confidential basis, upon irrevocable confirmation in writing from Cortland, that it will not submit any bid in the SISP, including without limitation, in its capacity as the Agent or the DIP Lender.

SCHEDULE "A"

AUCTION PROCEDURES

Auction

1. If an Auction is to be conducted pursuant to the Bidding Procedures to which these Auction Procedures are appended, the Monitor will notify the Qualified Bidders. The Auction will be convened by the Monitor and conducted by video conference and/or in person (at the discretion of the Monitor) at 10:00 a.m. (Eastern Time) on [●], 2023, or such other time as the Monitor may advise. Capitalized terms used but not defined have the meaning ascribed to them in the Bidding Procedures. The Auction shall be conducted in accordance with the following procedures:
 - a) Participation at the Auction. Only a Qualified Bidder is eligible to participate in the Auction. The Monitor shall provide all Qualified Bidders with the amount of the Lead Bid by 5:00 p.m. (Eastern Time) three (3) days before the date scheduled for the Auction. Each Qualified Bidder must inform the Monitor whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the business day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Monitor, the Vendors, the Agent and the DIP Lender and their respective counsel and other advisors shall be permitted to attend the Auction.
 - b) No Collusion. Each Qualified Bidder participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the Bidding Process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid or the Back-Up Bid.
 - c) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The Lead Bid shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "Opening Bid" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - d) Monitor Shall Conduct the Auction. The Monitor and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Monitor shall provide a copy of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor and the Vendors reasonably deem relevant to the value of the Qualified Bid, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Monitor's and the Vendors' assessment of the certainty of the Qualified Bidder to close the proposed transaction on or before the Outside Date;

(iv) the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes from the Opening Bid of the previous round; and (vii) such other considerations as the Monitor or the Vendors deem relevant in their reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- e) Terms of Overbids. An "**Overbid**" is any bid made at the Auction subsequent to the Monitor's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment*: Any Overbid shall be made in minimum cash purchase price increments of CAD\$100,000 above the Opening Bid, or such increments as the Monitor, in consultation with the Vendors, may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.
 - (ii) *Bid Requirements same as for Qualified Bids*: an Overbid must comply with the Required Bid Terms and Materials (except as modified in accordance with the terms of these Auction Procedures), provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder and open for acceptance as a Back-Up Bid until the closing of the Successful Bid.
 - (iii) *Announcing Overbids*: At the end of each round of bidding, the Monitor shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired, the liabilities proposed to be assumed, if any, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
 - (iv) *Consideration of Overbids*: The Monitor, in consultation with the Vendors, reserves the right to make one or more adjournments in the Auction in durations set by the Monitor to, among other things: (A) allow individual Qualified Bidders to consider how they wish to proceed; (B) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (C) give Qualified Bidders the opportunity to provide the Monitor or the Vendors with such additional evidence as they may require that the Qualified Bidder has obtained all necessary internal approvals, has

sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Monitor and the Vendors may have clarifying discussions with a Qualified Bidder, and the Monitor and the Vendors may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions. BIDDERS MUST OBTAIN ALL NECESSARY APPROVALS AND FUNDING COMMITMENTS IN ADVANCE OF THE AUCTION.

- (v) *Failure to Bid:* If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.

- f) Additional Procedures. The Monitor, in consultation with the Vendors, may adopt additional or alternative rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding, provided that they are not inconsistent with any of the provisions of the Bidding Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.

- g) Closing the Auction. The Auction shall be closed once the Vendors, after considering the Monitor's recommendation, have: (i) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the Bid Assessment Criteria; and (ii) identified the Successful Bid and the Back-Up Bid and the Monitor has advised the Qualified Bidders participating in the Auction of such determination.

- h) Finalizing Documentation. Promptly following a bid of a Qualified Bidder being declared the Successful Bid or the Back-Up Bid, the Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreement(s) as may be required to reflect and evidence the Successful Bid or Back-Up Bid, as applicable. For greater certainty, every bid made at the Auction is deemed to be a signed and binding bid based on the bidder's original Qualified Bid.

SCHEDULE "B"

FORM OF STALKING HORSE & SISP APPROVAL ORDER

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
 JUSTICE [●])
)
)

[●], THE [●]TH
 DAY OF JANUARY, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
 ARRANGEMENT OF TRICHOME FINANCIAL CORP.,
 TRICHOME JWC ACQUISITION CORP., MYM
 NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM
 INTERNATIONAL BRANDS INC., AND HIGHLAND GROW
 INC. (collectively the "**Applicants**", and each an "**Applicant**")

STALKING HORSE AND SISP APPROVAL ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, extending the stay period and approving the (i) SISP (as defined below), (ii) Stalking Horse SPA (as defined below) solely for the purpose of acting as the stalking horse bid in the SISP (the "**Stalking Horse Bid**"), including the Expense Reimbursement (as defined in the Stalking Horse SPA) contained therein, (iii) SISP Advisor Engagement Agreement (as defined below), (iv) Pre-Filing Report, the First Report and the Second Report and the activities of the Monitor referred to therein (each as defined below), and (v) fees and disbursements of the Monitor and its counsel referred to in the Second Report, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicants, the affidavit of Michael Ruscetta sworn [●] and the Exhibits thereto (the "**Ruscetta Affidavit**"), and the Second Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated [●] (the "**Second Report**"), and on hearing the submissions of

counsel for the Applicants, counsel for the Monitor, counsel for Cortland Credit Lending Corporation, as agent for and on behalf of certain lenders, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Joshua Foster, filed:

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Sale and Investment Solicitation Process attached hereto as Schedule "A", including without limitation, the Bidding Procedures and Auction Procedures set out therein (the "**SISP**"), or the Amended and Restated Initial Order of the Honourable Madam Justice Conway dated November 17, 2022, as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including [●], 2023.

APPROVAL OF THE SISP ADVISOR'S ENGAGEMENT

4. **THIS COURT ORDERS** that the letter agreement dated [●], among the Applicants and Stoic Advisory Inc. (the "**SISP Advisor**") attached as Exhibit "●" to the Ruscetta Affidavit (the "**SISP Advisor Engagement Agreement**"), is hereby approved and the Applicants are hereby authorized, *nunc pro tunc*, to pay all amounts due pursuant to the SISP Advisor Engagement Agreement in accordance with its terms.

APPROVAL OF THE SISP

5. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved and the Applicants, the SISP Advisor and the Monitor, are authorized and directed to carry out the SISP in accordance with its terms and the terms of this Order, and are hereby authorized and

directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

6. **THIS COURT ORDERS** that the Applicants, the SISP Advisor and the Monitor and their respective Assistants, affiliates, partners, directors, employees, advisors, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities arising or resulting from the gross negligence or wilful misconduct of the Applicants, the SISP Advisor or the Monitor, as applicable, as determined by this Court.

7. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order or in the SISP, neither the SISP Advisor nor the Monitor shall take Possession of the Business or the Property or be deemed to take Possession of the Business or the Property, including pursuant to any provision of the Cannabis Legislation or the Environmental Legislation.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and any similar legislation in any other applicable jurisdictions, the Applicants, the SISP Advisor, the Monitor and each of their respective Assistants are hereby authorized and permitted to disclose and transfer to each Qualified Bidder personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Applicants, the SISP Advisor or the Monitor, as applicable, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Applicants, the SISP Advisor or the Monitor. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to

the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants, the SISP Advisor or the Monitor or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Applicants, the SISP Advisor or the Monitor.

APPROVAL OF THE STALKING HORSE SPA

9. **THIS COURT ORDERS** that the Applicants' execution of the stalking horse share purchase agreement among L5 Capital Inc. (the "**Stalking Horse Bidder**") and the Applicants dated December 12, 2022 and attached to the Ruscetta Affidavit as Exhibit "●" (the "**Stalking Horse SPA**"), is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the Applicants, with the consent of the Monitor, and the Stalking Horse Bidder may agree to in writing, and the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse SPA is hereby approved as the Stalking Horse Bid; provided that, nothing herein approves the sale and vesting of the Purchased Shares (as defined in the Stalking Horse SPA) to the Stalking Horse Bidder pursuant to the Stalking Horse SPA and that the approval of the sale and vesting of such Purchased Shares shall be considered by this Court on a subsequent motion made to this Court following completion of the SISP if the Stalking Horse Bid is the Successful Bid.

10. **THIS COURT ORDERS** that the Expense Reimbursement is hereby approved and Trichome is hereby authorized to pay the Expense Reimbursement subject to and in accordance with the terms of the Stalking Horse SPA.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

11. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated November 7, 2022 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 14, 2022 (the "**First Report**"), and the Second Report, and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

12. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Second Report, be and are hereby approved.

GENERAL

13. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the SISP at any time.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

16. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

SCHEDULE "A"

SISP

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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION
CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM
INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**STALKING HORSE AND SISP APPROVAL
ORDER**

BENNETT JONES LLP
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Lawyers for the Applicants

SCHEDULE "C"**EXCLUDED ASSETS**

1. TJAC Excluded Assets to be transferred to TJAC Residual Co.:
 - (a) 100% of the issued and outstanding shares in the capital of TRC Residual Co.
2. TRC Excluded Assets to be transferred to TRC Residual Co.:
 - (a)
3. MYM Excluded Assets to be transferred to MYM Residual Co.:
 - (a) 100% of the issued and outstanding shares in the capital of CannaCanada Inc.
 - (b) 100% of the issued and outstanding shares in the capital of MYMB Residual Co.
4. MYMB Excluded Assets to be transferred to MYMB Residual Co.:
 - (a) 100% of the issued and outstanding shares in the capital of Highland Residual Co.
5. Highland Excluded Assets to be transferred to Highland Residual Co.:
 - (a)

SCHEDULE "D"**EXCLUDED CONTRACTS**

1. TJAC Excluded Contracts to be transferred to TJAC Residual Co.:

2. TRC Excluded Contracts to be transferred to TRC Residual Co.:

3. MYM Excluded Contracts to be transferred to MYM Residual Co.:
 - (a) Loan and Security Agreement between MYM, as lender, and Cultivator Catalyst Corp., as borrower, dated July 31, 2020; and
 - (b) Term Sheet Re: Settlement of Receivership Application and Loan Agreement among, MYM, Biome Grow Inc. and Cultivator Catalyst Corp dated September 9, 2022.

4. MYMB Excluded Contracts to be transferred to MYMB Residual Co.:

5. Highland Excluded Contracts to be transferred to Highland Residual Co.:

SCHEDULE "E"**EXCLUDED LIABILITIES**

1. TJAC Excluded Liabilities to be transferred to TJAC Residual Co.:

- (a) Professional Costs.
- (b) Any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings.
- (c) Any intercompany debt.
- (d) Any further or additional Liability under any Excluded Liability Promissory Note to the extent not fully funded in accordance with Section 7.2(e).

2. TRC Excluded Liabilities to be transferred to TRC Residual Co.:

- (a) Professional Costs.
- (b) Any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings.
- (c) Any intercompany debt.
- (d) Any further or additional Liability under any Excluded Liability Promissory Note to the extent not fully funded in accordance with Section 7.2(e).

3. MYM Excluded Liabilities to be transferred to MYM Residual Co.:

- (a) Professional Costs.
- (b) Any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings.
- (c) Any intercompany debt.
- (d) Any further or additional Liability under any Excluded Liability Promissory Note to the extent not fully funded in accordance with Section 7.2(e).

4. MYMB Excluded Liabilities to be transferred to MYMB Residual Co.:

- (a) Professional Costs.
- (b) Any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings.
- (c) Any intercompany debt.
- (d) Any further or additional Liability under any Excluded Liability Promissory Note to the extent not fully funded in accordance with Section 7.2(e).

5. Highland Excluded Liabilities to be transferred to Highland Residual Co.:

- (a) Professional Costs.
- (b) Any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings.
- (c) Any intercompany debt.
- (d) Any further or additional Liability under any Excluded Liability Promissory Note to the extent not fully funded in accordance with Section 7.2(e).

SCHEDULE "F"

ENCUMBRANCES TO BE DISCHARGED

Jurisdiction	Registration Number	Date	Secured Party	Particulars
<i>TJAC</i>				
Ontario	20200826 1340 1590 0316 765129519	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20200826 1341 1590 0317 765129537	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20210511 0938 1862 7712 772381629	May 11, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20220324 1335 1901 1970 781390161	March 24, 2022	Kempfenfelt, a division of Bennington Financial Corp.	Equipment Other
<i>TRC</i>				
Ontario	20210823 1353 1590 1796 775668366	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
<i>MYM</i>				
Ontario	20210823 1624 1590 1854 775673937	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196579N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after acquired personal property
<i>MYMB</i>				
Ontario	20210823 1623 1590 1853 775673937	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196584N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after

Jurisdiction	Registration Number	Date	Secured Party	Particulars
				acquired personal property
<i>Highland</i>				
Ontario	20210823 1626 1590 1855 775673982	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Nova Scotia	35017565 SM004579.645	August 23, 2021	Cortland Credit Lending Corporation, as agent	A security interest is taken in all of the debtor's present and after acquired personal property

SCHEDULE "G"**ASSUMED LIABILITIES**

In respect of each Purchased Entity, all trade payables and other liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).

SCHEDULE "H"
PERMITTED ENCUMBRANCES

SCHEDULE "I"
30-DAY INVENTORY

Estimated inventory needed for 30 days of sales post-close	
Wagners	\$ 810,137
Highland	\$ 377,934
Total	\$ 1,188,071

WAGNERS	Mar-23	Value	Total
Cherry Jam	98,350	\$1.25	\$122,937.50
Silverback #7	3,600	\$1.75	\$6,300.00
Pink Bubba	52,760	\$1.25	\$65,950.00
Blue Lime Pie	20,900	\$1.75	\$36,575.00
Golden Ghost OG	38,600	\$1.75	\$67,550.00
Tiki Rain	12,500	\$1.75	\$21,875.00
Purple Clementine	13,160	\$1.75	\$23,030.00
Forbidden RNTZ	46,940	\$1.75	\$82,145.00
Stone Sour	43,340	\$1.75	\$75,845.00
TRPY ZLRP	33,200	\$1.75	\$58,100.00
Gas Leak	29,840	\$1.75	\$52,220.00
Blue Kerosene	29,840	\$1.75	\$52,220.00
Purple Octane	12,500	\$1.75	\$21,875.00
Dark Helmet	21,840	\$1.25	\$27,300.00
Chemfire Kush	16,800	\$1.00	\$16,800.00
Macdaddy Purpz	16,800	\$1.00	\$16,800.00
Old School Pressed Hash	2,400	\$1.70	\$4,080.00
Soap Bar Hash	1,680	\$1.80	\$3,024.00
Soft Black Hash	9,040	\$1.80	\$16,272.00
Shatter	2,800	\$7.00	\$19,600.00
Live Resin	1,080	\$8.00	\$8,640.00
Diamonds	1,080	\$8.00	\$8,640.00
Bacio Mac	1800	\$1.31	\$2,358.00
	Total		\$810,136.50

Notes

Kief & Hash	FV of latest lots
CJ	Proxy for purchased market value
Pink Bubba	Proxy for purchased market value
Well Made (CFK & MDP)	Purchase Value
Concentrates	Mid Market Value - Estimate as Haven't Purchased Yet
Dark Helmet	Proxy for purchased market value

Highland	Mar-23	Value	Total
Gaelic Fire	3,480	\$1.25	\$4,350.00
Diamond Breath	7,260	\$2.75	\$19,965.00
Gas Tank	6,723	\$2.75	\$18,488.25
Sensi Wizard	6,030	\$2.75	\$16,582.50
White Lightning	9,054	\$2.75	\$24,898.50
Frostbite	8,875	\$2.75	\$24,406.25
The Leviathan	4,300	\$2.75	\$11,825.00
Fossil Fuel	22,925	\$2.75	\$63,043.75
Apple Mintz	16,550	\$2.75	\$45,512.50
Chemnesia	24,950	\$2.75	\$68,612.50
Pie Face	18,650	\$2.75	\$51,287.50
Black Velvet	5,350	\$2.75	\$14,712.50
Rainbow Shades	3,600	\$2.75	\$9,900.00
Cherry Burst	3,480	\$1.25	\$4,350.00
		Total	\$377,934.25

Estimated purchase price

TAB H

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits

(or as may be)

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Trichome Financial Corp. Initiates Sale and Investment Solicitation Process & Receives Stalking Horse Bid

Tuesday, January 3, 2023 10:20 AM

Trichome FINANCIAL

Trichome Financial Corp.

Topic: **Company Update** Share this Article [in](#) [f](#) [t](#) [v](#) [N](#) Visit Newsroom

TORONTO, ON / ACCESSWIRE / January 3, 2023 / Pursuant to an order issued by the Ontario Superior Court of Justice (Commercial List) (the "Court") on November 7, 2022, Trichome Financial Corp. ("Trichome"), Trichome JWC Acquisition Corp. ("TJAC"), MYM Nutraceuticals Inc. ("MYM"), Trichome Retail Corp., MYM International Brands Inc. and Highland Grow Inc. ("Highland" and collectively, the "Applicants" or the "Company") obtained relief under the Companies' Creditors Arrangement Act (Canada) ("CCAA"). KSV Restructuring Inc. was appointed as monitor (the "Monitor") in the Applicants' CCAA proceedings (the "CCAA Proceedings").

TJAC and Highland are licensed producers of cannabis in accordance with the Cannabis Act, and are licensed to cultivate, produce, distribute, and sell dried cannabis flower, pre-rolled cannabis and other cannabis products. TJAC and Highland own and operate the WAGNERS and Highland Grow premium and ultra-premium brands of dried flower, pre-rolls and concentrates, respectively. The Company's branded cannabis business has reached an approximately \$25 million annualized net revenue run-rate as of the last 6 months ending November 2022.

Stoic Advisory Inc. ("Stoic") is conducting a "stalking horse" sale and investment solicitation process (the "SISP") for the assets and/or shares of the Applicants under the supervision of the Monitor. In connection with the SISP, the Applicants executed a stalking horse share purchase agreement with L5 Capital Inc. (the "Stalking Horse SPA") on December 12, 2022 to sell all of the issued and outstanding shares in the capital of TJAC and MYM owned by Trichome. Marc Lustig, a director of Trichome, controls L5 Capital Inc. The Stalking Horse SPA provides total consideration of approximately \$6.3 million, plus the collection of receivables and sale of inventory, if any, at the time of closing. The transaction proposed under the Stalking Horse SPA (the "Stalking Horse Transaction") contemplates the emergence of the Company's business from the CCAA Proceedings as a going concern.

The Applicants intend to seek Court approval of the SISP and the Stalking Horse SPA (solely for the purposes of acting as the "stalking horse bid" in the SISP) on January 9, 2023. If approved by the Court as the stalking horse bid, the Stalking Horse SPA will be subject to higher and otherwise superior bids received in the SISP.

Qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to solicit interest in a sale of all of the Applicants' assets or all of the shares in the capital of the Applicants or a reorganization or recapitalization of the Applicants' business. The successful bid selected in the SISP, regardless of whether such bid is the stalking horse bid, will be subject to Court approval.

The deadline to submit a binding offer in the SISP is expected to be February 6, 2023 at 5:00 p.m. (Eastern Time).

Those who are interested in participating in the SISP can contact Stoic to receive additional information at:

Stoic Advisory Inc.

Attention: Aaron Salz, CFA

Email: aaron@stoicadvisory.com

Information regarding the CCAA Proceedings can be found on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/trichome>.

Forward-Looking Information:

Certain information contained in this press release may contain forward-looking statements within the meaning of applicable securities laws. The use of any of the words "continue", "plan", "propose", "would", "will", "believe", "expect", "position", "anticipate", "improve", "enhance" and similar expressions are intended to identify forward-looking statements. In particular, and without limitation, this document contains forward-looking statements concerning: key terms of the Stalking Horse SPA and the SISP and the effect of their implementation; the expected process for and timing of implementing the Stalking Horse SPA and the SISP; the relief to be sought in the CCAA Proceedings in respect of the Stalking Horse SPA and the SISP; the completion of the Stalking Horse Transaction, the SISP, and/or any alternative transaction identified in the SISP, including with respect to obtaining any necessary approvals and satisfying any conditions and the expected timing thereof; and the effect of the Stalking Horse Transaction.

Forward-looking statements necessarily involve risks, including, without limitation, risks associated with the ability of the Company to implement the Stalking Horse Transaction, the SISP and/or any alternative transaction identified in the SISP on the terms described in this press release; the Company's ability to receive all necessary Court, third party and stakeholder approvals in order to complete the Stalking Horse Transaction, the SISP and/or any alternative transaction identified in the SISP; the Company's ability to operate in the ordinary course during the CCAA Proceedings, including with respect to satisfying obligations to service providers, suppliers, contractors and employees; the Company's ability to continue as a going concern; the Company's ability to continue to realize its assets and discharge its liabilities and obligations; the Company's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); and the Company's ability to stabilize its business and financial condition.

Although the Company bases its forward-looking statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Other unknown or unpredictable factors also could harm the Company's future results. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this press release are made only as at the date hereof. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

SOURCE: Trichome Financial Corp.

Topic: Company Update

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TAB I

THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
30TH DAY OF MARCH, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

TRICHOME FINANCIAL CORP.

- AND -

TRICHOME JWC ACQUISITION CORP.

- AND -

TRICHOME RETAIL CORP.

- AND -

MYM NUTRACEUTICALS INC.

- AND -

MYM INTERNATIONAL BRANDS INC.

- AND -

HIGHLAND GROW INC.

- AND -

1000370759 ONTARIO INC.

SHARE PURCHASE AGREEMENT

DATED MARCH 28, 2023

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SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT dated March 28, 2023 (this "**Agreement**") is made by and between **TRICHOME FINANCIAL CORP.**, a corporation incorporated under the laws of Ontario ("**Trichome**" or the "**Vendor**"), **TRICHOME JWC ACQUISITION CORP.**, a corporation incorporated under the laws of Ontario ("**TJAC**"), **TRICHOME RETAIL CORP.**, a corporation incorporated under the laws of Ontario ("**TRC**"), **MYM NUTRACEUTICALS INC.**, a corporation continued under the laws of Ontario ("**MYM**"), **MYM INTERNATIONAL BRANDS INC.**, a corporation continued under the laws of Ontario ("**MYMB**"), **HIGHLAND GROW INC.**, a corporation incorporated under the laws of Nova Scotia ("**Highland**") and **1000370759 ONTARIO INC.**, a corporation incorporated under the laws of Ontario (the "**Purchaser**").

RECITALS:

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 7, 2022 (as amended and restated on November 17, 2022, and as may be further amended, restated or varied from time to time, the "**Initial Order**"), Trichome, TJAC, MYM, MYMB, Highland and TRC (collectively, the "**CCA Applicants**") obtained relief under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA**") and KSV Restructuring Inc. was appointed as monitor (the "**Monitor**");

AND WHEREAS Trichome is the owner of the Purchased Shares (as defined below);

AND WHEREAS pursuant to an Amended and Restated Term Sheet dated March 17, 2023, among the Purchaser, TJAC, MYM, Highland and Trichome (the "**Amended and Restated Term Sheet**"), the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Purchased Shares on the terms and subject to the conditions set forth in this Agreement, subject to obtaining the Approval and Vesting Order (as defined below);

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as defined below) hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement, in addition to the terms defined in the preamble and the recitals, above, the following terms shall have the following meanings:

"**Action**" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"Anticipated Inventory" means, in respect of a Purchased Entity, the on-hand cannabis inventory and consumable (non-biological) supplies expected to be held by such Purchased Entity at Closing set out in Schedule "B" hereto.

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"Approval and Vesting Order" means an order of the Court in the form attached hereto as Schedule "A" and otherwise satisfactory to the Parties and the Monitor, each acting reasonably, among other things, approving this Agreement and the Transactions contemplated hereby, adding the Residual Cos. as applicants in the CCAA Proceedings, terminating the CCAA Proceedings in respect of the Purchased Entities, vesting in and to the Residual Cos. the Excluded Assets, the Excluded Contracts and the Excluded Liabilities, and vesting all of the Vendor's right, title and interest in and to the Purchased Shares to the Purchaser free and clear of all Encumbrances.

"Assumed Contracts" means all Contracts of each Purchased Entity listed in Schedule "D", an amended list of which, subject to Section 4.3, may be delivered by the Purchaser to the Vendor no later than 5:00 p.m. (Eastern Time) on March 31, 2023.

"Assumed Liabilities" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "G" (which, subject to Section 4.3, may be amended by the Purchaser by submitting an amended list no later than 5:00 p.m. (Eastern Time) on March 31, 2023); (b) Liabilities which relate to the Business or the Retained Assets, including Liabilities under any Assumed Contracts, Permits and Licenses or Permitted Encumbrances, in each case, to the extent forming part of the Retained Assets and arising out of events or circumstances that occur after the Closing, exclusive of any Liabilities relating to or in connection with (i) any event, occurrence or circumstance or (ii) failure to perform, improper performance, breach, default or violation by a Purchased Entity, in each case, at any time prior to the Closing; (c) Liabilities of the Purchased Entities which are to be performed after the Closing that are not specifically identified as Excluded Liabilities; (d) the Deferred Consideration Notes (provided that such Liabilities shall be paid in accordance with Section 6.7); and (e) Liabilities for (i) wages, vacation pay and Benefit Plans owing by any Purchased Entity to any Employee accruing to and after the Closing Time and (ii) vacation pay owing by any Purchased Entity to any Employee which accrued prior to the Closing Time.

"Assumed Liabilities Employee Amount" means the net dollar amount of those Liabilities described under paragraph (e) of the definition of "Assumed Liabilities" which accrued prior to the Closing Time.

"Authorization" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Benefit Plans" means all plans with respect to the Employees to which any of the Purchased Entities is a party to or bound by or to which any of the Purchased Entities has an obligation to contribute relating to retirement savings, pensions, bonuses, profit sharing, deferred compensation, share purchase or share option, share appreciation, phantom stock, incentive compensation, life or accident insurance,

hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefit plan.

"Books and Records" means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of the Vendor or any Purchased Entity, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

"Business" means the business and operations carried on by each Purchased Entity as at the date of this Agreement and as at the Closing Date pertaining to the sale, processing and cultivation of cannabis and all things ancillary thereto.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario.

"Cannabis Act and Cannabis Regulations" means the *Cannabis Act* (Canada), all regulations in force thereunder from time to time, and any federal and provincial laws or regulations governing the cultivation, manufacture, production, storage, marketing or sale of cannabis that may be in effect from time to time.

"Cannabis Licenses" means all Authorizations related to cannabis and issued by Health Canada to the Purchased Entities, including Authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

"Cash Payment" has the meaning set out in Section 2.2(b).

"CCAA Proceedings" means the proceedings commenced by the CCAA Applicants under the CCAA.

"Charges" has the meaning ascribed to it in the Initial Order.

"Closing" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"Closing Date" means the date on which Closing occurs.

"Closing Date Purchased Entity Receivables" means any receivables of any Purchased Entity from any provincial cannabis purchasing agencies, non-government distributors, and/or direct sale retailers in respect of the period prior to the Closing Date.

"Closing Sequence" has the meaning set out in Section 7.2.

"Closing Time" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"Collateral Properties" means collectively, the properties municipally known as (a) 85 King St W Chatham, Ontario, N7M 1C7 (b) 16 Steel St Welland, Ontario, L3B 3L9 (c) 326 Ottawa St N Hamilton, Ontario, L8H 4A1 (d) 4695 Queen St Niagara Falls, Ontario, L2E 2L9 (e) 129 Mitton St S Sarnia, Ontario, N7T 3C5 (f) 349 King St Port Colborne, Ontario, L3K 4H2 (g) 1368 Ottawa St Windsor, Ontario, N8X 2E8 (h) 125 Muskoka Rd S Gravenhurst, Ontario, P1P 1X3 (i) 51 Front St W Strathroy, Ontario, N7G 1X5 (j) 30 Main St E Huntsville, Ontario, P0H 0A9 (k) 22 Robinson St Simcoe, Ontario, N3Y 1W4 (l) 673

Ontario St Stratford, Ontario, N5A 3J6 (m) 780 Wallace Ave N Listowel, Ontario, N4W 1M2 (n) 740/750 James St Wallaceburg, Ontario, N8A 2P5 (o) 2107 Parkdale Ave Brockville, Ontario, K6V 0B4 (p) 3-11 Erie St S Leamington, Ontario, N8H 3A7 (q) 20 Bridge St Belleville, Ontario, K8P 1H7 (r) 153 West St Brantford, Ontario, N3T 3G4 (s) 92 Pelham Rd St Catharines, Ontario, L2S 1T1 (t) 115 Talbot St W Aylmer, Ontario, N5H 1J6 (u) 201 Jarvis Street Fort Erie, Ontario, L2A 2S7 (v) 82 Division St. Quinte West/Trenton, Ontario, K8V 4W5 (w) 1262.5 Wellington St W Ottawa, Ontario, K1Y 3A5 (x) 520 Dundas St Woodstock, Ontario, N4S 1C5 (y) 1720 Algonquine North Bay, Ontario, P1B 4Y9 (z) 496 Main St North Bay, Ontario, P1B 1B5 (aa) 372 Riverside Sudbury, Ontario, P3E 1H7 (bb) 892-893 Queen St Sault St. Marie, Ontario, P6A 2B4 (cc) 513 11th Avenue Hanover, Ontario, N4N 2S3 (dd) 978 3rd Avenue E Owen Sound, N4K 2K9 (ee) 4 Courthouse Square Goderich, Ontario, N7A 1M3 (ff) 25-27 Second St E Cornwall, Ontario, K6H 1Y2 (gg) 214 Third Ave City of Timmins, Ontario, P4E 1E1 (hh) 7 Market Square Napanee, Ontario, K7R 1R3 (ii) 670 Riverside Dr Timmins, Ontario, P4N 3V9 (jj) 52 Bridge Street E Campbellford, Ontario, K0L 1L0 (kk) 212 King St Midland, Ontario, L4R 3L9 (ll) 34 Seguin St Parry Sound, Ontario, P2A 1B1 (mm) 324 Whitewood Ave W New Liskeard, Ontario, P0J 1P0 and (nn) 18 Circle St Kapuskasing, Ontario, P5N 1T4.

"**Conditions Certificates**" has the meaning set out in Section 8.3.

"**Contracts**" means all written contracts, agreements, leases, understandings and arrangements that are Related to the Business to which any Purchased Entity is a party or by which any Purchased Entity is bound or in which any Purchased Entity has, or will at Closing have, any rights.

"**Deferred Consideration**" has the meaning set out in Section 4.4.

"**Deferred Consideration Note**" has the meaning set out in Section 4.4.

"**Deferred Consideration Note Amount**" means, in respect of a Deferred Consideration Note issued by a Purchased Entity, the initial principal amount of \$1.00, which shall be automatically and immediately increased following the Closing Date, from time to time, on a dollar-for-dollar basis by the amount of any applicable Closing Date Purchased Entity Receivable actually received by such applicable Purchased Entity from and following Closing.

"**Deposit**" has the meaning set out in Section 2.2.

"**Direct Purchased Entities**" means, collectively, TJAC and MYM.

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Employees**" means all individuals who, as of the Closing Time, are employed or engaged as an independent contractor by a Purchased Entity, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees or independent contractors who are to be terminated pursuant to Section 8.1(i), and "**Employee**" means any one of them.

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, rights of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase

options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

"Encumbrances To Be Discharged" means all Encumbrances on the Purchased Shares and Retained Assets, including without limitation the Encumbrances listed in Schedule "F", and excluding only the Permitted Encumbrances, which, subject to Section 4.3, may be amended by the Purchaser by submitting an amended list no later than 5:00 p.m. (Eastern Time) on March 31, 2023.

"Excluded Assets" means those assets of each Purchased Entity listed in Schedule "C", an amended list of which, subject to Section 4.3, may be delivered by the Purchaser to the Vendor no later than 5:00 p.m. (Eastern Time) on March 31, 2023.

"Excluded Assets Bill of Sale" has the meaning set out in Section 4.2.

"Excluded Contracts" means all Contracts of each Purchased Entity other than the Assumed Contracts, including those set forth in Schedule "M".

"Excluded Liabilities" means all debts, obligations, Liabilities, Encumbrances, indebtedness, Contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any Purchased Entity or relating to any Retained Asset, save and except for the Assumed Liabilities. For greater certainty, and without limiting the generality of the foregoing, "Excluded Liabilities" includes: (i) those certain Liabilities set forth in Schedule "E" (which, subject to Section 4.3, may be revised by the Purchaser at any time prior to 5:00 p.m. (Eastern Time) on March 31, 2023); (ii) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any Purchased Entity may be bound as at the Closing Time; (iii) all Liabilities relating to or under the Excluded Contracts and Excluded Assets; (iv) Liabilities for employees or independent contractors whose employment or engagement with any Purchased Entity or its Affiliates is terminated on or before Closing; (v) all Liabilities to or in respect of any Purchased Entity's Affiliates; (vi) any Liabilities (including Tax Liabilities, if any) of a Purchased Entity arising in connection with the assignment of the Excluded Liabilities and Excluded Contracts to its corresponding Residual Co. and the assumption by such Residual Co. of same; and (vii) any Liabilities (including Tax Liabilities, if any) arising in connection with the transfer and/or vesting of any Excluded Contracts and Excluded Assets from any Purchased Entity to its corresponding Residual Co.

"Excluded Liability Assumption Agreement" has the meaning set out in Section 4.1.

"Goodwill" means the goodwill of the Business and relating to the Retained Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Business, research materials, research and development files and the exclusive right of each of the Purchased Entities to represent itself as carrying on the Business and to all rights in respect of the names "WAGNERS" and "Highland Grow" and any variations of such names.

"Governmental Authority" means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

"**Guarantee and GSA**" has the meaning set out in Section 2.2(c).

"**Guarantor**" has the meaning set out in Section 2.2(c).

"**Highland Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of MYMB, to which any Excluded Assets and Excluded Liabilities of Highland will be transferred as part of the Closing Sequence.

"**HST**" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"**Indirect Purchased Entities**" means, collectively, TRC, MYMB and Highland.

"**Intellectual Property**" means all intellectual property and industrial property used by the Vendor or any Purchased Entity or otherwise associated with the Goodwill, throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all rights, titles, interests, and benefits in and to (a) trade-marks, service marks, trade dress, corporate, partnership and business names, fictitious names and other trade names, (b) inventions, patent rights, arts, processes, machines, manufactures, compositions of matter, (c) works, copyrights, neighbouring rights, moral rights, software and databases, (d) designs and industrial designs, (e) know-how, trade secrets, proprietary information, formulae, recipes, systems, methods and techniques and related documentation, customer and supplier information, and market and survey information, (f) telephone numbers, domain names and social media identities, and all derivatives, modifications and improvements of the foregoing.

"**Interim Period**" means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

"**Investment Canada Act**" means the *Investment Canada Act* (Canada).

"**Legal Proceeding**" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

"**Liabilities**" means, with respect to any Person, all costs, expenses, charges, debts, liabilities, commitments or obligations of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Material Adverse Effect**" means any change, event, development, occurrence, facts, condition or effect (each, an "**Effect**") that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business or that would reasonably be expected to prevent, materially delay or materially impair the ability of the Vendor and the Purchased Entities to consummate the Transactions, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), including without limitation COVID-19, (b) a change in sales or forecasted sales, (c) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities

markets in general, including changes in interest rates; or (d) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Vendor or other CCAA Applicants with any third party, including any of the CCAA Applicants' customers, employees, shareholders, financing sources, vendors, distributors, partners or suppliers as a direct result of the execution, announcement or performance of this Agreement, shall not qualify as a Material Adverse Effect, except in the cases of (a) and (c), where such Effect materially disproportionately affects the Business versus other businesses in the same industry and geographic location as the Purchased Entities in which case such Effect will constitute a Material Adverse Effect for the purposes of this Agreement.

"Monitor's Certificate" means the certificate, substantially in the form to be attached as Schedule "B" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor, the Purchased Entities and the Purchaser in accordance with Section 8.3, and thereafter filed by the Monitor with the Court.

"Mortgage Documents" has the meaning set out in Section 2.2(c).

"Motion Date" means the date on which the motion of the Vendor and the other CCAA Applicants for the Approval and Vesting Order is heard by the Court, which date shall be no later than the Target Closing Date.

"MYM Residual Co." means a corporation to be incorporated as a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of MYM will be transferred as part of the Closing Sequence.

"MYMB Residual Co." means a corporation to be incorporated as a wholly owned subsidiary of MYM, to which any Excluded Assets and Excluded Liabilities of MYMB will be transferred as part of the Closing Sequence.

"Order" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"Organizational Documents" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"Outside Date" means April 11, 2023, or such other date as the Vendor and each Purchased Entity (with the consent of the Monitor) and the Purchaser may agree to in writing.

"Party" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

"Permits and Licenses" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business, including: (a) the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business and issued to, granted to, conferred upon, or otherwise created for, any Purchased Entity; and (b) the Cannabis Licenses.

"Permitted Encumbrances" means the Encumbrances related to the Retained Assets listed in Schedule "H", an amended list of which may be agreed to by the Purchaser, the Vendor, the Purchased Entities and the Monitor prior to the granting of the Approval and Vesting Order.

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Professional Costs**" means amounts owing to professional advisors in connection with the CCAA Proceedings and the Transactions, including, without limitation, the CCAA Applicants' counsel, the Monitor and the Monitor's counsel and any other financial advisor retained by the CCAA Applicants or the Monitor.

"**Purchased Entities**" means, collectively, the Direct Purchased Entities and the Indirect Purchased Entities, and "**Purchased Entity**" means any one of them.

"**Purchased Shares**" means, collectively, (a) all of the issued and outstanding shares in the capital of TJAC owned by Trichome, and (b) all of the issued and outstanding shares in the capital of MYM owned by Trichome.

"**Purchase Price**" has the meaning set out in Section 2.2.

"**Related to the Business**" means primarily (a) used in, (b) arising from or (c) otherwise related to the Business or any part thereof.

"**Representative**" when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"**Residual Cos.**" means, collectively, TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., and "**Residual Co.**" means any one of them.

"**Retained Assets**" has the meaning set out in Section 4.2.

"**Secured Debenture**" means the Secured Convertible Debenture dated August 28, 2020 issued by TJAC in favour of Trichome, as amended by a First Amendment to Secured Convertible Debenture dated July 20, 2022.

"**Secured Promissory Note**" has the meaning set out in Section 2.2(c).

"**Straddle Period Tax Returns**" has the meaning set out in Section 10.1.

"**Subsidiary Shares**" means collectively, (a) all of the issued and outstanding shares in the capital of TRC owned by TJAC, (b) all of the issued and outstanding shares in the capital of MYMB owned by MYM, and (c) all of the issued and outstanding shares in the capital of Highland owned by MYMB.

"**Target Closing Date**" means April 6, 2023, or such other date as the Vendor (with the consent of the Monitor) and the Purchaser may agree to in writing.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

"**Taxes**" or "**Tax**" means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" means all individuals employed or engaged as independent contractors by a Purchased Entity, other than those individuals whose employment or engagement, as applicable, will be retained following the Closing, as listed in a retained employee/independent contractor list to be sent by the Purchaser to the Vendor and the Purchased Entities no later than 5:00 p.m. (Eastern Time) on March 31, 2023.

"**Transactions**" means all of the transactions contemplated by this Agreement.

"**TJAC Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of Trichome, to which any Excluded Assets and Excluded Liabilities of TJAC will be transferred as part of the Closing Sequence.

"**TRC Residual Co.**" means a corporation to be incorporated as a wholly owned subsidiary of TJAC, to which any Excluded Assets and Excluded Liabilities of TRC will be transferred as part of the Closing Sequence.

"**Trillium Lease**" means the indenture between James E. Wagner Cultivation Ltd. and Blue Top Properties (855 Trillium) Inc. dated December 13, 2013 in respect of an approximately 15,000 sq. ft. processing and packaging facility located at 855 Trillium Drive, Unit B, Kitchener, Ontario, N2R 1J9, as assigned to TJAC pursuant to a Lease Assignment Agreement dated July 28, 2020, and as amended pursuant to a Renewal Agreement of Lease dated November 25, 2020.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern Time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Eastern Time) on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.
- (i) *No Strict Construction.* The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party, including, without limitation, the doctrine of *contra proferentum*.

1.6 Exhibits and Schedules

- (a) The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

Schedule "A"	- Approval and Vesting Order
Schedule "B"	- Anticipated Inventory
Schedule "C"	- Excluded Assets
Schedule "D"	- Assumed Contracts
Schedule "E"	- Excluded Liabilities
Schedule "F"	- Encumbrances to be discharged
Schedule "G"	- Assumed Liabilities
Schedule "H"	- Permitted Encumbrances
Schedule "I"	- Retained Assets
Schedule "J"	- Secured Promissory Note
Schedule "K"	- Guarantee and GSA
Schedule "L"	- Mortgage Documents
Schedule "M"	- Excluded Contracts
Schedule "5.2(i)"	- Cannabis Licenses

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE & ALLOCATION OF PURCHASE PRICE

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, on the Closing Date in accordance with the Closing Sequence, the Vendor shall sell, transfer, convey and assign the Purchased Shares to the Purchaser, and the Purchaser shall purchase the Purchased Shares from the Vendor, free and clear of all Encumbrances, and in consideration thereof, the Purchaser shall satisfy the Purchase Price as set out in Section 2.2.

2.2 Purchase Price

The purchase price (the "**Purchase Price**") for the Purchased Shares shall be \$3,375,000, to be paid and satisfied as follows, subject to the Closing Sequence:

- (a) Deposit. The \$500,000 (the "**Deposit**") paid on behalf of the Purchaser to the Monitor pursuant to the Amended and Restated Term Sheet and held in trust by the Monitor, shall be released and distributed in accordance with Section 2.3 or credited to the Vendor in accordance with the Closing Sequence.
- (b) Cash Payment. The Purchaser shall pay the sum of \$500,000 to the Monitor on the Closing Date (the "**Cash Payment**") by wire transfer of immediately available funds, which Cash Payment shall be held in escrow by the Monitor and released to the Vendor in accordance with the Closing Sequence.
- (c) Deferred Payment. The Purchaser shall issue in favour of the Vendor a secured interest bearing promissory note in the principal face amount of \$2,375,000, the form of which is attached as Schedule "J" (the "**Secured Promissory Note**"), and all obligations under which shall be secured by a (i) guarantee and general security interest granted by 2767888 Ontario Inc. (the "**Guarantor**") in favour of the Vendor in, among other things, all of the present and after-acquired property of the Guarantor (together, the "**Guarantee and GSA**"), the forms of which are attached as Schedule "K"; and (ii) mortgages registered against each of the Collateral Properties in favour of the Vendor, the form of Acknowledgment re: Standard Charge Terms and Schedule to a Charge/Mortgage with respect to the registration of such mortgages are attached as Schedule "L" (collectively, the "**Mortgage Documents**"). Notwithstanding anything else contained in this Agreement or the Secured Promissory Note, the principal face amount of the Secured Promissory Note (being \$2,375,000) shall be reduced on a dollar-for-dollar basis by the Assumed Liabilities Employee Amount.
- (d) Full Purchase Price. The Purchase Price shall be fully and indefeasibly satisfied, on the Closing Date, by (i) the crediting of the Deposit to the Vendor, (ii) the release of the Cash Payment to the Vendor, and (iii) the issuance of the Secured Promissory Note to the Vendor, in each case in accordance with the Closing Sequence.

2.3 Treatment of Deposit

If the Closing does not occur for any reason other than the Agreement having been terminated by the Vendor pursuant to Section 9.1(d), the Deposit will be forthwith refunded in full to the Purchaser (without interest, offset or deduction); provided, however, that the return of the Deposit pursuant to this Section 2.3 shall be the sole and exclusive remedy as liquidated damages of the Purchaser, whether at Law or in equity, for any breach by the Vendor or any of the Purchased Entities of the terms and conditions of this Agreement. If the Agreement is terminated by the Vendor pursuant to Section 9.1(d), the full amount of the Deposit shall become the property of, and shall be transferred to, the Vendor and the Purchased Entities as liquidated damages (and not as a penalty) to compensate the Vendor and the Purchased Entities for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions; provided, however, that the retention of the Deposit in accordance with this Section 2.3 shall be the sole and exclusive remedy of the Vendor and the Purchased Entities for a breach of this Agreement by the Purchaser.

ARTICLE 3 PROCEDURE

3.1 Motion for Approval and Vesting Order

As soon as practicable after the execution of this Agreement the Vendor shall, together with the other CCAA Applicants, file with the Court a motion seeking the Court's issuance of the Approval and Vesting

Order. The Purchaser shall cooperate with the CCAA Applicants in their efforts to obtain the issuance and entry of the Approval and Vesting Order. The Purchaser, at its own expense, will promptly provide to the CCAA Applicants all such information within its possession or under its control as the CCAA Applicants or the Monitor may reasonably request to assist in obtaining the Approval and Vesting Order. The Vendor and the other CCAA Applicants shall serve any party or parties as the Purchaser may reasonably request.

ARTICLE 4 TRANSFER OF CERTAIN ASSETS AND LIABILITIES

4.1 Transfer of Excluded Liabilities to Residual Cos.

On the Closing Date, the Excluded Liabilities of each Purchased Entity shall be assumed by the Residual Co. corresponding to that Purchased Entity, in consideration for: (a) the assignment of Excluded Assets (if any) by such Purchased Entity to such Residual Co. in accordance with Section 4.2; and (b) in the case of TJAC and Highland, the issuance by TJAC and Highland, respectively, to its corresponding Residual Co. of a Deferred Consideration Note in accordance with Section 4.4. The Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Vesting Order and evidenced by one or more assignment and assumption agreements in form and substance acceptable to the Purchaser, the applicable Purchased Entity, the Vendor and the Monitor (each, an "**Excluded Liability Assumption Agreement**"). Notwithstanding any other provision of this Agreement, neither the Purchaser nor any Purchased Entity shall assume or have any Liability for any of the Excluded Liabilities, and all Excluded Liabilities shall be Discharged from each Purchased Entity and its assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Vesting Order.

4.2 Transfer of Excluded Assets and Excluded Contracts to Residual Cos.

On the Closing Date, each Purchased Entity shall retain all of the assets owned by it immediately prior to Closing, including its Anticipated Inventory, Assumed Contracts, Permits and Licenses, Goodwill, Intellectual Property, Subsidiary Shares, Books and Records and those assets listed on Schedule "I" (collectively, the "**Retained Assets**"), except for inventory sold in the ordinary course of business in the Interim Period, and the Excluded Assets and Excluded Contracts, and shall remain liable in respect of the Assumed Liabilities in accordance with the terms of this Agreement. Each Purchased Entity shall transfer its respective Excluded Assets and Excluded Contracts, if any, to its corresponding Residual Co., in accordance with the Closing Sequence, on the Closing Date and same shall be vested in such Residual Co. pursuant to the Approval and Vesting Order as evidenced by one or more bills of sale and assignments of contracts, in form and substance satisfactory to the Purchaser, Vendor, Purchased Entity and the Monitor (each, an "**Excluded Assets Bill of Sale**"). Each of the Parties acknowledge and agree that such transfer of such Excluded Assets and Excluded Assets as contemplated by this Agreement is for consideration that is exclusive of any applicable HST (if any) and to the extent any HST is due and payable in connection with such transfer it shall be the sole responsibility of the applicable Residual Co. and not of any Purchased Entity.

4.3 Selection of Excluded Assets, Assumed Contracts, Excluded Liabilities and Assumed Liabilities

For the avoidance of doubt, the Purchaser shall be entitled, with the prior written consent of the Vendor, the applicable Purchased Entity and the Monitor, to revise the list of Excluded Assets, Assumed Contracts, Excluded Liabilities, Encumbrances to be Discharged and Assumed Liabilities set out in Schedule "C", Schedule "D", Schedule "E", Schedule "F", and Schedule "G", respectively, by adding or deleting assets, Contracts or Liabilities, at any time that is not later than 5:00 p.m. (Eastern Time) on March 31, 2023, subject to the Permitted Encumbrances and Encumbrances to be Discharged and provided that:

- (a) any addition or deletion of any Excluded Asset, Assumed Contract, Excluded Liability or Assumed Liability shall not affect the Purchase Price;
- (b) the Purchaser shall not be permitted to revise the list of Excluded Liabilities so as to include Liabilities described under paragraphs (b), (c), (d), or (e) of the definition of "Assumed Liabilities";
- (c) the Purchaser shall not be permitted to revise the list of Excluded Assets so as to include the Anticipated Inventory; and
- (d) the Purchaser shall not be permitted to revise the list of Assumed Contracts so as to exclude the Trillium Lease.

4.4 Deferred Consideration

Each of TJAC and Highland shall, as partial consideration for the assumption by the corresponding Residual Co. of its Excluded Liabilities, pay deferred consideration (each, "**Deferred Consideration**") in an amount equal to the Deferred Consideration Note Amount, which Deferred Consideration shall not be reduced following the Closing Date by any returns to such Purchased Entity that occur subsequent to the receipt of all Closing Date Purchased Entity Receivables. Each Purchased Entity shall satisfy the Deferred Consideration by delivering to the Monitor on behalf of the corresponding Residual Co., on Closing, an interest-free, limited recourse promissory note in the principal face amount of the Deferred Consideration Note Amount, in favour of such Residual Co., which shall be secured solely by such Purchased Entity's Closing Date Purchased Entity Receivables (each such note, a "**Deferred Consideration Note**").

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties as to the Vendor

Subject to the issuance of the Approval and Vesting Order, the Vendor represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the laws of the Province of Ontario, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate actions on the part of the Vendor.
- (c) No Conflict. The execution, delivery and performance by the Vendor of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, (i) any terms or provisions of the Organizational Documents of the Vendor, (ii) any Applicable Laws or Orders applicable to the Vendor, or (iii) result in the creation or imposition of any Encumbrance with respect to the Purchased Shares.

- (d) Consents. No Authorization, consent or approval of any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Vendor, and each of the agreements to be executed and delivered by the Vendor hereunder, and the sale of the Purchased Shares.
- (e) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the issuance of the Approval and Vesting Order.
- (f) Title to Purchased Shares. The Vendor is the registered and beneficial owner of the Purchased Shares, free and clear of all Encumbrances.
- (g) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor of any of the Purchased Shares or the Retained Assets.
- (h) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement for which the Purchaser or the Purchased Entities will be liable or responsible.
- (i) Proceedings. There are no Legal Proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Purchased Shares, or the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.
- (j) Residence of the Vendor. The Vendor is not a non-resident of Canada within the meaning of the Tax Act.

5.2 Representations and Warranties as to the Purchased Entities

Subject to the issuance of the Approval and Vesting Order, the Vendor represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

- (a) Incorporation and Status. Each Purchased Entity is a corporation existing under the laws of the province of its incorporation or continuance, in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by each Purchased Entity of this Agreement, including with respect to TJAC and MYM, the transfer of the Purchased Shares, has been authorized by all necessary corporate action on the part of each Purchased Entity.
- (c) No Conflict. The execution, delivery and performance by each Purchased Entity of this Agreement does not or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, (i) any terms or provisions of

the Organizational Documents of any Purchased Entity, (ii) any Applicable Laws, Permits and Licenses or Orders applicable to any Purchased Entity, or (iii) result in the creation or imposition of any Encumbrance with respect to the Purchased Shares or the Retained Assets.

- (d) Consents. No Authorization, consent or approval of any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchased Entities, and each of the agreements to be executed and delivered by the Purchased Entities hereunder, and the purchase of the Purchased Shares.
- (e) Execution and Binding Obligation. This Agreement has been duly executed and delivered by each Purchased Entity and constitutes a legal, valid and binding obligation of such Purchased Entity, enforceable against it in accordance with its terms subject only to the issuance of the Approval and Vesting Order.
- (f) Authorized and Issued Capital.
 - (i) The authorized capital of TJAC consists of an unlimited number of common shares.
 - (ii) The authorized capital of TRC consists of an unlimited number of common shares.
 - (iii) The authorized capital of MYM consists of an unlimited number of common shares.
 - (iv) The authorized capital of MYMB consists of an unlimited number of common shares.
 - (v) The authorized capital of Highland consists of an unlimited number of common shares.

There are no issued and outstanding shares or other securities of the Direct Purchased Entities other than the Purchased Shares, there are no issued and outstanding shares or other securities of the Indirect Purchased Entities other than the shares owned by the Direct Purchased Entities (or, in the case of Highland, the shares owned by MYMB), nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for shares or any other securities of any Purchased Entity other than the Secured Debenture.

- (g) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from any Purchased Entity of any of the Retained Assets.
- (h) Proceedings. There are no Legal Proceedings pending against any Purchased Entity or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Purchased Shares or the Retained Assets, or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares or the Closing of the Transactions, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent any Purchased Entity from fulfilling any of their obligations set forth in this Agreement.

- (i) Cannabis Licenses. The Cannabis Licenses are set forth in Schedule "5.2(i)" and are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licenses.
- (j) Tax. With the exception of certain of TJAC's, Highland's, and MYM's incomes taxes, excise taxes and/or HST, (i) all Taxes shown as due and owing on the Tax Returns and any related notices of assessment for each Purchased Entity for all Tax periods ending on or prior to the Closing Date have been duly and timely paid, and (ii) each Purchased Entity has withheld and collected, and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld, collected and remitted.
- (k) Assumed Contracts. True and complete copies of the Assumed Contracts have been delivered or made available to the Purchaser.
- (l) Retained Assets. Each of the Purchased Entities are the legal and beneficial owners of the Retained Assets held by it, free and clear of all Encumbrances other than the Encumbrances to the Discharged and any Permitted Encumbrances.
- (m) No Subsidiaries. Other than (i) the Subsidiary Shares and (ii) the shares of CannaCanada Inc. held by MYM, none of the Purchased Entities directly or indirectly, own any shares or, pursuant to any Assumed Contract or other Retained Assets, any options, warrants, rights, securities, debentures, loans, notes or other instruments exercisable into, or convertible or exchangeable for, any shares, equity interests or other securities of any other Person.

5.3 Representations and Warranties as to the Purchaser

The Purchaser represents and warrants to and in favour of the Vendor and each Purchased Entity as follows and acknowledges and agrees that the Vendor and each Purchased Entity are relying upon such representations and warranties in connection with the sale by the Vendor of the Purchased Shares:

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of the Province of Ontario and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, (i) any terms or provisions of the Organizational Documents of the Purchaser or (ii) any Applicable Laws or Orders applicable to the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and this Agreement constitutes a legal, valid and binding obligation of

the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

- (e) No Commissions. The Purchaser has not entered into any arrangements or agreements with respect to the payment of any brokerage commissions, finders' fees or similar compensation in connection with the Transactions.
- (f) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Purchase Price to the Vendor; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (g) Security Clearances. Each officer, director, or any other Person that may exercise, or is in a position to exercise, direct control over either holder of the Cannabis Licenses or of the Purchaser, have obtained security clearances as required to maintain the Cannabis Licenses under Applicable Law.
- (h) Investment Canada Act. The Purchaser is a "Canadian" or a "WTO Investor" within the meaning of the Investment Canada Act, and the regulations thereunder.
- (i) Consents. Except for (i) the issuance of the Approval and Vesting Order, and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, and the purchase of the Purchased Shares.
- (j) Residence of Purchaser. The Purchaser is not a non-resident of Canada within the meaning of the Tax Act.
- (k) Financial Ability. The Purchaser will have, as of the Closing Date, (i) sufficient funds available for purposes of satisfying the Purchase Price due on Closing and (ii) the resources and capabilities (financial or otherwise) to perform its obligations under this Agreement, including the Secured Promissory Note. The Purchaser has not, as of the date hereof, and will not have, as of the Closing Time, incurred any liability that would materially impair or adversely affect the Purchaser's ability to perform its obligations under this Agreement.

5.4 As is, Where is

The Purchased Shares (together with all assets held by each Purchased Entity at Closing, including the Retained Assets) shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject to the representations and warranties contained in Sections 5.1 and 5.2. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Shares or the Retained Assets, and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transactions contemplated hereby, including with respect to the Purchased Shares or the Retained Assets. The disclaimer in this Section 5.4 is made notwithstanding the delivery or disclosure to the Purchaser or its

directors, officers, employees, agents or Representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by any Purchased Entity or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges and agrees that it has been provided adequate access to the personnel, properties, assets, premises, Books and Records, and other documents and data of the Vendor and the Purchased Entities in order to make an independent analysis of same. For certainty, the Vendor shall have no Liability for any Taxes payable, collectible or required to be remitted on or after Closing by any Purchased Entity in connection with (a) the Vendor or such Purchased Entity entering into this Agreement, (b) the issuance of the Approval and Vesting Order or (c) the consummation of the Transactions.

ARTICLE 6 COVENANTS

6.1 Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Target Closing Date.

6.2 Interim Period

During the Interim Period and except as contemplated or permitted by this Agreement or the Approval and Vesting Order, as necessary in connection with the CCAA Proceedings, as otherwise required by Applicable Law or provided in the Initial Order and any other Orders of the Court prior to the Closing Time, or as consented to by the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed, the Vendor and each Purchased Entity shall:

- (a) continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement;
- (b) other than the Excluded Assets and each Purchased Entity's cannabis inventory to be sold in the ordinary course pursuant to purchase orders from third parties, not transport, remove or dispose of, any of its assets out of their current locations;
- (c) subject to Section 6.2(f), not incur any incremental costs and expenses, or make disbursements, out of the ordinary course of business, unless expressly agreed to by the Vendor, the Purchaser and the Monitor;
- (d) not enter into any non-arms' length transactions involving any Purchased Entity or its assets or the Business without the prior approval of the Purchaser;

- (e) use reasonable efforts to rectify any deficiencies that the Purchaser reasonably identifies in the corporate records and minute books of any of the Purchased Entities; and
- (f) purchase cannabis inventory and shipping and packaging supplies (including excise stamps), as reasonably requested by the Purchaser in writing, provided that the Purchaser pre-pays all costs to be incurred by any Purchased Entity in connection with such purchase.

6.3 Access During Interim Period

During the Interim Period, the Vendor and each Purchased Entity shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inventory counts, inspections, surveys or tests thereof and of the financial and legal condition of the Business, the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; (b) any invasive testing, including with respect to any real property, shall require the prior consent of the Vendor; (c) subject to the ongoing reasonable oversight and participation of the Vendor, any applicable Purchased Entity and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and the Vendor's and each Purchased Entity's customers and contractual counterparties; and (d) the Purchaser and its Representatives shall be permitted to attend the Purchased Entities' premises and perform a physical count of all Anticipated Inventory and the Vendor and its Representatives shall provide reasonable assistance in connection with such inventory count. Such investigations, inventory counts, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with any Purchased Entity's operations, and the Vendor and each Purchased Entity shall co-operate reasonably in facilitating such investigations, inventory counts, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.4 Regulatory Approvals and Consents

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions, including with respect to the Trillium Lease; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the Cannabis Act and Cannabis Regulations.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of

time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.4.

6.5 Insurance Matters

Until the Closing, the Vendor and each Purchased Entity shall keep in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with the respective past practices of the Vendor and each Purchased Entity in the ordinary course of business.

6.6 Books and Records

The Purchaser shall cause each Purchased Entity to preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of two (2) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor, the Vendor and each Residual Co., their successors, and any trustee in bankruptcy or receiver of the Vendor and each Residual Co., and shall, at such party's sole expense, permit any of the foregoing persons to take copies of such Books and Records as they may reasonably require. As soon as practicable following the Closing and in any event no later than forty-five (45) days following the Closing, the Vendor shall deliver, at the cost of the Purchaser: (a) any and all Books and Records reasonably requested by the Purchaser; and (b) an electronic copy of all of the materials relating to the Retained Assets established in connection with the Transactions, and such materials available on such electronic copy shall be unlocked, unprotected and fully available to the Purchaser. Until such electronic copy is provided to the Purchaser, the Vendor shall permit access to such materials in such data room.

6.7 Collection of Closing Date Purchased Entity Receivables

For a period of eighteen (18) months after the Closing Date, the Purchaser shall, and shall cause the Purchased Entities to, use commercially reasonable efforts to collect all Closing Date Purchased Entity Receivables in the same manner that a prudent cannabis vendor would use to collect its own receivables, and to cause the Purchased Entities to use the proceeds thereof solely to repay the Deferred Consideration Notes forthwith, and in any event, on a weekly basis, provided that the Purchaser shall not be required to institute any legal proceeding and any reasonable and documented out-of-pocket expenses (with the exception of employee related expenses) incurred by the Purchaser in connection with the collection of any Closing Date Purchased Entity Receivable that are approved by the Vendor in advance shall be deducted from the amount remitted to the applicable Residual Co. The Purchaser will provide: (i) an executive officer of the Vendor, TJAC Residual Co. and Highland Residual Co. with "read-only" access to TJAC's and Highland's bank accounts for 120 days following Closing; and (ii) the Vendor and the Monitor weekly updates with respect to the Purchased Entities' efforts to collect all Closing Date Purchased Entity Receivables for 120 days following Closing, and thereafter shall timely respond to any reasonable inquiries from the Vendor or the Monitor regarding the Closing Date Purchased Entity Receivables, including requests for reconciliations of the amounts collected in TJAC's and Highland's bank accounts and remitted to TJAC Residual Co. and Highland Residual Co., respectively. The covenants in this Section 6.7 shall survive the Closing.

6.8 Transition Services

Following the Closing and until and including May 31, 2023, the Vendor shall, to the extent possible, cause Howard Steinberg, William Werth and James Andrew to provide consultation services and otherwise ensure that such individuals make themselves available as reasonably requested by the Purchaser, in connection

with the transition of the Business to the Purchaser and the operation of the Business by the Purchased Entities following Closing. The Parties acknowledge and agree that neither the Vendor nor such representatives shall receive any compensation from the Purchaser or any Purchased Entity in connection with the provision of such services. The covenants in this Section 6.8 shall survive the Closing.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

7.2 Closing Sequence

On the Closing Date, Closing shall take place in accordance with the Approval and Vesting Order, in the following sequence (the "**Closing Sequence**"), provided that, subject to the Approval and Vesting Order, the Closing Sequence may be amended at any time and from time to time prior to the Closing Date with the prior written consent of the Monitor, the Vendor and the Purchaser (which consent may not be unreasonably withheld or delayed):

- (a) first, the Purchaser shall pay the Cash Payment in immediately available funds to the Monitor, to be held in escrow and released in accordance with this Closing Sequence;
- (b) second, the following shall occur, and shall be deemed to occur, concurrently:
 - (i) each Residual Co. shall, and the Vendor and the Purchased Entities shall cause each Residual Co. to, acquire the Excluded Assets, and pursuant to the Approval and Vesting Order, all of TJAC's, TRC's, MYM's, MYMB's and Highland's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively, and all Claims (as defined in the Approval and Vesting Order) and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (ii) each Residual Co. shall, and the Vendor and the Purchased Entities shall cause each Residual Co. to, assume the Excluded Liabilities and the Excluded Contracts of TJAC, TRC, MYM, MYMB and Highland, which pursuant to the Approval and Vesting Order, shall be transferred to, assumed by and vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. (who, in each case, shall be deemed to be party to such Excluded Contracts), and pursuant to the Approval and Vesting Order, the Excluded Liabilities and Excluded Contracts shall no longer be obligations of the Purchased Entities, each of which Purchased Entity and its Retained Assets shall be released and discharged from such Excluded Contracts and Excluded Liabilities, and all Claims and Encumbrances shall be expunged and discharged as against the Retained Assets; and

- (iii) TJAC shall issue a Deferred Consideration Note to TJAC Residual Co. and Highland shall issue a Deferred Consideration Note to Highland Residual Co.;
- (c) third, pursuant to the Approval and Vesting Order, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person and are convertible or exchangeable for any securities of any of the Purchased Entities or which require the issuance, sale or transfer by any of the Purchased Entities, of any shares or other securities of the Purchased Entities, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Purchased Entities, or otherwise relating thereto, shall be deemed terminated and cancelled without any payment or other consideration; and
- (d) fourth, the Purchaser shall acquire the Purchased Shares, the Vendor shall deliver the Purchased Shares, and the Purchase Price (including for greater certainty, the Deposit) shall be paid and satisfied as follows:
 - (i) the Deposit shall be released to the Vendor, and the Purchaser shall cease to have any claim to the return thereof;
 - (ii) the Cash Payment shall be released to the Vendor, and the Purchaser shall cease to have any claim to the return thereof; and
 - (iii) the Secured Promissory Note shall be issued by the Purchaser in favour of the Vendor.

7.3 The Vendor's Closing Deliveries

At or before the Closing (as applicable), the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued by the Court;
- (b) if applicable, share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the holder of record;
- (c) a certificate of status, compliance, good standing or like certificate with respect to the Vendor issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction;
- (d) a certificate dated as of the Closing Date and executed by an executive officer of the Vendor confirming and certifying that each of the conditions in Sections 8.1(e), 8.1(f) and 8.1(g) have been satisfied; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions and the Closing Sequence provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 The Purchaser's Closing Deliveries

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 8.2(d) and 8.2(e) have been satisfied;
- (c) the Cash Payment, in accordance with Section 2.2(b);
- (d) the Secured Promissory Note, signed by the Purchaser;
- (e) the Guarantee and GSA and the Mortgage Documents, signed by the Guarantor; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.5 The Purchased Entities' Closing Deliveries

At or before the Closing (as applicable), each Purchased Entity shall deliver or cause to be delivered to the Purchaser, the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchased Entity issued by the appropriate government official of its jurisdiction of incorporation or continuance, to the extent such certificate exists in such jurisdiction;
- (b) all cannabis inventory and shipping and packaging supplies purchased at the request of, and paid for in full by, the Purchaser during the Interim Period in accordance with Section 6.2(f);
- (c) resignations of the outgoing directors and officers of such Purchased Entity;
- (d) evidence of the termination of the Terminated Employees;
- (e) the minute books and corporate records with respect to such Purchased Entity;
- (f) a copy of an Excluded Liability Assumption Agreement, if any, signed by the applicable Purchased Entity and the applicable Residual Co.;
- (g) a copy of an Excluded Assets Bill of Sale, if any, signed by the applicable Purchased Entity and the applicable Residual Co.; and
- (h) the Deferred Consideration Notes issued for the applicable Deferred Consideration Note Amount, which in each case will include a limited recourse security interest granted by the applicable Purchased Entity in favour of the applicable Residual Co. solely with respect to such Purchased Entity's Closing Date Purchased Entity Receivables, signed by the

applicable Purchased Entities and in a form and substance mutually agreed to by the Parties each acting reasonably.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 The Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that, if the Purchaser does not waive a condition and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Vendor shall take, and cause each Purchased Entity to take, all such commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed below in this Section 8.1 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Approval and Vesting Order shall have been issued by the Court; (ii) the Approval and Vesting Order shall not have been vacated, set aside or stayed; and (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired; provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed.
- (b) The Vendor's Deliverables. The Vendor shall have executed and/or delivered or caused to have been executed and/or delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (c) The Purchased Entities' Deliverables. The Purchased Entities shall have executed and/or delivered or caused to have been executed and/or delivered to the Purchaser at the Closing all the documents contemplated in Section 7.5.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) modifying or amending the Approval and Vesting Order without the consent of Purchaser.
- (e) No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (f) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Vesting Order), each of the representations and warranties contained in Sections 5.1 and 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (g) No Breach of Covenants. The Vendor and each Purchased Entity shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor or each Purchased Entity on or before the Closing.
- (h) Anticipated Inventory. The Purchased Entities shall have in their possession the Anticipated Inventory.
- (i) The Purchased Entity Employees. Each Purchased Entity shall have terminated the employment or engagement, as applicable, of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations or otherwise, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Vesting Order.
- (j) Residual Co. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall, prior to Closing as part of the Closing Sequence, be transferred to the applicable Residual Cos., to another Affiliate of the Vendor that is not a Purchased Entity, or Discharged; and (ii) each Purchased Entity, its business and property shall, prior to Closing as part of the Closing Sequence, be released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities and the Permitted Encumbrances, if any); such that, from and after Closing the business and property of each Purchased Entity shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (k) Landlord Consent. The landlord in respect of the Trillium Lease shall have provided its consent to the change of control that will arise in connection with the Transactions, or the Approval and Vesting Order shall provide that the landlord may not rely on the change of control as a basis to declare a default.
- (l) CCAA Proceedings. Upon Closing, the CCAA Proceedings will have been terminated in respect of each Purchased Entity, its business and property, as set out in the Approval and Vesting Order.
- (m) Cannabis Licenses. The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension.

8.2 The Vendor's and Purchased Entities' Conditions

Neither the Vendor nor any Purchased Entity shall be obligated to complete the Transactions contemplated by this Agreement unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor and the Purchased Entities, and may be waived by the Vendor and the Purchased Entities in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor and Purchased Entities only if made in writing. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Approval and Vesting Order shall have been issued by the Court; (ii) the Approval and Vesting Order shall not

have been vacated, set aside or stayed; and (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired; provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed.

- (b) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.4.
- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) modifying or amending the Approval and Vesting Order without the consent of the Vendor.
- (d) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.3 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing, except for the covenant to pay the Cash Payment, which shall have been performed in all respects.

8.3 Monitor's Certificate

When the conditions to Closing set out in Sections 8.1 and 8.2 have been satisfied and/or waived by the Vendor, the Purchased Entities or the Purchaser, as applicable, the Vendor, the Purchased Entities, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (a) issue forthwith its Monitor's Certificate concurrently to the Vendor, the Purchased Entities and the Purchaser, at which time the Closing Sequence will be deemed to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor, the Purchased Entities and the Purchaser). In the case of: (a) and (b) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual agreement of the Vendor (with the prior written consent of the Monitor), the Purchased Entities (with the prior written consent of the Monitor) and the Purchaser;

- (b) by the Purchaser, on the one hand, or the Vendor and the Purchased Entities (with the prior written consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
- (c) by the Purchaser, on the one hand, or the Vendor and Purchased Entities (with the consent of the Monitor), on the other hand, upon notice to the other Parties if (i) the Approval and Vesting Order has not been obtained by the Target Closing Date or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate this Agreement;
- (d) by the Vendor and the Purchased Entities (with the prior written consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendor and the Purchased Entities or cured by the Purchaser within five (5) Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under this Agreement at such time; or
- (e) by the Purchaser, if there has been a material violation or breach by the Vendor or any Purchased Entity of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Vendor or applicable Purchased Entity within five (5) Business Days of the Purchaser providing notice to the Vendor and applicable Purchased Entity of such breach, unless the Purchaser is in material breach of its obligations under this Agreement at such time.

9.2 Effect of Termination

If this Agreement is terminated pursuant to Section 9.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.3 (*Deposit*), 10.3 (*Expenses*), 10.4 (*Public Announcements*), 10.5 (*Notices*), 10.9 (*Waiver and Amendment*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*No Liability*), 10.18 (*Damages*) and 10.21 (*Third Party Beneficiaries*) and the corresponding interpretation provisions in Article 1, which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) notwithstanding anything else contained in this Agreement, if the Cash Payment has been paid to the Monitor pursuant to Section 7.2(a), and for any reason the Closing Sequence steps set out in Sections 7.2(b) through 7.2(d) have not occurred, the Monitor shall promptly return the Cash Payment to the Purchaser; provided, however, that this Section 9.2(b) shall be subject to Section 2.3 with respect to the Deposit.

ARTICLE 10 GENERAL

10.1 Tax Returns

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for each Purchased Entity for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause each Purchased Entity to duly and timely make or prepare all Tax Returns required to be made or prepared by them and to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. All such Tax Returns in clauses (a) and (b) of this Section 10.1 constitute the "**Straddle Period Tax Returns**". The Vendor, each Purchased Entity, the Monitor and the Purchaser shall co-operate reasonably with each other and make available to each other in a timely fashion such data and other information as may reasonably be required for the preparation of any Straddle Period Tax Return and the Purchaser shall preserve (or cause the applicable Purchased Entities to preserve) such data and other information until the expiration of any applicable limitation period under Applicable Law with respect to Taxes. The Purchaser will use commercially reasonable best efforts to provide drafts of all Straddle Period Tax Returns required to be prepared by the Purchaser or the Purchased Entities to the Vendor and the Monitor in advance of their filing with the relevant Governmental Authority. The Purchaser, the Vendor and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as the Vendor or the Monitor may request.

10.2 Survival

Subject to Sections 2.2(c) (*Deferred Payment*), the final sentence of 4.2, 5.4 (*As is, Where is*), 6.6 (*Books and Records*), 6.7 (*Collection of Closing Date Purchased Entity Receivables*), 6.8 (*Transition Services*), 10.1 (*Tax Returns*), 10.3 (*Expenses*), 10.4 (*Public Announcements*), 10.5 (*Notices*), 10.9 (*Waiver and Amendment*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*No Liability*), 10.18 (*Damages*) and 10.21 (*Third Party Beneficiaries*) and the corresponding interpretation provisions in Article 1, all representations, warranties, covenants and agreements of the Vendor or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement will merge on and shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

10.3 Expenses

Except as otherwise agreed by the Parties, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

10.4 Public Announcements

The Vendor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the CCAA Applicants or any of their Affiliates (including IM Cannabis Corp.) under Applicable Laws or stock exchange rules,

the Vendor or the Purchaser shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

10.5 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email as follows:

- (a) in the case of notice to the Vendor or the Purchased Entities (during the Interim Period) at:

Trichome Financial Corp.
79 Wellington Street West, Suite 3000,
Toronto, Ontario, M5K 1N2

Attention: Michael Ruscetta and Howard Steinberg
Email: mruscetta@trichomefinancial.com and howard@howardscapital.com

With a copy to:

Bennett Jones LLP
First Canadian Place
100 King Street West, Suite 3400
Toronto, Ontario, M5X 1A4

Attention: Sean Zweig and Josh Foster
Email: zweigs@bennettjones.com and fosterj@bennettjones.com

- (b) in the case of a notice to the Purchaser at:

1000370759 Ontario Inc.
43 Charles Street
Cambridge, Ontario, N1S 2W9

Attention: Kuldip Bening
Email: kuldipbening@hotmail.com

With a copy to:

Torkin Manes LLP
151 Yonge Street, Suite 1500
Toronto, Ontario, M5C 2W7

Attention: Hunter Forman and Jeffrey Simpson
Email: hforman@torkinmanes.com and jsimpson@torkinmanes.com

- (c) in the case of a notice to the Guarantor at:

2767888 Ontario Inc.
c/o Torkin Manes LLP

151 Yonge Street, Suite 1500
Toronto, Ontario, M5C 2W7

Attention: Hunter Forman and Jeffrey Simpson
Email: hforman@torkinmanes.com and jsimpson@torkinmanes.com

- (d) in the case of all communications by any Party, the Monitor shall be copied at:

KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9

Attention: Noah Goldstein and Murtaza Tallat
Email: ngoldstein@ksvadvisory.com and mtallat@ksvadvisory.com

With a copy to:

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario, M5H 3C2

Attention: Ryan Jacobs, Jane Dietrich and Jeremy Bornstein
Email: rjacobs@cassels.com, jdietrich@cassels.com and
jbornstein@cassels.com

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Party in accordance with the provisions of this Section 10.5.

10.6 Time of Essence

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

10.7 Further Assurances

The Vendor, each Purchased Entity and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

10.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered by the Parties pursuant to this Agreement in connection with the Transactions contemplated herein constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, conditions, representations, warranties, obligations, understandings or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, pre-contractual, statutory or otherwise), except as explicitly set out in this Agreement and any other agreement and/or document required to be delivered by the Parties pursuant to this Agreement.

10.9 Waiver and Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Vendor and Purchaser (including by way of email); and (b) the Monitor has provided its prior written consent (including by way of email). No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.10 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

10.11 Remedies Cumulative

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

10.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

10.13 Dispute Resolution

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct.

10.14 Attornment

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement

against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.14. Each Party agrees that service of process on such Party as provided in this Section 10.14 shall be deemed effective service of process on such Party.

10.15 Successors and Assigns

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

10.16 Assignment

Prior to Closing, the Purchaser may assign, with the prior written consent of the Vendor and the Monitor (not to be unreasonably conditioned, withheld or delayed), all or any portion of its rights and obligations under this Agreement, including the rights of the Purchaser to purchase from the Vendor the Purchased Shares prior to the issuance of the Approval and Vesting Order; provided that no such assignment shall relieve the Purchaser of any of its obligations or Liabilities under this Agreement (including the obligation to pay the Cash Payment at Closing) and further provided that such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment. Prior to Closing, neither the Vendor nor any Purchased Entity may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of their rights or obligations under this Agreement without the prior written consent of the Purchaser. Following Closing, the Vendor shall have the authority to assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement; provided that no such assignment shall relieve the Vendor of any of its obligations or Liabilities under this Agreement.

10.17 No Liability

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendor and the other CCAA Applicants, and the Monitor's Affiliates will have no Liability in connection with this Agreement whatsoever in their capacity as Monitor, in their personal capacity or otherwise.

10.18 Damages

Under no circumstance shall any of the Parties or their Representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transactions.

10.19 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with the Transactions or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.20 Independent Legal Advice

The Purchaser warrants that it has received independent legal advice in connection with this Agreement.

10.21 Third Party Beneficiaries

Except with respect to the Monitor pursuant to Section 10.17, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other

Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

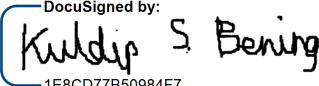
10.22 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by email in PDF format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

1000370759 ONTARIO INC.

By: 
Name: Kuldip Bening
Title: President

TRICHOME FINANCIAL CORP.

By: _____
Name: Michael Ruscetta
Title: Director

TRICHOME JWC ACQUISITION CORP.

By: _____
Name: Howard Steinberg
Title: Howards Capital Corp., in its capacity as Chief Executive Officer

TRICHOME RETAIL CORP.

Name: Michael Ruscetta
Title: Director

MYM NUTRACEUTICALS INC.

By: _____
Name: Howard Steinberg
Title: Howards Capital Corp., in its capacity as Chief Executive Officer

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

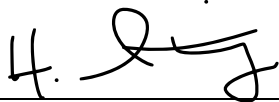
1000370759 ONTARIO INC.

By: _____
Name: Kuldip Bening
Title: President

TRICHOME FINANCIAL CORP.

By:  _____
Name: Michael Ruscetta
Title: Director


TRICHOME JWC ACQUISITION CORP.

By:  _____
Name: Howard Steinberg
Title: Howards Capital Corp., in its capacity as Chief Executive Officer


TRICHOME RETAIL CORP.

 _____
Name: Michael Ruscetta
Title: Director

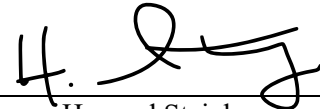
MYM NUTRACEUTICALS INC.

By:  _____
Name: Howard Steinberg
Title: Howards Capital Corp., in its capacity as Chief Executive Officer

MYM INTERNATIONAL BRANDS INC.

By: 
Name: Howard Steinberg
Title: Howards Capital Corp., in its
capacity as Chief Executive Officer

HIGHLAND GROW INC.

By: 
Name: Howard Steinberg
Title: Howards Capital Corp., in its
capacity as Chief Executive Officer

SCHEDULE "A"
APPROVAL AND VESTING ORDER

See attached.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	
)	●, THE ● TH
JUSTICE ●)	DAY OF APRIL, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC. (collectively the "**Applicants**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia* (i) approving the Share Purchase Agreement (the "**Sale Agreement**") among Trichome Financial Corp. (the "**Vendor**"), 1000370759 Ontario Inc. (the "**Purchaser**"), Trichome JWC Acquisition Corp. ("**TJAC**"), Trichome Retail Corp. ("**TRC**"), MYM Nutraceuticals Inc. ("**MYM**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with TJAC, TRC, MYM and MYMB, the "**Purchased Entities**" and each a "**Purchased Entity**"), dated March 28, 2023 and attached as Exhibit "●" to the affidavit of Michael Ruscetta sworn ●, 2023 (the "**Ruscetta Affidavit**"), and the transactions contemplated therein (collectively, the "**Transactions**"), including the Closing Sequence (as defined in the Sale Agreement), (ii) adding ● ("**TJAC Residual Co.**"), ● ("**TRC Residual Co.**"), ● ("**MYM Residual Co.**"), ● ("**MYMB Residual Co.**") and ● ("**Highland Residual Co.**") as Applicants to these CCAA proceedings, (iii) vesting in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Shares

(as defined in the Sale Agreement), free and clear of any Encumbrances (as defined below), (iv) vesting in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Sale Agreement) and discharging all Encumbrances against the Purchased Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Sale Agreement), and (v) granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicants, the Ruscetta Affidavit and the Exhibits thereto, the Fifth Report of KSV Restructuring Inc. ("**KSV**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated ●, 2023, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, counsel for Cortland Credit Lending Corporation, as agent for and on behalf of certain lenders, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Joshua Foster, filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement or the Amended and Restated Initial Order of the Honourable Madam Justice Conway dated November 17, 2022 (the "**ARIO**").

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including ●, 2023.

APPROVAL AND VESTING

4. **THIS COURT ORDERS AND DECLARES** that the Sale Agreement and the Transactions are hereby approved and the execution of the Sale Agreement by the Vendor and the Purchased Entities is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Shares to the Purchaser.

5. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision of this Order, the closing of the Transactions shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the prior written consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which the Vendor or the Applicants' stakeholders will benefit from as part of the Transactions.

6. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor and the Purchased Entities to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

7. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred in the manner and sequence set out in the Closing Sequence:

- (a) the Purchaser shall pay the Cash Payment in immediately available funds to the Monitor, to be held in escrow and released in accordance with the Closing Sequence;
- (b) the following shall occur, and shall be deemed to occur, concurrently:

- (i) all of TJAC's, TRC's, MYM's, MYMB's and Highland's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively, and all Claims (as defined below) and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (ii) the Excluded Liabilities and the Excluded Contracts of TJAC, TRC, MYM, MYMB and Highland shall be transferred to, assumed by and vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively (who, in each case, shall be deemed to be party to such Excluded Contracts), and shall no longer be obligations of TJAC, TRC, MYM, MYMB and Highland, as applicable, each of which Purchased Entity and its Retained Assets shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities, and all Claims and Encumbrances are hereby expunged and discharged as against the Retained Assets; and
 - (iii) TJAC shall issue a Deferred Consideration Note to TJAC Residual Co. and Highland shall issue a Deferred Consideration Note to Highland Residual Co.;
- (c) all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person and are convertible or exchangeable for any securities of any of the Purchased Entities or which require the issuance, sale or transfer by any of the Purchased Entities, of any shares or other securities of the Purchased Entities, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Purchased Entities, or otherwise

relating thereto, shall be deemed terminated and cancelled without any payment or other consideration;

- (d) the Purchase Price shall be paid and satisfied in accordance with Section 7.2(d) of the Sale Agreement and all of the Vendor's right, title and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, including those listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares; and
- (e) the Purchased Entities shall and shall be deemed to cease to be Applicants in these CCAA proceedings, and the Purchased Entities shall be deemed to be released from the purview of the ARIO and all other Orders of this Court granted in respect of these CCAA proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate and deliver a copy of the Monitor's Certificate to the Service List, in each case forthwith after delivery thereof in connection with the Transactions.

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser (which notice may be by email from counsel to the Applicants and the Purchaser) regarding the satisfaction or waiver of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

10. **THIS COURT ORDERS** that, subject to paragraph 11 of this Order, for the purposes of determining the nature and priority of Claims, from and after delivery of the Monitor's Certificate, the Deposit, the Cash Payment, and any amounts received under the Secured Promissory Note (the "**Note Proceeds**") shall be allocated to the Vendor, and any amounts received under any Deferred Consideration Note (collectively with the Deposit, the Cash Payment and the Note Proceeds, the "**Proceeds**") shall be allocated to the applicable Residual Cos., and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Retained Assets immediately prior to the sale, as if (i) the Purchased Shares and the Retained Assets had remained owned by and in the possession or control of the Person who owned and had possession or control immediately prior to the Effective Time, and (ii) the Excluded Contracts and the Excluded Liabilities had not been transferred to the Residual Cos. and remained liabilities of the Purchased Entities immediately prior to the transfer.

11. **THIS COURT ORDERS** that, subject to the receipt of the Cash Payment, release of the Deposit and completion of the Transactions, the Vendor is hereby authorized and directed to:

- (a) pay from the Cash Payment received on the Closing Date the amount of \$56,500.00 (for greater certainty, being \$50,000 plus applicable HST) to Hyde Advisory & Investment Inc. within five (5) business days of the Closing Date; and
- (b) pay from the Note Proceeds (i) five (5) percent of the first \$1,000,000.00 in Note Proceeds received by the Vendor (the "**Initial Note Proceeds**"), and (ii) seven and one-half (7.5) percent of all Note Proceeds received by the Vendor in excess of the Initial Note Proceeds (the "**Additional Note Proceeds**"), in each case, plus applicable HST, to Hyde Advisory & Investment Inc. within five (5) business days of receipt of all of the Initial Note Proceeds and all of the Additional Note Proceeds, respectively.

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, each of the Applicants or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Purchased Entities' records pertaining to past and current employees of the Purchased Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Purchased Entities prior to the Effective Time.

13. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 7 of this Order, the Purchaser and the Purchased Entities shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided that, such release shall not apply to: (i) Taxes in respect of the business and operations conducted by any of the Purchased Entities after the Effective Time; or (ii) Taxes expressly assumed as Assumed Liabilities pursuant to the Sale Agreement), including without limiting the generality of the foregoing all Taxes that could be assessed against the Purchaser or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to section 160 or section 160.01 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

14. **THIS COURT ORDERS** that, except to the extent expressly contemplated by the Sale Agreement, all Contracts to which any of the Purchased Entities is a party upon the Effective Time will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no Person who is party to any such Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such Contract and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Applicants);
- (b) the insolvency of any of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Sale Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these CCAA proceedings; or
- (d) any transfer or assignment, or any change of control of the Purchased Entity arising from the implementation of the Sale Agreement, the Transactions or the provisions of this Order.

15. **THIS COURT ORDERS**, for greater certainty, that: (i) nothing in paragraph 14 of this Order shall waive, compromise or discharge any obligations of any of the Purchased Entities in respect of any Assumed Liabilities; (ii) the designation of any Claim as an Assumed Liability is without prejudice to the Purchased Entities' and the Purchaser's rights to dispute the existence, validity or quantum of any such Assumed Liability; and (iii) nothing in this Order or the Sale Agreement shall affect or waive the Purchased Entities' or the Purchaser's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

16. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of any of the Applicants then existing or previously committed by any of the Applicants, or caused by any of the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and any of the Purchased Entities arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Transactions, including without

limitation any of the matters or events listed in paragraph 14 of this Order, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse any of the Purchased Entities, the Vendor or the Purchaser from performing their obligations under the Sale Agreement or be a waiver of defaults by any of the Purchased Entities, the Vendor or the Purchaser under the Sale Agreement and the related documents.

17. **THIS COURT ORDERS** that, from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any of the Purchased Entities, the Purchaser, the Purchased Shares or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

18. **THIS COURT ORDERS** that, from and after the Effective Time:

- (a) the nature of the Assumed Liabilities assumed by the Purchaser or retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., as applicable;
- (c) any Person that prior to the Effective Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Contract and/or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such

right or claim against the applicable Purchased Entity but will have an equivalent Excluded Liability Claim against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable, in respect of the Excluded Contract and/or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable; and

- (d) the Excluded Liability Claim of any Person against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable, following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the applicable Purchased Entity prior to the Effective Time.

19. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (a) TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. shall each be a company to which the CCAA applies; and
- (b) TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. shall each be added as an Applicant in these CCAA proceedings and all references in any Order of this Court in respect of these CCAA proceedings to (i) an "Applicant" or the "Applicants" shall refer to and include TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., *mutatis mutandis*, and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., including without limitation, any amounts received under any Deferred Consideration Note (collectively, the "**Residual Co. Property**"), and,

for greater certainty, each of the Charges shall constitute a charge on the Residual Co. Property.

20. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") in respect of any of the Applicants or any of the Residual Cos. and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Applicants or any of the Residual Cos.;

the Sale Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to the Residual Cos., and the transfer and vesting of the Purchased Shares in and to the Purchaser), and any payments by the Purchaser or any Purchased Entity authorized herein or pursuant to the Sale Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Applicants and/or any of the Residual Cos. and shall not be void or voidable by creditors of any of the Applicants or any of the Residual Cos., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

21. **THIS COURT ORDERS** that nothing in this Order, including the release of the Purchased Entities from the purview of these CCAA proceedings pursuant to paragraph 7(e) of this Order and the addition of the Residual Cos. as Applicants in these CCAA proceedings, shall affect, vary, derogate from, limit or amend, and KSV shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, this Order, any other Orders in these CCAA proceedings or otherwise, including all approvals,

protections and stays of proceedings in favour of KSV in its capacity as Monitor, all of which are expressly continued and confirmed.

GENERAL

22. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser and the Purchased Entities shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Retained Assets.

23. **THIS COURT ORDERS** that, following the Effective Time, the title of these CCAA proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., ●, ●, ●, ● AND ●

24. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

25. **THIS COURT ORDERS** that the Applicants and the Monitor shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and Monitor as may be deemed necessary or appropriate for that purpose.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this

Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing, provided that the transaction steps set out in paragraph 7 of this Order shall be deemed to have occurred in the manner and sequence set out in the set out in the Closing Sequence.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

Court File No.: CV-22-00689857-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants commenced these proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Proceedings**") pursuant to an initial order (as amended and restated, the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 7, 2022. Among other things, the Initial Order appointed KSV Restructuring Inc. as monitor of the Applicants in the CCAA Proceedings (in such capacity, the "**Monitor**").

B. Pursuant to an Approval and Vesting Order of the Court dated ●, 2023 (the "**Approval and Vesting Order**"), the Court, *inter alia*: (i) approved the transactions (the "**Transactions**") contemplated by the Share Purchase Agreement (the "**Sale Agreement**") among Trichome Financial Corp. (the "**Vendor**"), Trichome JWC Acquisition Corp. ("**TJAC**"), Trichome Retail Corp. ("**TRC**"), MYM Nutraceuticals Inc. ("**MYM**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with TJAC, TRC, MYM and MYMB, the

"**Purchased Entities**"), and 1000370759 Ontario Inc. (the "**Purchaser**") dated March 28, 2023; (ii) added the Residual Cos. as Applicants in the CCAA Proceedings; (iii) vested in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Shares, free and clear from any Encumbrances; and (iv) vested in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities and discharged all Encumbrances against the Purchased Entities and the Retained Assets other than Permitted Encumbrances.

C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Vendor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Sale Agreement.
2. This Monitor's Certificate was delivered by the Monitor at _____ on, _____, 2023.

KSV RESTRUCTURING INC., solely in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "B"

CLAIMS AND ENCUMBRANCES TO BE VESTED FROM PROVINCIAL PERSONAL
PROPERTY REGISTRY SYSTEMS

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
<i>TJAC</i>				
Ontario	20200826 1340 1590 0316 765129519	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20200826 1341 1590 0317 765129537	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20210511 0938 1862 7712 772381629	May 11, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20220324 1335 1901 1970 781390161	March 24, 2022	Kempfenfelt, a division of Bennington Financial Corp.	Equipment Other Motor vehicle incl.
<i>MYM</i>				
Ontario	20210823 1624 1590 1854 775673973	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196579N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after acquired personal property
<i>MYMB</i>				
Ontario	20210823 1623 1590 1853 775673937	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196584N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
				acquired personal property
<i>Highland</i>				
Ontario	20210823 1626 1590 1855 775673982	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Nova Scotia	35017565 SM004579.645	August 23, 2021	Cortland Credit Lending Corporation, as agent	A security interest is taken in all of the debtor's present and after acquired personal property
<i>TRC</i>				
Ontario	20210823 1353 1590 1796 775668366	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.

SCHEDULE "C"
PERMITTED ENCUMBRANCES

Nil.

SCHEDULE "B"
ANTICIPATED INVENTORY

See attached.

Inventory ID	Category	Description	UOM	Quantity on Hand - March 20	Anticipated Quantity on Hand - April 6
PACK-001	Shipping Material	Vacuum Bag 18" x 28", 3 mil	CASE	3.00	3.00
PACK-002	Shipping Material	Poly Bag, 16" x 24", 3 mil	CASE	2.00	2.00
PACK-003	Shipping Material	Shrink Wrap Clear 16"	ROLL	4.00	3.00
PACK-004	Jars	JWC Concentrate Jar, 10 ml	EACH	8,030.00	8,030.00
PACK-005	Jars	JWC Concentrate Jar, 5 ml	EACH	28,280.00	28,280.00
PACK-011	Product Labels	JWC Flower Large Pouch Label	EACH	25,600.00	25,600.00
PACK-012	Product Labels	JWC Flower Small Pouch Label	EACH	7,500.00	7,500.00
PACK-013	Jars	JWC Concentrate Jar Lid 1/2 oz	EACH	73,843.00	73,843.00
PACK-014	Jars	JWC Concentrate Jar 1/2 oz	EACH	73,440.00	73,440.00
PACK-016	Product Labels	Wagners Afghani Style Hash Labels	EACH	1,250.00	1,250.00
PACK-017	Product Labels	Wagners Cherry Jam Dried Flower Labels	EACH	22,500.00	22,200.00
PACK-018	Product Labels	Wagners Cherry Jam Pre-rolls Labels	EACH	43,750.00	43,750.00
PACK-019	Product Labels	Wagners Choice Kief Labels	EACH	1,500.00	1,500.00
PACK-023	Product Labels	Wagners Dark Helmet Dried Flower labels	EACH	13,125.00	13,125.00
PACK-024	Product Labels	Wagners Dark Helmet Pre-rolls Labels	EACH	25,000.00	25,000.00
PACK-025	Product Labels	Wagners Legacy Kief Labels	EACH	3,750.00	3,750.00
PACK-026	Product Labels	Wagners Old School Black Hash Labels	EACH	45,000.00	45,000.00
PACK-027	Product Labels	Wagners Old School Pressed Hash Labels	EACH	28,750.00	28,600.00
PACK-028	Product Labels	Wagners Old School Red Hash Labels	EACH	1,250.00	1,250.00
PACK-029	Product Labels	Wagners Pink Bubba Dried Flower Labels	EACH	32,500.00	32,500.00
PACK-030	Product Labels	Wagners Pink Bubba Pre-rolls Labels	EACH	22,500.00	22,500.00
PACK-031	Product Labels	Wagners Select Kief Labels	EACH	2,500.00	2,500.00
PACK-032	Product Labels	Wagners Soap Bar Hash Labels	EACH	62,500.00	62,500.00
PACK-033	Product Labels	Wagners The Silverback #4 Dried flower labels	EACH	51,250.00	51,250.00
PACK-034	Product Labels	Wagners The Silverback #4 pre-rolls Labels	EACH	6,250.00	6,250.00
PACK-035	Product Labels	THC Symbol Labels	EACH	100,000.00	100,000.00
PACK-036	Pouches	Black Large Pouch 6.02" x 9.80" x 2.36"	EACH	52,500.00	52,500.00
PACK-037	Pouches	Black Small Pouch 3.62" x 5.86" x 1.5" -	EACH	119,000.00	119,000.00
PACK-038	Pouches	Grey - Small Pouch 3.62" x 5.86" x 1.5"	EACH	452,000.00	452,000.00
PACK-039	Pouches	Grease - Small Pouch 3.62" x 5.86" x 1.5"	EACH	91,000.00	91,000.00
PACK-040	Pouches	Black Medium Pouch 6.02" x 5.16" x 1.9"	EACH	8,000.00	8,000.00
PACK-041	Cones	Pre-roll Cone, 84/26 Standard, White	EACH	19,800.00	19,800.00
PACK-043	Shipping Material	Anti-Slip Pallet Sheets	CASE	1.00	1.00
PACK-046	Boxes	Cardboard Box 10" x 6" x 6"	EACH	575.00	575.00
PACK-047	Boxes	Cardboard Box 6" x 6" x 4"	EACH	5,300.00	2,200.00
PACK-049	Boxes	Cardboard Box 18" x 10" x 6"	EACH	700.00	700.00
PACK-051	Product Labels	S-5036 - Master Case Labels - 4" x 3"	EACH	19.00	19.00
PACK-052	Shipping Material	Tamper Evident Tape - 2" x 110 yds	ROLL	32.00	32.00
PACK-053	Shipping Material	Packing Tape - Clear - 2", 2mil	ROLL	38.00	38.00
PACK-059	Shipping Material	Thermal Transfer Ribbons - Wax/Resin	EACH	11.00	11.00
PACK-061	Shipping Material	Heat Treated Pallet - 48" x 40"	EACH	27.00	27.00
PACK-062	Boxes	Cardboard Box 14" x 14" x 10"	EACH	2,150.00	2,150.00
PACK-065	Boxes	Cardboard Box 6" x 6" x 4", White	EACH	75.00	75.00

PACK-066	Pouches	White Small Pouch 3.62" x 5.86" x 1.5"	EACH	11,000.00	11,000.00
PACK-067	Pouches	Large Pouch 6.02" x 9.80" x 2.36" - White	EACH	19,000.00	19,000.00
PACK-068	Product Labels	Wagners Blue Lime Pie Dried Flower Labels	EACH	31,250.00	31,250.00
PACK-069	Product Labels	Wagners Blue Lime Pie Pre-roll Labels	EACH	21,250.00	20,700.00
PACK-070	Product Labels	Wagners Purple Clementine Pie Dried Flower Labels	EACH	22,500.00	22,500.00
PACK-071	Product Labels	Wagners Purple Clementine Pie Pre-roll Labels	EACH	34,375.00	34,375.00
PACK-072	Jars	JWC Concentrate Jar Lid, 5 ml	EACH	12,120.00	12,120.00
PACK-073	Jars	JWC Concentrate Jar Lid, 10 ml	EACH	6,000.00	6,000.00
PACK-074	Shipping Material	48 x 48" 3 Mil Industrial Poly Bags	CASE	1.50	1.50
PACK-075	Cones	Pre-roll Cone, 98/26 Reefer, Brown	EACH	400,000.00	400,000.00
PACK-076	Jars	JWC Concentrate Plastic Jar & Lid, 15 ml, Clear	EACH	38,100.00	38,100.00
PACK-077	Product Labels	Wagners Golden Ghost Dried Flower Labels	EACH	55,000.00	55,000.00
PACK-078	Product Labels	Wagners Golden Ghost Pre-roll Labels	EACH	20,000.00	20,000.00
PACK-081	Product Labels	Wagners Rainforest Crunch Dried Flower Labels	EACH	22,500.00	22,500.00
PACK-082	Product Labels	Wagners Rainforest Crunch Pre-roll Labels	EACH	35,000.00	35,000.00
PACK-083	Product Labels	Wagners Tiki Rain Dried Flower Labels	EACH	26,250.00	26,250.00
PACK-084	Product Labels	Wagners Tiki Rain Pre-roll Labels	EACH	11,250.00	11,250.00
PACK-085	Shipping Material	5 x 7" Corrugated Insert	EACH	4,100.00	4,100.00
PACK-086	Cones	84/26 Pre-roll Cone, The GREENS, 0.5g, Unbleached	EACH	81,000.00	66,500.00
PACK-087	Product Labels	Wagners Trpy Zlrp Dried Flower Labels	EACH	16,250.00	16,250.00
PACK-088	Product Labels	Wagners Trpy Zlrp Pre-Roll Labels	EACH	17,500.00	17,500.00
PACK-089	Product Labels	Wagners Soft Black Hash	EACH	18,750.00	16,350.00
PACK-090	Pouches	Navy Blue Pouch, 6.02" x 9.80" x 2.36"	EACH	11,200.00	11,200.00
PACK-091	Product Labels	Wagners Well Made Mac Daddy Purpz Dried Flower Lbl	EACH	8,750.00	8,750.00
PACK-092	Product Labels	Wagners Well Made Chemfire Kush Dried Flower Label	EACH	3,750.00	3,750.00
PACK-093	Shipping Material	Shrink Wrap Black 18"	ROLL	3.50	3.50
PACK-094	Pouches	Cool Grey - Medium Pouch JWC 5"(W) x 8"(L) x 2"(G)	EACH	45,000.00	45,000.00
PACK-096	Product Labels	Wagners Forbidden Rntz Dried Flower Label	EACH	5,000.00	5,000.00
PACK-097	Product Labels	Wagners Forbidden Rntz Pre-Roll Label	EACH	6,875.00	6,875.00
PACK-098	Product Labels	Wagners Stone Sour Dried Flower Label	EACH	12,500.00	12,500.00
PACK-099	Product Labels	Wagners Stone Sour Pre-Roll Label	EACH	7,500.00	7,500.00
PACK-100	Product Labels	Wagners Cherry Jam Pocket Rockets Label	EACH	25,000.00	25,000.00
PACK-101	Product Labels	Wagners Pink Bubba Pocket Rockets Label	EACH	9,375.00	9,375.00
PACK-102	Product Labels	Couer Bleu - Bacio Mac Dried Flower	EACH	10,000.00	10,000.00
PACK-103	Product Labels	Couer Bleu - Golden Ghost OG Dried Flower	EACH	8,125.00	8,125.00
PACK-104	Product Labels	Wagners Blue Kerosene Dried Flower	EACH	10,000.00	10,000.00
PACK-105	Product Labels	Wagners Blue Kerosene Pre-rolls	EACH	17,500.00	17,500.00
PACK-106	Product Labels	Wagners Gas Leak Dried Flower	EACH	11,875.00	11,875.00
PACK-107	Product Labels	Wagners Gas Leak Pre-rolls	EACH	12,500.00	12,500.00
PACK-108	Product Labels	Highland White Lightning Iced Blunts	EACH	23,750.00	23,750.00
PACK-109	Product Labels	Wagners Trpy Zlrp Pocket Rocket	EACH	2,500.00	2,500.00
PACK-110	Product Labels	Pink Bubba Live Resin	EACH	5,000.00	5,000.00
PACK-111	Product Labels	Blue Lime Pie Diamonds	EACH	5,000.00	5,000.00
PACK-112	Product Labels	Cherry Jam Shatter	EACH	3,750.00	3,750.00

PACK-113	Cones	109/26 King Size Dutch Brown Cone	EACH	9,600.00	9,600.00
PACK-114	Shipping Material	Pre-Cut Parchment Paper 5x5" - Natural Brown	EACH	5,000.00	5,000.00
PACK-115	Jars	Smooth Black CR Cap - 4/5ml	EACH	12,096.00	12,096.00
PACK-116	Jars	CR Clear Glass Concentrate Jar - 4ml	EACH	11,520.00	11,520.00
PACK-117	Cones	109/26 Blunt Cone, Hemp Futurola	EACH	4,000.00	4,000.00
PACK-118	Product Labels	Purple Octane Dried Flower	EACH	13,750.00	13,750.00
PACK-119	Product Labels	Purple Octane Pre Rolls	EACH	15,000.00	15,000.00
PACK-120	Shipping Material	Edge Protectors - Light Duty - 2 x 2 x 48"	EACH	150.00	150.00
PACK-121	Boxes	Cardboard Box 6" x 6" x 6" (Highland)	EACH	950.00	950.00
PACK-122	Boxes	Cardboard Box 16" x 16" x 12"	EACH	150.00	150.00
PACK-123	Product Labels	Wagners London Fog Dried Flower	EACH	6,250.00	6,250.00
PPE-001	PPE	24" Hair Nets, White	PACK	20.00	18.00
PPE-002	PPE	Poly Aprons Blue	CASE	1.60	0.50
PPE-003	PPE	Beard Nets	CASE	2.00	2.00
PPE-004	PPE	Boot Covers	CASE	29.00	28.00
PPE-005	PPE	Poly Sleeves Blue 18"	CASE	1.40	1.00
PPE-006	PPE	Disposable Tyvex Suit - Extra Large	EACH	100.00	100.00
PPE-007	PPE	Disposable Tyvex Suit - 2X Large	EACH	400.00	400.00
PPE-008	PPE	Disposable Tyvex Suit - Large	EACH	300.00	300.00
PPE-010	PPE	Disposable Tyvex Suit - 4X Large	EACH	200.00	200.00
PPE-011	PPE	Disposable Tyvex Suit - 5X Large	EACH	100.00	100.00
PPE-012	PPE	IPM Tyvex Suit - Medium	EACH	92.00	92.00
PPE-013	PPE	IPM Tyvex Suit - Large	EACH	100.00	100.00
PPE-014	PPE	IPM Tyvex Suit - 2X Large	EACH	41.00	41.00
PPE-016	PPE	Yellow Neon Earplug Refill	BOX	2.00	2.00
PPE-017	PPE	Blue Disposable Face Masks	BOX	59.00	59.00
PPE-018	PPE	92-134 MicroFlex Nitrile Glove - Large	BOX	10.00	6.00
PPE-019	PPE	92-134 MicroFlex Nitrile Glove - Xlarge	BOX	5.00	3.00
PPE-020	PPE	92-134 MicroFlex Nitrile Glove - Medium	BOX	7.00	11.00
PPE-021	PPE	92-134 MicroFlex Nitrile Glove - Small	BOX	4.00	8.00
PPE-022	PPE	Vinyl Gloves - Large	BOX	10.00	10.00
PPE-023	PPE	Vinyl Gloves - Medium	BOX	11.00	11.00
PPE-024	PPE	Vinyl Gloves - Extra Large	BOX	14.00	14.00
PPE-025	PPE	Vinyl Gloves - Small	BOX	54.00	54.00
PPE-026	PPE	Safety Glasses Clear - OVER	EACH	10.00	10.00
PPE-027	PPE	Safety Glasses, Clear	EACH	10.00	10.00
PPE-041	PPE	24" Hair Nets, Red	PACK	5.00	5.00
PPE-043	PPE	IPM Tyvex Suit - Extra Large	EACH	185.00	185.00
PPE-044	PPE	24" Hair Nets. Blue	PACK	30.00	27.00
PPE-045	PPE	92-600 Tch N Tuff Nitrile Glove - Small	BOX-100	49.00	49.00
PPE-046	PPE	92-600 Tch N Tuff Nitrile Glove 100/DIS - Medium	BOX-100	24.00	24.00
PPE-047	PPE	92-600 Tch N Tuff Nitrile 100/DIS - Large	BOX-100	12.00	12.00
PPE-048	PPE	92-600 Tch N Tuff Nitrile 100/DIS - X-Large	BOX-100	18.00	18.00
PPE-050	PPE	KN95 Disposable Face Mask	BOX	6.00	6.00

SAN-002	Sanitation	ISO Alcohol 70% - 20 L	EACH	4.00	1.00
SAN-004	Sanitation	Bentonite Kitty Litter	BAG	47.00	45.00
SAN-005	Sanitation	Garbage Bag 35x50" XSTG Blk	CASE	8.00	8.00
SAN-006	Sanitation	Trash Liners - 33 Gallon, Red	CASE	4.00	4.00
SAN-007	Sanitation	Clear Food Grade Garbage Bag 42x48"	CASE	3.00	3.00
SAN-008	Sanitation	Tug-Tight™ Drum Seals - 9", Red	BAG	1.00	1.00
SAN-012	Sanitation	Scotch-Brite Scouring Pads #96	BOX	1.00	1.00
SAN-013	Sanitation	Jumbo Bath Tissue 2ply - 1000 Roll	CASE	4.50	4.50
SAN-015	Sanitation	Scott Essential Paper Towel	CASE	4.00	4.00
SAN-018	Sanitation	ONE STEP Hand Sanitizer	EACH	16.00	16.00
SAN-019	Sanitation	KLEENEX LUXURY FOAM CLEANSER 2/CT Hand Soap	EACH	10.00	10.00
SAN-021	Sanitation	Toilet Bowl Cleaner	EACH	3.00	3.00
SAN-026	Sanitation	Wet Shop-Vac Filter (VF7000)	EACH	2.00	2.00
SAN-027	Sanitation	Dry Shop-Vac Filter (VF7000)	EACH	1.00	1.00
SAN-028	Sanitation	Shyield Wipes	EACH	33.00	33.00
SAN-029	Sanitation	Shyield Drum	EACH	1.00	1.00
SAN-030	Sanitation	Simple Green - 5 gal	EACH	1.50	1.50
SAN-034	Sanitation	Garbage Bag Heavy Duty 2 mil 35x50"	CASE	5.00	3.00
SAN-035	Sanitation	Clean Mat with Frame - Blue 24 x 36 "	CARTON	0.00	1.00
SAN-036	Sanitation	Clean Mat Replacement Pad - Blue 24" x 36"	CARTON	0.00	1.00
SAN-039	Sanitation	3M™ Clean-Trace™ Surface ATP Test Swabs	PACK	4.10	2.00

Inventory ID	Category	Description	UOM	Quantity on Hand - March 20	Anticipated Quantity on Hand - April 6
IN0001	Boxes	6x6x6	Bundle/25	50	42
IN0002	Boxes	9x6x6	Bundle/25	105	105
IN0003	Boxes	12x9x6	Bundle/25	44	44
IN0004	Boxes	13x9x7	Bundle/25	16	16
IN0005	Boxes	26x20x6	Bundle/25	1	1
IN0006	Pouches	Small Black Pouch 3.62x5.86	Box/1000	161	161
IN0007	Pouches	Small Blue Pouch 3.62x5.86	Box/1000	151	151
IN0008	Pouches	Small Green Pouch 3.62x5.86	Box/1000	272	272
IN0009	Pouches	Small Orange Pouch 3.62x5.86	Box/1000	85	85
IN0010	Pouches	Small Red Pouch 3.62x5.86	Box/1000	327	327
IN0011	Pouches	Small Cream Pouch 3.62x5.86	Box/1000	130	130
IN0012	Pouches	Small White Pouch 3.62x5.86	Box/1000	45	45
IN0013	Pouches	Large Black Pouch 6.02x9.8x2.36	Box/1000	56	56
IN0014	Packing Tape	Clear Packing Tape	Roll	108	108
IN0015	Packing Tape	Tamper Tape for Prodcut Boxes	Roll	70	70
IN0016	Label Ink	Epson - Black	EA	15	15
IN0017	Label Ink	Epson - Cyan	EA	7	7
IN0018	Label Ink	Epson - Mag	EA	10	10
IN0019	Label Ink	Epson - Yellow	EA	10	10
IN0020	Label Ink	Epson - Maintenance Box	EA	10	10
IN0021	Garbage Bags - FG	24x24	Box	5	5
IN0022	Garbage Bags - FG	26x36	Box	7	7
IN0023	Garbage Bags - FG	42x48	Box	3	3
IN0024	Ziplock Bags	Large	Box	3	3
IN0025	Ziplock Bags	Small	Box	2	2
IN0026	Product Labels	Blanks - 3x2.5	EA	304,000	295,552
IN0027	Product Labels	Blanks - 4x4	EA	63,000	63,000
IN0028	Product Labels	NF - Apple Mintz - PR	EA	20,700	20,700
IN0029	Product Labels	NF - Pie Face - PR	EA	13,750	13,750
IN0030	Product Labels	NF - Chemnesia - PR	EA	11,250	10,290
IN0031	Product Labels	NF - Fossil Fuel - PR	EA	14,500	14,500
IN0032	Product Labels	NF - Apple Mintz - DF	EA	16,000	15,040
IN0033	Product Labels	NF - Pie Face - DF	EA	18,750	18,750
IN0034	Product Labels	NF - Chemnesia - DF	EA	12,500	11,660
IN0035	Product Labels	NF - Fossil Fuel - DF	EA	11,650	11,650
IN0036	Moisture Packs	Boveda Moisture Packs	Box	2	2
IN0037	Shipping Material	Clear Pallet Wrap	Roll	9	9
IN0038	Shipping Material	Black Pallet Wrap	Roll	2	2
IN0039	Shipping Material	Edge Protectors	Box	1	1

IN0040	Shipping Material	Pallet Strapping	Box	2	2
IN0001	Gloves	4 Mil Nitrile Acc. Free - LG	Box	25	25
IN0002	Gloves	4 Mil Nitrile Acc. Free - Med	Box	64	64
IN0003	Gloves	4 Mil Nitrile Acc, Free - Sm	Box	26	26
IN0004	Gloves	4 Mil Nitrile - XL	Box	22	22
IN0005	Gloves	4 Mil Nitrile - Lg	Box	15	15
IN0006	Gloves	4 Mil Nirtrile - Med	Box	13	13
IN0007	Gloves	4 Mil Nirtrile - Small	Box	15	15
IN0008	Gloves	4 Mil Nirtrile - Extra Small	Box	31	31
IN0009	Gloves	5 Mil Nirtrile Aloe - Lg	Box	3	3
IN0010	Gloves	5 Mil Nirtrile Aloe - Med	Box	6	6
IN0011	Gloves	5 Mil Nirtrile Aloe - Small	Box	11	11
IN0012	Hair Nets	21" Bouffant Cap	Pk	30	30
IN0013	Beard Nets	Nylon Honeycomb	Pk	8	8
IN0014	Masks	N95	PK	6	6
IN0015	Masks	Dust Masks	Pk	3	3
IN0016	Masks	Surgical Masks	Pk	90	90
IN0017	Coverall Suits	Tyvek Suit - Lg	BX	2	2
IN0018	Coverall Suits	Tyvek Suit - XL	BX	2	2
IN0019	Coverall Suits	Tyvek Suit - 2XL	BX	2	2
IN0020	Coverall Suits	Tyvek Suit - 3XL	BX	2	2
IN0021	Shoe Covers	Shoe Covers Size 12-15	PK	5	5
IN0001	Cleaner	Iso 70% 4L	EA	16	16
IN0002	Cleaner	Biogize 4L	EA	7	7
IN0003	Cleaner	F-29 Footbath Solution	EA	16	16
IN0004	Cleaner	Perox (Qwatro) 20L	EA	2	2
IN0005	Cleaner	Laundry Soap	EA	2	2
IN0006	Cleaner	Lysol Wipes	EA	2	2
IN0007	Cleaner	Bathroom Cleaner Spray	EA	3	3
IN0008	Cleaner	Toilet Bowl Cleaner	EA	3	3
IN0009	Cleaner	Vim Bathroom Cleaner	EA	3	3
IN0010	Cleaner	Mr.Claen/Retail Floor Cleaner	EA	2	2
IN0011	Sanitizer	Purell Hand Sanitizer	EA	8	8
IN0012	Paper Towel	Brown Paper Towel	EA	8	8
IN0013	Paper Towel	White Paper Towel	EA	0	0
IN0014	Garbage Bags	247L - Black	Box	3	3
IN0015	Garbage Bags	98L - Black	Box	2	2
IN0016	Garbage Bags	247L - Clear	Box	5	5
IN0017	Soap	Hand Soap	EA	2	2

IN0001	Cups	Coffee Cups	PK	17	17
IN0002	Cups	Cone Cups	Box	5	5
IN0003	Paper	Printer Paper	PK	3	3
IN0004	Printer Ink	TN211 Toner Blk	EA	1	1
IN0005	Printer Ink	TN211 Toner Cyan	EA	1	1
IN0006	Printer Ink	TN211 Toner Mag	EA	1	1
IN0007	Printer Ink	TN211 Toner Yellow	EA	1	1
IN0008	Printer Ink	TN433 Toner Blk	EA	3	3
IN0009	Printer Ink	TN433 Toner Cyan	EA	2	2
IN0010	Printer Ink	TN433 Toner Mag	EA	1	1
IN0011	Printer Ink	TN433 Toner Yellow	EA	2	2

Name	Lot ID	Lot Type	Cannabis Form	Migrated ID	Allocated - Ending April		Note
					Weight - March 20	Closing Weight - April 6	
Cherry Jam - 0001	0001F	Dried	Small Flower	CJ.2214.1 RT	32,785.8	3,948.0	28,837.8
Mac Daddy Purpz - 0002	0002F	Dried	Small Flower	SH.2216.1	204.4		204.4
Chemfire Kush - 0003	0003F	Dried	Small Flower	PB.2211.1	15,441.4		15,441.4
Mac Daddy Purpz - 0004	0004F	Dried	Small Flower	SH.2214.1	76.4		76.4
Cherry Jam - 0006	0006F	Dried	Small Flower	CJ.2216.1	67,688.1		67,688.1
Cherry Jam - 0006	0006F (Shake)	Dried	Small Flower		201.3		201.3
Stone Sour - 0007	0007F	Dried	Small Flower	DD10WI22G264M	4,856.3	840.0	4,016.3
Forbidden RNTZ - 0008	0008F	Dried	Small Flower	TC08WI22J069M	3,666.8		3,666.8
Cherry Jam - 0009	0009F	Dried	Small Flower	CJ.2220.1 RT	113,346.8		113,346.8
Cherry Jam - 0012	0012F	Dried	Small Flower	CJ.2226.1	55,084.6		55,084.6
Gas Leak - 0015	0015F	Dried	Small Flower	PB.2225.1	85,400.1		85,400.1
Pink Bubba - 0016	0016F	Dried	Small Flower	PB.2227.1	62,062.0		62,062.0
Blue Kerosene - 0017	0017F	Dried	Small Flower	MS04WI22J201M	804.7		804.7
Pink Bubba - 0020	0020F	Dried	Small Flower	PB.2234.1 (0020F)	32,731.6	840.0	31,891.6
Cherry Jam - 0023	0023F	Dried	Small Flower	CJ.2233.1 (0023F)	124,596.4		124,596.4
Cherry Jam - 0025	0025F	Dried	Small Flower	CJ.2235.1 (25F)	88,472.7		88,472.7
Cherry Jam - 0025	0025F (Shake)	Dried	Small Flower		98.1		98.1
Blue Lime Pie - 0028	0028F	Dried	Small Flower	KC01WI22H291	2,039.1		2,039.1
Purple Clementine #37 - 0031	0031F	Dried	Small Flower	Lot 0399	6,323.3		6,323.3
Purple Octane - 0047	0047F	Dried	Small Flower	MJ0022	3,964.9		3,964.9
Blue Lime Pie - 0048	0048F	Dried	Small Flower	MJ0018	11,160.3		11,160.3
Blend 4 - 0053	0053FB	Dried	Blend		26,420.9		26,420.9
Blend 5 - 0054	0054FB	Dried	Blend		15,838.3		15,838.3
Blend 6 - 0055	0055FB	Dried	Blend		8,062.3		8,062.3
Blend 7 - 0056	0056FB	Dried	Blend		22,304.9		22,304.9
London Fog - 0068	0068F	Dried	Small Flower	DH.2121A.1	21,755.5		21,755.5
Blue Lime Pie - 0069	0069F	Dried	Small Flower	SH.2212.1	15,833.7	1,176.0	14,657.7
Trpy Zlrp - 0070	0070M	Dried	Milled		17,213.2		17,213.2
BLP2221Z	BLP2221Z1	Dried	Small Flower	MAC 1 - Lot 146	2,130.8		2,130.8
CJ.2131	CJ.2131.M	Dried	Milled		268.3		268.3
Cherry Jam - CJ.2135	CJ.2135.1	Dried	Small Flower	CJ.2135.1	45,873.1		45,873.1
CJ.2142Z	CJ.2142Z.M	Dried	Milled		165.0		165.0
Cherry Jam - CJ.2206	CJ.2206.1	Dried	Small Flower	CJ.2206.1	86,816.2		86,816.2
Cherry Jam - CJ.2218	CJ.2218.1	Dried	Small Flower	CJ.2218.1	102,321.6		102,321.6
Cherry Jam - CJ.2231	CJ.2231.1	Dried	Small Flower	CJ.2231.1	128,545.8	128,545.8	0.0 Rose Life Sale
DH2150 - Dark Helmet	DH21501	Dried	Small Flower	DH.2150.1	65,783.2		65,783.2
DH2203	DH22031	Dried	Small Flower	DH.2203.1	12,571.1	1,680.0	10,891.1 Partially allocated to 0045F - Forbidden RNTZ
Golden Ghost OG - GGO2229Z	GGO2229Z1	Dried	Small Flower	S0077P3Y2D1228(1)	6,828.4		6,828.4
HG0195 - White Lightning	HG0195F	Dried	Small Flower	HG0195	556.6		556.6
HG0211 - White Lightning	HG0211F	Dried	Small Flower	HG0211	4,007.7		4,007.7
HG0224 - Sensi Wizard	HG0224F	Dried	Small Flower	HG0224	1,793.8		1,793.8
HG0284 (Reallocated to Forbidden RNTZ)	HG02841	Dried	Small Flower	HG0284.1	3,242.6		3,242.6
White Lightning - HG0293	HG0293F	Dried	Small Flower	DH.2130.1	40,198.6	40,198.6	0.0 Rose Life Sale
HG0294 - Cherry Burst	HG02941	Dried	Small Flower	HG0294	7,356.8		7,356.8
HG0323	HG03231	Dried	Small Flower	HG0323	6,687.7		6,687.7
HG0335 - Gas Tank-Pink Octane	HG03351	Dried	Small Flower	HG0335.1	14,791.4		14,791.4
Rock the Boat - HG0343	HG0343F	Dried	Small Flower	HG0343	2,645.7		2,645.7
Leviathan - HG0345	HG0345F	Dried	Small Flower	HG0345	1,432.4		1,432.4
HG0361 - Apple Mintz	HG0361F	Dried	Small Flower	KK09WI22H192	615.0		615.0
Mango Melon - MM.2122	MM.2122.1	Dried	Small Flower	MM.2122.1	2,720.2		2,720.2
MM2236Z (Output lot Golden Ghost - GGO2236Z1)	MM2236Z1	Dried	Small Flower	FLWR 1240 - IMCC	6,504.8		6,504.8
PB.2207Y	PB.2207Y.1	Dried	Small Flower	Atlas H063	19,588.6		19,588.6
PB2213 - Pink Bubba	PB22131	Dried	Small Flower	PB.2213.1 RT	44,514.6		44,514.6
PB2222FB	PB2222MB	Dried	Milled		34,493.6		34,493.6
PC.2138Z	PC.2138Z.M3	Dried	Milled		174.0		174.0
PC.2149Y	PC.2149Y.1 (Sorted)	Dried	Small Flower		1,475.8		1,475.8
PC.2149Z	PC.2149Z.1	Dried	Small Flower	21.03.22.P.126.41	4,437.2		4,437.2
SB.2207Z	SB.2207Z.1	Dried	Small Flower	Venn Cannabis CA0721010	19,848.1		19,848.1
Sundae Driver - SH.2210	SH.2210.1	Dried	Small Flower	SH.2210.1	11,624.4		11,624.4
TZ2231Z - Trpy Zlrp	TZ2231Z1 - Trpy Zlrp	Dried	Small Flower	TC08WI22D191M	587.8		587.8
WMH2226Z	WMH2226Z1	Dried	Small Flower	DD10WI21K082M	9,865.7		9,865.7

WMI2226Y	WMI2226Y	Dried	Small Flower	ZK01WI22B031M	35.6		35.6
WMI2226Z	WMI2226Z1	Dried	Small Flower	ZK01WI21L091M	4,879.9		4,879.9
WS.2137Y	WS.2137Y.1	Dried	Small Flower	SPRUN-111220-09-01	282.4		282.4
WS.2214Z	WS.2214Z	Dried	Small Flower	HG0306-Blend #12	22,170.8		22,170.8
				Subtotal	1,556,269.0	177,228.4	1,379,040.6

Name	Lot ID	Lot Type	Cannabis Form	Discrete Unit		Packaged Unit		Packaged Discrete		Status	Location	Underwent Sterilization			Allocated Discrete		Closing Discrete		Closing Discrete Unit Weight - Note
				Weight - March 20	Discrete Units - March 20	Weight - March 20	Discrete Units - March 20	Total Retained	Treatment			Archived	Created On	Released On 6	Units - Ending April 6	Discrete - April 6			
DH2222FB	DH2222MBPR	Dried (discrete)	Pre-roll	30356.30	58,157.00	0.00	0.00	0.00	Waiting for QA	SS1	No active lab report	No	44,853.59	Unreleased	0.00	58,157.00	30,356.30		
Gas Tank - HG0342	HG0342MPR	Dried (discrete)	Pre-roll	28400.50	53,996.00	0.00	0.00	0.00	Waiting for QA	Vault	No	No	44,978.42	44,978.56	0.00	53,996.00	28,400.50		
DH2148	DH2148MPR	Dried (discrete)	Pre-roll	14362.84	28,137.00	0.00	0.00	0.00	QA Released	Vault	Yes	No	44,700.48	44,798.42	0.00	28,137.00	14,362.84		
Gas Leak - 0037	0037MPR	Dried (discrete)	Pre-roll	10550.97	20,736.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,942.45	44,958.44	0.00	20,736.00	10,550.97		
PB.2213Z	PB2213ZMPR	Dried (discrete)	Pre-roll	10420.56	20,744.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,705.56	44,708.51	0.00	20,744.00	10,420.56		
HG0339	HG0339MPR	Dried (discrete)	Pre-roll	8833.30	17,419.00	0.00	0.00	0.00	Waiting for QA	SS1	91.20	No	No	44,804.63	44,805.68	0.00	17,419.00	8,833.30	
RC.2210Z	RC2210ZMPR	Dried (discrete)	Pre-roll	6457.20	12,635.00	0.00	0.00	0.00	Waiting for QA	Vault	91.80	No active lab report	No	44,964.38	Unreleased	0.00	12,635.00	6,457.20	
Trpy Zlrp - 0033	0033MPR	Dried (discrete)	Pre-roll	6232.89	11,756.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,914.49	44,917.61	0.00	11,756.00	6,232.89		
CJ2237	CJ2237HPPR	Extracts - Inhaled (discrete)	Infused Pre-rolls	5280.44	10,199.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,819.58	44,834.53	0.00	10,199.00	5,280.44		
Purple Octane - 0049	0049MPR	Dried (discrete)	Pre-roll	4581.98	8,819.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,951.61	44,957.50	0.00	8,819.00	4,581.98		
DH.2134	Forbidden RNTZ - DH2134MPR	Dried (discrete)	Pre-roll	4429.99	8,712.00	0.00	0.00	0.00	Waiting for QA	SS1	No active lab report	No	44,848.58	Unreleased	0.00	8,712.00	4,429.99	1332 grams to be used / 2664 discrete units	
SB.2207Z	SB2207ZMPR	Dried (discrete)	Pre-roll	2827.40	5,362.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,854.50	44,862.40	0.00	5,362.00	2,827.40		
Blue Kerosene - 0036	0036MPR	Dried (discrete)	Pre-roll	2524.64	4,954.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,958.44	44,963.40	0.00	4,954.00	2,524.64		
Trpy Zlrp - 0071	0071PR	Extracts - Inhaled (discrete)	Infused Pre-rolls	2261.78	4,198.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,993.53	45,001.46	0.00	4,198.00	2,261.78		
Golden Ghost OG - GGO2229Z	GGO2229ZMPR	Dried (discrete)	Pre-roll	2208.24	4,299.00	0.00	0.00	0.00	QA Released	SS1	No selection made	No	44,979.60	44,984.43	0.00	4,299.00	2,208.24		
BLP2232Z - Blue Lime Pie	BLP2232ZMPR On Hold	Dried (discrete)	Pre-roll	2143.52	3,936.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,867.54	44,937.48	0.00	3,936.00	2,143.52		
Trpy Zlrp - 0034	0034MPR	Dried (discrete)	Pre-roll	1323.13	2,624.00	0.00	0.00	0.00	QA Released	Vault	90.72	Yes	No	44,939.61	44,942.36	0.00	2,624.00	1,323.13	
RC2217Z	RC2217ZMPR	Dried (discrete)	Pre-roll	1297.80	2,440.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,950.61	44,957.52	0.00	2,440.00	1,297.80		
Gas Leak - 0018	0018MPR	Dried (discrete)	Pre-roll	1201.46	2,258.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,894.38	44,904.41	0.00	2,258.00	1,201.46		
BLP2221Z	BLP2221ZMPR	Dried (discrete)	Pre-roll	1127.13	2,161.00	0.00	0.00	0.00	QA Released	SS1	Yes	No	44,848.43	44,860.48	0.00	2,161.00	1,127.13		
Cherry Jam - 0066	0066MPR	Dried (discrete)	Pre-roll	1086.90	2,100.00	0.00	0.00	0.00	QA Released	Vault	No selection made	No	44,974.33	44,978.40	0.00	2,100.00	1,086.90		
Tiki Rain - 0032	0032MPR	Dried (discrete)	Pre-roll	963.89	1,802.00	0.00	0.00	0.00	QA Released	Vault	No selection made	No	44,916.32	44,916.62	0.00	1,802.00	963.89		
HG0284 (Reallocated to Forbidden RNTZ)	HG0284MPR	Dried (discrete)	Pre-roll	607.07	1,199.00	0.00	0.00	0.00	Waiting for QA	SS1	91.00	No active lab report	No	44,810.48	Unreleased	0.00	1,199.00	607.07	
Blue Kerosene - 0017	0017MPR	Dried (discrete)	Pre-roll	408.88	786.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,883.60	44,902.47	0.00	786.00	408.88		
TZ2229Y	TZ2229YPR	Dried (discrete)	Pre-roll	316.55	631.00	0.00	0.00	0.00	QA Released	Vault	90.00	No	No	44,757.38	44,762.34	0.00	631.00	316.55	
CJ2202	CJ2202MPR	Dried (discrete)	Pre-roll	275.14	497.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,796.57	44,819.43	0.00	497.00	275.14		
CJ2210 - Cherry Jam	CJ2210MPR	Dried (discrete)	Pre-roll	235.33	449.00	0.00	0.00	0.00	QA Released	SS1	No selection made	No	44,841.42	44,937.37	0.00	449.00	235.33		
TZ2231FB - Trpy Zlrp	TZ2231FBMPR	Dried (discrete)	Pre-roll	188.55	361.00	0.00	0.00	0.00	QA Released	SS1	No selection made	No	44,788.44	44,796.64	0.00	361.00	188.55		
CJ.2142X	CJ.2142X.M.PRS	Dried (discrete)	Pre-roll	177.41	132.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,519.63	44,519.66	0.00	132.00	177.41		
SB.2211Y	SB.2211Y.PRS	Dried (discrete)	Pre-roll	105.70	211.00	0.00	0.00	0.00	QA Released	Vault - Ready for Packaging	90.00	Yes	No	44,641.47	44,641.54	0.00	211.00	105.70	
Forbidden RNTZ - 0008	0008M2PR	Dried (discrete)	Pre-roll	94.62	35.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,882.39	44,901.44	0.00	35.00	94.62		
CJ.2149	CJ2149MPR	Dried (discrete)	Pre-roll	89.48	88.00	0.00	0.00	0.00	QA Released	SS1	Yes	No	44,785.52	44,796.50	0.00	88.00	89.48		
CJ.2119	CJ.2119.M.PRS	Dried (discrete)	Pre-roll	87.96	162.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,439.60	44,446.53	0.00	162.00	87.96		
CJ.2124Z	CJ.2124Z.M2.PRS	Dried (discrete)	Pre-roll	64.32	121.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,399.64	Unreleased	0.00	121.00	64.32		
CJ.2141	CJ2141M2PR	Dried (discrete)	Pre-roll	57.90	112.00	0.00	0.00	0.00	QA Released	SS1	Yes	No	44,803.58	44,817.56	0.00	112.00	57.90		
CJ.2131	CJ.2131.M.PRS	Dried (discrete)	Pre-roll	57.42	95.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,543.67	44,547.52	0.00	95.00	57.42		
CJ.2124Z	CJ.2124Z.M4.PRS	Dried (discrete)	Pre-roll	56.68	95.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,418.37	Unreleased	0.00	95.00	56.68		
CJ.2139	CJ.2139.M.PRS	Dried (discrete)	Pre-roll	51.44	136.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,609.68	44,616.50	0.00	136.00	51.44		
Forbidden RNTZ - 0008	0008PR	Dried (discrete)	Pre-roll	50.50	90.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,866.62	44,872.51	0.00	90.00	50.50		
Stone Sour - 0027	0027MPR	Dried (discrete)	Pre-roll	45.19	85.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,924.45	44,925.58	0.00	85.00	45.19		
CJ.2126	CJ.2126.M.PRS	Dried (discrete)	Pre-roll	42.38	87.00	0.00	0.00	0.00	QA Released	Vault	Yes	No	44,540.48	44,540.50	0.00	87.00	42.38		
SB.2203Z	SB.2203Z.M.PRS	Dried (discrete)	Pre-roll	42.21	84.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,594.46	44,596.67	0.00	84.00	42.21		
CJ.2203Z	CJ.2203Z.M.PRS	Dried (discrete)	Pre-roll	39.84	41.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,587.48	44,589.62	0.00	41.00	39.84		
PB.2203Z	PB.2203Z.M.PRS	Dried (discrete)	Pre-roll	38.75	72.00	0.00	0.00	0.00	QA Released	Vault	92.52	Yes	No	44,600.41	44,615.38	0.00	72.00	38.75	
SB.2121ZD	SB.2121ZD.PRS	Dried (discrete)	Pre-roll	34.16	65.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,376.41	44,846.53	0.00	65.00	34.16	lot to be destroyed	
CJ2204	CJ2204MPR	Dried (discrete)	Pre-roll	28.38	52.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,841.40	44,873.40	0.00	52.00	28.38		
DH.2136Z	DH.2136Z.M.PRS	Dried (discrete)	Pre-roll	25.71	114.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,488.39	44,491.56	0.00	114.00	25.71		
CJ.2137	CJ2137MPR	Dried (discrete)	Pre-roll	22.78	130.00	0.00	0.00	0.00	QA Released	Vault	No selection made	No	44,775.42	44,788.52	0.00	130.00	22.78		
PL5.2129A	SB.2129A.M.PRS	Dried (discrete)	Pre-roll	18.54	34.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,406.46	Unreleased	0.00	34.00	18.54		
CJ.2124Z	CJ.2124Z.PRS	Dried (discrete)	Pre-roll	18.14	34.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,399.63	Unreleased	0.00	34.00	18.14		
TR2225Z	TR2225ZMPR	Dried (discrete)	Pre-roll	13.52	40.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,735.69	44,736.62	0.00	40.00	13.52		
PC.2206Y	PC2206YMPR	Dried (discrete)	Pre-roll	12.90	25.00	0.00	0.00	0.00	QA Released	SS1	No	No	44,781.66	44,783.53	0.00	25.00	12.90		
BLP.2136Z.F23	BLP.2136Z.F23.M.PRS	Dried (discrete)	Pre-roll	9.36	44.00	0.00	0.00	0.00	QA Released	Vault	No	No	44,490.38	44,496.48	0.00	44.00	9.36		
CJ2212 - Cherry Jam	CJ2212MPR	Dried (discrete)	Pre-roll	8.53	15.00	0.00	0.00	0.00	QA Released	SS1	No selection made	No	44,847.41	44,951.42	0.00	15.00	8.53		
White Lighting Iced Blunt - HG0368	HG0368PR	Extracts - Inhaled (discrete)	Infused Pre-rolls	6.89	20.00	0.00	0.00	0.00	QA Released	SS1	92.70	No	No	44,943.66	44,944.48	0.00	20.00	6.89	
Fossil Fuel - HG0366	HG0366MPR	Dried (discrete)	Pre-roll	4.45	5.00	0.00	0.00	0.00	QA Released	SS1	93.60	No	No	44,914.43	44,915.46	0.00	5.00	4.45	
				152209.54												Total	152,209.54		

Lot ID	Lot Type	Cannabis Form	Migrated ID	Bulk Weight - March 20	Packaged Units - March 20	Allocated Bulk - Ending April 6	Allocated Packaged Units - Ending April 6	Closing Bulk Weight - April 6	Closing Packaged Units - Ending April 6	Note
HG0322.1	Dried	Bulk Flower	Sundae Driver	15,460.50	0.00	0	0	15460.50	0.00	
HG0341.1	Dried	Bulk Flower	ZZYSC7-P-004-DB - Diamond Breath (Scotti's Cake)	12,423.79	3,252.00	144	0	23661.79	0.00	returning packaged weight to bulk
HG0344.1	Dried	Bulk Flower	LOT#3082 - Gas Tank (Pink Sunset #33) (LA Kush Cake)	31,099.22	749.00	0	24	31099.22	725.00	
HG0346.1	Dried	Bulk Flower	MZ22W121L142M - Rock The Boat (Mandarin Zkittles)	61,938.80	0.00	0	0	61938.80	0.00	
HG0348.1	Dried	Bulk Flower	CA0122003 - Spacejager (Green Ribbon x Tahoe Alien)	23,460.68	0.00	0	0	23460.68	0.00	
HG0353.1	Dried	Bulk Flower	CJ.2208.1 - Cherry Burst (Cherry Jam)	42,546.19	0.00	96	0	42450.19	0.00	
HG0356.1	Dried	Bulk Flower	MS04W122J067M - White Lightning (Mint Sherbert)	17,214.03	1,200.00	216	1200	16998.03	0.00	
HG0358.1	Dried	Small Flower	220223P299-12 - Frost Bite (Tally Man)	853.56	0.00	0	0	853.56	0.00	
HG0359.1	Dried	Bulk Flower	KC01HI22G181 - 3.146 Face (Kush Cake)	650.61	0.00	0	0	650.61	0.00	
HG0364.1	Dried	Bulk Flower	TC08W122I081 - The Leviathan (Tiger Cake)	7,833.56	0.00	0	0	7833.56	0.00	
HG0365.1	Dried	Bulk Flower	WC01W122J172 - Fossil Fuel (Wedding Cake)	12,140.81	0.00	0	0	12140.81	0.00	
HG0369.1	Dried	Bulk Flower	WC01W122K081 - 3.1416 Face (Wedding Cake)	8,614.30	0.00	168	0	8446.30	0.00	
HG0371.1	Dried	Bulk Flower	PC06W122J272 - Chemnesia (Peach Crescendo)	742.16	0.00	0	0	742.16	0.00	
PO in hand for 960 x 3.5g units, inventory remaining likely will										
HG0372.1	Dried	Bulk Flower	MJ0015 - Apple Mintz (KK Mintz)	2,675.78	0.00	3360	0	-684.22	0.00	not fill PO and remainder will be used for pre-roll
HG0373.1	Dried	Bulk Flower	22-005 - Chemnesia (Tally Man)	28,780.83	0.00	2940	0	25840.83	0.00	
HG0265.1	Dried	Bulk Flower	MANC20210222 - Sensi Wizard (Mandarin Cookies)	0.00	336.00	0	48	0.00	288.00	
HG0284.1	Dried	Bulk Flower	DH.2121c.1 - Gaelic Fire (Dark Helmet)	0.00	210	0	0	0.00	210.00	
HG0294.1	Dried	Bulk Flower	CJ2129-1 - Cherry Burst (Cherry Jam)	0.00	36.00	0	0	0.00	36.00	
HG0313.1	Dried	Bulk Flower	PK211206H - Gas Tank - Island Pink (Tom Ford Pink Kush)	0.00	684.00	0	0	2394.00	0.00	returning packaged weight to bulk
HG0325.1	Dried	Bulk Flower	Lot 0336 - White Lightning (8 Ball Kush)	0.00	1,008.00	0	0	3528.00	0.00	returning packaged weight to bulk
HG0326.1	Dried	Bulk Flower	CJ.2145.1 - Cherry Burst (Cherry Jam)	0.00	2712	0	0	9492.00	0.00	returning packaged weight to bulk
HG0350.1	Dried	Bulk Flower	MO1340 - Frostbite (Mimosa)	0.00	4,156.00	0	0	14546.00	0.00	returning packaged weight to bulk
HG0352.1	Dried	Bulk Flower	CJ.2133.1 - Cherry Burst (Cherry Jam)	0.00	2,682.00	0	0	37236.00	0.00	returning packaged weight to bulk (2658 x 14g, 244x1g)
Total				266,434.82			Total	338088.82		

Lot ID	Lot Type	Cannabis Form	Discrete Units - Packaged Units -		Allocated Discrete Units -	Allocated		Closing Discrete Units -		Closing Packaged Units -		Note
			March 20	March 20		- Ending April 6	Packaged Units	Ending April 6	Ending April 6	Ending April 6		
HG0294.PR	Dried (discrete)	Pre-rolls	1488.00	0.00	0	0	0	1488.00	0.00			
HG0295.PR	Dried (discrete)	Pre-rolls	30.00	0.00	0	0	0	30.00	0.00			
HG0308.PR	Dried (discrete)	Pre-rolls	39.00	0.00	0	0	0	39.00	0.00			
HG0325.PR	Dried (discrete)	Pre-rolls	42,184.00	960.00	0	960.00	42184.00	0.00				
HG0332.PR	Dried (discrete)	Pre-rolls	2,851.00	0.00	0	0	2851.00	0.00				
HG0337.PR	Dried (discrete)	Pre-rolls	30,673.00	0.00	0	0	30673.00	0.00				
HG0340.PR	Dried (discrete)	Pre-rolls	24,150.00	0.00	0	0	24150.00	0.00				
HG0342.PR	Dried (discrete)	Pre-rolls	8,725.00	108.00	0	0	8725.00	108.00				
HG0353.PR	Dried (discrete)	Pre-rolls	113.00	24.00	0	0	113.00	24.00				
HG0357.PR	Dried (discrete)	Pre-rolls	709.00	0.00	0	0	709.00	0.00				
HG0358.PR	Dried (discrete)	Pre-rolls	79.00	0.00	0	0	79.00	0.00				
HG0359.PR	Dried (discrete)	Pre-rolls	415.00	0.00	0	0	415.00	0.00				
HG0360.PR	Dried (discrete)	Pre-rolls	58.00	0.00	0	0	58.00	0.00				
HG0361.PR	Dried (discrete)	Pre-rolls	59.00	0.00	0	0	59.00	0.00				
HG0362.PR1	Dried (discrete)	Pre-rolls	1,786.00	0.00	0	0	1786.00	0.00				
HG0363.PR	Dried (discrete)	Pre-rolls	2,539.00	0.00	0	0	2539.00	0.00				
HG0365.PR	Dried (discrete)	Pre-rolls	11,790.00	0.00	0	0	11790.00	0.00				
HG0366.PR	Dried (discrete)	Pre-rolls	163.00	0.00	0	0	163.00	0.00				
HG0366.PR1	Dried (discrete)	Pre-rolls	16.00	0.00	0	0	16.00	0.00				
HG0367.PR	Dried (discrete)	Pre-rolls	13,203.00	24.00	0	0	13203.00	24.00				
HG0369.PR	Dried (discrete)	Pre-rolls	6,680.00	0.00	0	0	6680.00	0.00				
HG0370.PR	Dried (discrete)	Pre-rolls	5,738.00	0.00	1152	0	4586.00	0.00				
HG0371.PR	Dried (discrete)	Pre-rolls	2,456.00	0.00	2448	0	8.00	0.00				
HG0372.PR	Dried (discrete)	Pre-rolls	7,421.00	0.00	0	0	7421.00	0.00				
HG0373.PR	Dried (discrete)	Pre-rolls	25.00	0.00	0	0	25.00	0.00				
HG0374.PR	Dried (discrete)	Pre-rolls	4,454.00	0.00	0	0	4454.00	0.00				
HG0280.PR	Dried (discrete)	Pre-rolls	0.00	24	0	0	0.00	24.00				
HG0283.PR	Dried (discrete)	Pre-rolls	0.00	1632	0	0	0.00	1632.00				
HG0290.PR	Dried (discrete)	Pre-rolls	0.00	48.00	0	0	0.00	48.00				
HG0259.PR	Dried (discrete)	Pre-rolls	0.00	96.00	0	0	0.00	96.00				
HG0300.PR	Dried (discrete)	Pre-rolls	0.00	344.00	0	0	0.00	344.00				
HG0303.PR	Dried (discrete)	Pre-rolls	0.00	1,656.00	0	0	0.00	1656.00				
HG0304.PR	Dried (discrete)	Pre-rolls	0.00	48.00	0	0	0.00	48.00				
HG0312.PR	Dried (discrete)	Pre-rolls	0.00	67.00	0	0	0.00	67.00				
HG0323.PR	Dried (discrete)	Pre-rolls	0.00	360.00	0	0	0.00	360.00				
HG0329.PR	Dried (discrete)	Pre-rolls	0.00	384.00	0	0	0.00	384.00				
HG0348.PR	Dried (discrete)	Pre-rolls	0.00	12.00	0	0	0.00	12.00				
HG0349.PR	Dried (discrete)	Pre-rolls	0.00	480.00	0	0	0.00	480.00			returning packaged weight to bulk	
HG0351.PR	Dried (discrete)	Pre-rolls	0.00	2,016.00	0	0	0.00	2016.00			returning packaged weight to bulk	
		Total Weight	83922				Total Weight	82122				

Lot ID	Lot Type	Cannabis Form	Allocated - Ending		Closing Weight - April 6	Note
			Weight - March 20	April 6		
0001F (Shake)	Dried	Shake	191.8		0.0	191.8
0002F (Shake)	Dried	Shake	210.2			210.2
0003F (Shake)	Dried	Shake	471.5			471.5
0004F (Shake)	Dried	Shake	422.5			422.5
0005H	Extracts - Inhaled	Hash	18.7			18.7
0007F (Shake)	Dried	Shake	81.3			81.3
0008F (Shake)	Dried	Shake	121.4			121.4
0012F (Shake)	Dried	Shake	774.2			774.2
0017F (Shake)	Dried	Shake	427.6			427.6
0020T	Dried	Trim	100,490.5	100,490.5		0.0 Motif Sale
0023T	Dried	Trim	89,383.6			89,383.6
0025T	Dried	Trim	91,928.4	91,928.4		0.0 Motif Sale
0028F (Shake)	Dried	Shake	158.4			158.4
0029H	Extracts - Inhaled	Hash	1,345.4			1,345.4
0031 (Shake)	Dried	Shake	145.8			145.8
0032F (Shake)	Dried	Shake	85.1			85.1
0040S	Extracts - Inhaled	Shatter	1,422.5			1,422.5
0045F (Shake)	Dried	Shake	279.8			279.8
0047F (Shake)	Dried	Shake	510.2			510.2
0048 Shake	Dried	Shake	127.0			127.0
0061K.A	Extracts - Inhaled	Kief	5,526.0			5,526.0
0061K.B	Extracts - Inhaled	Kief	3,758.1			3,758.1
0067F (Shake)	Dried	Shake	124.5			124.5
0068F (Shake)	Dried	Shake	16.2			16.2
BLP2221Z1 (shake)	Dried	Shake	38.6			38.6
CJ.2119.Sample	Dried	Sample	273.8			273.8
CJ.2129.2	Dried	Trim	89,198.3			89,198.3
CJ21451 (Shake)	Dried	Shake	271.5			271.5
CJ.2151.2	Dried	Trim	91,557.1			91,557.1
CJ.2153.2	Dried	Trim	87,092.7			87,092.7
CJ.2206.K	Extracts - Inhaled	Kief	6,540.4			6,540.4
CJ.2208.K	Extracts - Inhaled	Kief	8,045.1			8,045.1
CJ22121 (Shake)	Dried	Shake	415.7			415.7
CJ.2222.2	Dried	Trim	76,493.1	76,493.1		0.0 Motif Sale
CJ.2224.2	Dried	Trim	88,176.0	88,176.0		0.0 Motif Sale
CJ.2226.2	Dried	Trim	89,973.0	89,973.0		0.0 Motif Sale
CJ.2229.2	Dried	Trim	107,673.6	107,673.6		0.0 Motif Sale
CJ2231.2	Dried	Trim	99,085.7	99,085.7		0.0 Motif Sale
DH.2124.2	Dried	Trim	54,724.6	54,724.6		0.0 Motif Sale
DH.2138.2	Dried	Trim	41,869.4	41,869.4		0.0 Motif Sale
DH.2138f.2	Dried	Trim	46,948.4	46,948.4		0.0 Motif Sale
DH21501 (Shake)	Dried	Shake	222.0			222.0
DH.2203.2	Dried	Trim	57,186.0	57,186.0		0.0 Motif Sale
OSBH.2120Z.H	Extracts - Inhaled	Hash	5,354.5	624.0		4,730.5
OSBH.2120Z.H (Scraps)	Extracts - Inhaled	Hash	31.9			31.9
PB22131 (Shake)	Dried	Shake	169.4			169.4

PB.2221.2	Dried	Trim	111,238.0	111,238.0
PB.2225.2	Dried	Trim	111,998.7	111,998.7
PB.2227.2	Dried	Trim	94,309.9	94,309.9
PB.2230.2	Dried	Trim	119,833.8	119,833.8
PC.2149Y.1 (Shake)	Dried	Shake	431.7	431.7
PC.2149Z.1 (Shake)	Dried	Shake	885.0	885.0
SB.2105.1 (Shake)	Dried	Shake	187.4	187.4
SB.2108A.1 (Shake)	Dried	Shake	1,262.8	1,262.8
SB.2115.1 (Shake)	Dried	Shake	415.3	415.3
SBH.2124Z.H.Test	Extracts - InhaledHash		481.5	481.5
SBH.2127Z	Extracts - InhaledHash		81,343.8	81,343.8 Simply - Soap Bar Hash
TZ2231Z1 (Shake)	Dried	Shake	79.1	79.1
WMI2226Y (shake)	Dried	Shake	124.8	124.8
WMI2226Z (Shake)	Dried	Shake	184.8	184.8
0050FB	Dried	Trim Blend	248,298.9	248,298.9
0051FB	Dried	Trim Blend	57,875.8	57,875.8
0052FB	Dried	Trim Blend	51,128.3	51,128.3

Lot ID	Lot Type	Cannabis Form	Migrated ID	Discrete Unit Weight - March 20	Discrete Units - March 20	Packaged Units - March 20	Packaged Unit Weight - March 20	Packaged Discrete Units - March 20	Allocated Discrete Units - Ending April 6	- Allocated Packaged Units	Closing Discrete - April 6	Closing Packaged - April 6	Note
0022MPR	Dried (discrete)	Pre-roll		5919.55	11,257.00	1,752.00	2,761.15	5,256.00		0	1,752.00	11,257.00	0.00
0046H (2g)	Extracts - Inhaled (discrete)	Hash		4535.50	2,195.00	72.00	146.07	72.00	2195	72.00	0.00	0.00	0.00 Additional 4968g required for PO, will leave bulk weight at 0 as of April 6
DH.21232.M.PRS	Dried (discrete)	Pre-roll		4461.94	8,639.00	24.00	38.47	72.00	0.00	0.00	8,711.00	0.00	0.00 returning packaged inventory to discrete units - 72 Discrete Units
PB2236HPPR	Extracts - Inhaled (discrete)	Infused Pre-rolls		4334.12	8,540.00	480.00	730.56	1,440.00	0.00	480.00	8,540.00	0.00	0.00
PB22132M2MPR	Dried (discrete)	Pre-roll		2534.80	5,004.00	36.00	510.44	1,008.00	0.00	36.00	5,004.00	0.00	0.00
GG02222M2MPR	Dried (discrete)	Pre-roll		681.19	1,306.00	24.00	37.54	72.00	0.00	24.00	1,306.00	0.00	0.00
HG0375PR (1g)	Extracts - Inhaled (discrete)	Infused Pre-rolls		588.20	564.00	2,544.00	2,569.44	2,544.00	0.00	0.00	564.00	2,544.00	0.00 Waiting for PO
0027M2PR	Dried (discrete)	Pre-roll		360.90	681.00	1,800.00	2,829.60	5,400.00	0.00	1,800.00	681.00	0.00	0.00
BLP2208YMPR	Dried (discrete)	Pre-roll		281.94	531.00	228.00	517.68	984.00	0.00	228.00	531.00	0.00	0.00
DH.2136Y.M.PRS	Dried (discrete)	Pre-roll		236.65	488.00	72.00	112.97	216.00	0.00	0.00	704.00	0.00	0.00 returning packaged inventory to discrete units - 216 Discrete Units
TR2233FBMPR	Dried (discrete)	Pre-roll		111.90	134.00	360.00	568.08	1,080.00	0.00	0.00	326.00	0.00	0.00 returning packaged inventory to discrete units - 192 Discrete Units
CJ.2147MPR	Dried (discrete)	Pre-roll		85.80	190.00	18.00	261.86	504.00	0.00	18.00	190.00	0.00	0.00
CJ.2124Z .5g Pre Roll Finished	Dried (discrete)	Pre-roll		57.83	99.00	48.00	76.65	144.00	0.00	0.00	243.00	0.00	0.00 returning packaged inventory to discrete units - 144 Discrete Units
CJ.2221MBPR	Dried (discrete)	Pre-roll		55.50	106.00	6.00	87.91	168.00	0.00	6.00	106.00	0.00	0.00
BLP.2208X.M.PRS	Dried (discrete)	Pre-roll		50.27	95.00	12.00	211.88	408.00	0.00	12.00	95.00	0.00	0.00
BLP.2221MBPR	Dried (discrete)	Pre-roll		50.25	75.00	12.00	172.13	336.00	0.00	12.00	75.00	0.00	0.00
CJ.2142Z.M.PRS	Dried (discrete)	Pre-roll		23.91	188.00	48.00	78.72	144.00	0.00	0.00	0.00	0.00	0.00 30g of packaged weight to be destroyed
0001F (3.5g)	Dried (discrete)	Small Flower		0.46	0.00	540.00	1,936.08	540.00	0.00	540.00	0.00	0.00	0.00
0045F (3.5g)	Dried (discrete)	Small Flower	DH22031	0.34	0.00	480.00	1,719.36	480.00	0.00	480.00	0.00	0.00	0.00
0012F (2g)	Dried (discrete)	Small Flower		0.01	0.00	24.00	675.89	24.00	0.00	24.00	0.00	0.00	0.00
HG0344 - RTV-CHBK-004855	Dried (discrete)	Small Flower	HG0344	1974.00	564.00	0.00	0.00	0.00	0.00	0.00	564.00	0.00	0.00
SB.2105.1 (2g)	Dried (discrete)	Small Flower		569.92	20.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00
CJ.2126.1 (3.5g)	Dried (discrete)	Small Flower		485.45	132.00	0.00	0.00	0.00	0.00	0.00	132.00	0.00	0.00
OSPH.2131Z.H (1 g)	Extracts - Inhaled (discrete)	Hash		392.46	380.00	0.00	0.00	0.00	0.00	0.00	380.00	0.00	0.00
HG0282 - RTV-CHBK-004855	Dried (discrete)	Small Flower	HG0282	378.00	108.00	0.00	0.00	0.00	0.00	0.00	108.00	0.00	0.00
SB.2115.1 (2g)	Dried (discrete)	Small Flower		213.18	7.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	0.00
CJ.2138Z.1 (3.5g)	Dried (discrete)	Small Flower		141.22	38.00	0.00	0.00	0.00	0.00	0.00	38.00	0.00	0.00
PC.2149Y.1 (3.5g)	Dried (discrete)	Small Flower		97.22	24.00	0.00	0.00	0.00	0.00	0.00	24.00	0.00	0.00
OSPH.2124Z.H (1g)	Extracts - Inhaled (discrete)	Hash		88.00	83.00	0.00	0.00	0.00	0.00	0.00	83.00	0.00	0.00
DH.2123Z.1 (3.5g)	Dried (discrete)	Small Flower		87.50	23.00	0.00	0.00	0.00	0.00	0.00	23.00	0.00	0.00
HG0329 - RTV-CHBK-004855	Dried (discrete)	Small Flower	HG0329	63.00	18.00	0.00	0.00	0.00	0.00	0.00	18.00	0.00	0.00
HG0312 - RTV10242022	Dried (discrete)	Small Flower	HG0312	31.50	9.00	0.00	0.00	0.00	0.00	0.00	9.00	0.00	0.00
SB.2130Z.1 (3.5g)	Dried (discrete)	Small Flower		24.78	7.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	0.00
CJ.2151Z.1 (3.5g)	Dried (discrete)	Small Flower		24.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CJ.2109.1 (3.5g)	Dried (discrete)	Small Flower		24.38	5.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00
SFH.2232H (2g)	Extracts - Inhaled (discrete)	Hash		20.34	10.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
SFH.2225H (2g)	Extracts - Inhaled (discrete)	Hash		16.43	8.00	0.00	0.00	0.00	0.00	0.00	8.00	0.00	0.00
OSPH.2124Z.H (2g)	Extracts - Inhaled (discrete)	Hash		15.21	6.00	0.00	0.00	0.00	0.00	0.00	6.00	0.00	0.00
0063S (1g)	Extracts - Inhaled (discrete)	Shatter	H220603SHPH	6.80	7.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	0.00
0062S	Extracts - Inhaled (discrete)	Shatter	220313SHPH	2.00	2.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00

SCHEDULE "C"**EXCLUDED ASSETS**

1. TJAC Excluded Assets to be transferred to TJAC Residual Co.:
 - (a) all cash, cash equivalents, moneys in possession of banks, and other depositories, term or time deposits and similar cash items, and guaranteed investment certificates, owned or held by or for the account of TJAC;
 - (b) with the exception of all Closing Date Purchased Entity Receivables, all accounts receivable, bills receivable, trade accounts and book debts and other amounts due or deemed to be due to TJAC prior to the Closing Date relating to the Business, including refunds, rebates and amounts recoverable under policies of insurance and the benefit of all security (including cash deposits), guarantees and other collateral held by TJAC relating thereto;
 - (c) all cash, cash equivalents, moneys or deposits in possession of the Canada Revenue Agency owned by or held for the account of TJAC as security for any obligation of TJAC, including TJAC's obligations under the *Excise Act, 2001* (Canada);
 - (d) any surety bond provided as security for any obligation of TJAC, including TJAC's obligations under the *Excise Act, 2001* (Canada);
 - (e) all of TJAC's right, title and interest in and to the Excluded Contracts; and
 - (f) 100% of the issued and outstanding shares in the capital of TRC Residual Co.
2. TRC Excluded Assets to be transferred to TRC Residual Co:
 - (a) all cash, cash equivalents, moneys in possession of banks, and other depositories, term or time deposits and similar cash items, and guaranteed investment certificates, owned or held by or for the account of TRC;
 - (b) all accounts receivable, bills receivable, trade accounts and book debts and other amounts due or deemed to be due to TRC prior to the Closing Date relating to the Business, including refunds, rebates and amounts recoverable under policies of insurance and the benefit of all security (including cash deposits), guarantees and other collateral held by TRC relating thereto; and
 - (c) all of TRC's right, title and interest in and to the Excluded Contracts.
3. MYM Excluded Assets to be transferred to MYM Residual Co.:
 - (a) all cash, cash equivalents, moneys in possession of banks, and other depositories, term or time deposits and similar cash items, and guaranteed investment certificates, owned or held by or for the account of MYM;
 - (b) all accounts receivable, bills receivable, trade accounts and book debts and other amounts due or deemed to be due to MYM prior to the Closing Date relating to the Business, including refunds, rebates and amounts recoverable under policies of insurance and the

benefit of all security (including cash deposits), guarantees and other collateral held by MYM relating thereto;

- (c) 100% of the issued and outstanding shares in the capital of CannaCanada Inc.;
 - (d) 100% of the issued and outstanding shares in the capital of MYMB Residual Co.; and
 - (e) all of MYM's right, title and interest in and to the Excluded Contracts.
4. MYMB Excluded Assets to be transferred to MYMB Residual Co.:
- (a) all cash, cash equivalents, moneys in possession of banks, and other depositories, term or time deposits and similar cash items, guaranteed investment certificates, owned or held by or for the account of MYMB;
 - (b) all accounts receivable, bills receivable, trade accounts and book debts and other amounts due or deemed to be due to MYMB prior to the Closing Date relating to the Business, including refunds, rebates and amounts recoverable under policies of insurance and the benefit of all security (including cash deposits), guarantees and other collateral held by MYMB relating thereto;
 - (c) 100% of the issued and outstanding shares in the capital of Highland Residual Co.; and
 - (d) all of MYMB's right, title and interest in and to the Excluded Contracts.
5. Highland Excluded Assets to be transferred to Highland Residual Co.:
- (a) all cash, cash equivalents, moneys in possession of banks, and other depositories, term or time deposits and similar cash items, guaranteed investment certificates, owned or held by or for the account of Highland;
 - (b) with the exception of all Closing Date Purchased Entity Receivables, all accounts receivable, bills receivable, trade accounts and book debts and other amounts due or deemed to be due to Highland prior to the Closing Date relating to the Business, including refunds, rebates and amounts recoverable under policies of insurance and the benefit of all security (including cash deposits), guarantees and other collateral held by Highland relating thereto;
 - (c) all cash, cash equivalents, moneys or deposits in possession of the Canada Revenue Agency owned by or held for the account of Highland as security for any obligation of Highland, including Highland's obligations under the *Excise Act, 2001* (Canada);
 - (d) any surety bond provided as security for any obligation of Highland, including Highland's obligations under the *Excise Act, 2001* (Canada); and
 - (e) all of Highland's right, title and interest in and to the Excluded Contracts.

SCHEDULE "D"

ASSUMED CONTRACTS

1. The Trillium Lease.
2. Any Contracts in respect of Employees.
3. See attached.

Entity	Vendor	Department	Nature/Description of Contract
TJAC	American Express	Finance	Corporate Services Commercial Account Agreement (#00410037.1)
TJAC	Canada Bank Note	Finance	Statement of Work No. 2 - Excise Stamp Reconciliation
TJAC	Canada Bank Note	Finance	Statement of Work No. 1 - Excise Stamp Agreement
TJAC	Canada Bank Note	Finance	Statement of Work No. 1 - Excise Stamp Conversion
TJAC	ADP Canada	HR	Amendment to Global Master Services Agreement
TJAC	ADP Canada	HR	Global Master Services Agreement
MYM/HGI	Cooperators Insurance	Insurance	Policy Number 4000956018 - F150 (VIN: 1FTFW1E53KFB52096)
MYM/HGI	NextWave Insurance	Insurance	NWIC1002207 - \$15M CGL & Equipment (Boiler-Machinery)
MYM/HGI	NextWave Insurance	Insurance	NWIC1002207 - \$15M Products Recall
MYM/HGI	NextWave Insurance	Insurance	Property & Business Interruption
TJAC	Intact Insurance	Insurance	Insurance for 2021 Ford Transit - (VIN: VMOLS7V2XM1500576)
TJAC	Next Wave Insurance	Insurance	NWIC1002207 - \$15M CGL
TJAC	Next Wave Insurance	Insurance	NWIC1002207 - \$15M Products Recall
TJAC	Next Wave Insurance	Insurance	Property-Cargo-Equipment (Boiler & Machinery)-Business Interruption
TJAC	Dynamic 365 People Software	IT	365 Cannabis - License Quote - 3 Additional Finance Full Users & Monthly Support
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement - Order Form
TJAC	Dynamic 365 People Software	IT	Rapid Deployment SaaS Licence, Support, and Services Agreement
TJAC	Blue Top Properties (855 Trillium Inc.)	Legal	Trillium Facility Lease - Original
TJAC	Blue Top Properties (855 Trillium Inc.)	Legal	Trillium Facility Lease - Renewal
TJAC	Ford Credit Canada - Woodstock Ford	Legal	Bill of Sale and Related Agreements
TJAC	Canada (IP Office)	Legal	Trademark Application: Wagners. Application #: 2-066-121
MYM/HGI	Office of the Superintendent of Licensing, Department of Finance, Government of Nunavut	Legal	NU Annual Corporate Return
TJAC	Stericycle (Shred It)	Office	Shred-It Services
MYM/HGI	Ample Organics	Operations	Master Services Agreement
TJAC	Ample Organics	Operations	Master Services Agreement
TJAC	Ample Organics	Operations	Professional Services Agreement
TJAC	Cintas	Operations	Services & Supply Agreement
TJAC	DHL	Operations	Letter of Agreement
TJAC	Fedex	Operations	Amendment #1 to Fedex Transportation Services Agreement

Entity	Vendor	Department	Nature/Description of Contract
TJAC	GS1 Canada	Operations	Intellectual Property Rights Agreement
TJAC	GS1 Canada	Operations	Contribution Agreement
TJAC	High North Laboratories	Operations	Quality Agreement
TJAC	Kitchener Utilities	Operations	Natural Gas - 855 Trillium Drive - Tenant Contact
TJAC	Kitchener Wilmot Hydro	Operations	Hydro Contract - 855 Trillium Drive
TJAC	Pathogenia	Operations	Quality Agreement
TJAC	Rogers Enterprise	Operations	Master Enterprise Customer Agreement
TJAC	Rogers Enterprise	Operations	Addendum to MECA
TJAC	Waste Connections	Operations	Service Agreement 855 Trillium Drive
MYM/HGI	Nova Scotia Power	Operations	Hydro Contract - HGI
MYM/HGI	Seaside Wireless	Operations	Internet - Nova Scotia
MYM/HGI	Alberta Lottery & Gaming Corp (ALGC)	Sales/Marketing	Standing Offer Contract #1975 - Registration #301698
MYM/HGI	BC Liquor Distribution Branch (BCLDB)	Sales/Marketing	Licensed Producer Supply Agreement for Non-Medical Cannabis
MYM/HGI	Cannabis NB Ltd.	Sales/Marketing	Production and Supply Agreement
MYM/HGI	Newfoundland & Labrador Liquor Corp (NLC)	Sales/Marketing	NLC Cannabis and Cannabis Related Product Supply Agreement
MYM/HGI	Ontario Cannabis Store (OCS)	Sales/Marketing	Master Cannabis Supply Agreement
MYM/HGI	SLGA	Sales/Marketing	License Producer Registration
MYM/HGI	Yukon Liquor Corporation	Sales/Marketing	Cannabis Purchase and Sale Agreement
TJAC	Distribution)	Sales/Marketing	SK - Exclusive Wholesale Supply and Distribution Agreement
TJAC	Alberta Lottery & Gaming Corp (ALGC)	Sales/Marketing	Standing Offer Contract #1975 - Registration #301496
TJAC	Autorite Des Marches Publics (AMP)	Sales/Marketing	Authorization to Contract with the SQDC - Confirmation Letter
TJAC	BC Liquor Distribution Branch (BCLDB)	Sales/Marketing	Licensed Producer Supply Agreement for Non-Medical Cannabis
TJAC	Cannabis NB Ltd.	Sales/Marketing	Production and Supply Agreement
TJAC	Newfoundland & Labrador Liquor Corp. (NLC)	Sales/Marketing	NLC Cannabis and Cannabis Related Product Supply Agreement
TJAC	NWT Provincial Agreement	Sales/Marketing	NWT Supply Agreement
TJAC	Ontario Cannabis Store (OCS)	Sales/Marketing	Master Cannabis Supply Agreement
TJAC	Yukon Liquor Corporation	Sales/Marketing	Cannabis Purchase and Sale Agreement

SCHEDULE "E"**EXCLUDED LIABILITIES**

1. TJAC Excluded Liabilities to be transferred to TJAC Residual Co.:
 - (a) Professional Costs;
 - (b) any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings;
 - (c) any Liability in connection with the Amended and Restated Lease Agreement dated February 1, 2018, between Homer Land Corp., as landlord, and James E. Wagner Cultivation Ltd., as tenant, in respect of certain leased premises situated on lands known municipally as 530 Manitou Drive, Kitchener, Ontario, as assigned by James E. Wagner Cultivation Ltd. to TJAC pursuant to a Lease Assignment Agreement dated July 28, 2020 and Consent to Assignment dated July 23, 2020, among James E. Wagner Cultivation Ltd., TJAC and Homer Land Corp., which lease was disclaimed by TJAC effective December 23, 2022 pursuant to and in accordance with section 32 of the CCAA;
 - (d) any Liability in connection with the Lease Agreement 20006383 between TJAC, as lessee, and Bennington Financial Corp., as lessor, executed by such parties on March 21, 2022 and March 25, 2022, respectively, in connection with a 2021 Hangcha Forklift having serial number R5BJ00068 and model number CPD25-XD2-C, which lease was disclaimed by TJAC effective December 23, 2022 pursuant to and in accordance with section 32 of the CCAA;
 - (e) any Liability in connection with (i) Master Security Services Terms and Conditions #00025152 between TJAC and eSentire, Inc. dated February 3, 2021, (ii) Order Form #00026377 between TJAC and eSentire, Inc. dated February 3, 2021, as amended by Amendment #00027754 between TJAC and eSentire, Inc. dated May 28, 2021 and Amendment #00034928 between TJAC and eSentire, Inc. dated November 2, 2022 and (iii) Order Form #00028855 between TJAC and eSentire, Inc. dated February 28, 2022, which agreements were disclaimed by TJAC effective January 21, 2023 pursuant to and in accordance with section 32 of the CCAA;
 - (f) any Liability in connection with (i) Abell Pest Control Management Program Service Proposal IQ0004930 between James E. Wagner Cultivation Ltd. and Abell Pest Control Inc. entered into on or around March 17, 2018, as assigned by James E. Wagner Cultivation Ltd. to TJAC by way of an Assignment of Ancillary Agreements dated August 28, 2020 and (ii) Abell Pest Control Service Proposal #051392 between James E. Wagner Cultivation Ltd. and Abell Pest Control Inc. dated November 13, 2017, as assigned to and assumed by TJAC, which agreements were disclaimed by TJAC effective January 22, 2023 pursuant to and in accordance with section 32 of the CCAA; and
 - (g) any intercompany debt excluding, for greater certainty, any Deferred Consideration.
2. TRC Excluded Liabilities to be transferred to TRC Residual Co.:
 - (a) Professional Costs;

- (b) any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings; and
 - (c) any intercompany debt.
- 3. MYM Excluded Liabilities to be transferred to MYM Residual Co.:
 - (a) Professional Costs;
 - (b) any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings;
 - (c) any Liability in connection with the Lease dated April 13, 2018, between The Manufacturers Life Insurance Company, as landlord, and MYM, as tenant, in respect of certain leased premises located in a building having a municipal address of 1095 West Pender Street in the City of Vancouver, British Columbia and known as Manulife Place, which lease was disclaimed by MYM pursuant to and in accordance with section 32 of the CCAA, which is currently set to become effective on December 17, 2022; and
 - (d) any intercompany debt.
- 4. MYMB Excluded Liabilities to be transferred to MYMB Residual Co.:
 - (a) Professional Costs;
 - (b) any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings; and
 - (c) any intercompany debt.
- 5. Highland Excluded Liabilities to be transferred to Highland Residual Co.:
 - (a) Professional Costs.
 - (b) any amounts owing in respect of DIP financing obtained in connection with the CCAA Proceedings; and
 - (c) any intercompany debt excluding, for greater certainty, any Deferred Consideration.

SCHEDULE "F"

ENCUMBRANCES TO BE DISCHARGED

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
<i>TJAC</i>				
Ontario	20200826 1340 1590 0316 765129519	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20200826 1341 1590 0317 765129537	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20210511 0938 1862 7712 772381629	May 11, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20220324 1335 1901 1970 781390161	March 24, 2022	Kempenfelt, a division of Bennington Financial Corp.	Equipment Other Motor vehicle incl.
<i>MYM</i>				
Ontario	20210823 1624 1590 1854 775673973	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196579N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after acquired personal property
<i>MYMB</i>				
Ontario	20210823 1623 1590 1853 775673937	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196584N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after acquired personal property
<i>Highland</i>				
Ontario	20210823 1626 1590 1855 775673982	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Nova Scotia	35017565 SM004579.645	August 23, 2021	Cortland Credit Lending Corporation, as agent	A security interest is taken in all of the debtor's present and after acquired personal property

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
<i>TRC</i>				
Ontario	20210823 1353 1590 1796 775668366	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.

SCHEDULE "G"
ASSUMED LIABILITIES

Nil.

SCHEDULE "H"
PERMITTED ENCUMBRANCES

Nil.

SCHEDULE "I"**RETAINED ASSETS**

1. All chattels and equipment, including without limitation, security systems, furniture, packaging equipment, shelving and racking, hash making equipment, grinders, lights, plants, printers, stationary equipment, servers, computers and other IT hardware.
2. Bank accounts of the Purchased Entities.
3. All Tax losses (non-capital or otherwise) of the Purchased Entities, if any.
4. All SKUs/listings and all purchase orders.
5. All inventory and packaging, except for inventory sold in the ordinary course of business in the Interim Period.
6. Legal and beneficial title to the land municipally known as 861 Ohio East Road, Hillcrest, Nova Scotia, with PID 10054021.
7. 2021 Ford Transit with the following vehicle identification number: VM0LS7V2XM1500576.

SCHEDULE "J"

SECURED PROMISSORY NOTE

See attached.

PROMISSORY NOTE**CDN \$2,375,000.00****Date: April __, 2023¹****1. Promise to Pay**

FOR VALUE RECEIVED 1000370759 ONTARIO INC. (the "**Borrower**") unconditionally promises to pay to TRICHOME FINANCIAL CORP. (the "**Lender**"), its successors and assigns, at such location as the Lender may direct in writing, the principal sum of \$2,375,000.00 in lawful money of Canada (the "**Principal Amount**") together with interest on the Principal Amount outstanding from time to time. The Principal Amount shall be due and be paid on October __, 2023² (the "**Maturity Date**"). Notwithstanding anything else contained in this Note or the Share Purchase Agreement dated March 28, 2023 between, *inter alios*, the Borrower and the Lender (the "**Share Purchase Agreement**"), the Principal Amount shall be reduced on a dollar-for-dollar basis by the Assumed Liabilities Employee Amount (as such term is defined in the Share Purchase Agreement).

2. Interest

The Principal Amount outstanding at any time, and from time to time, and any overdue interest, shall bear interest at the rate equal to 10% per annum, both before and after demand, default, and judgment. Such interest shall be calculated not in advance and payable when not in default on the Maturity Date and, after default, payable on demand.

3. Criminal Rate of Interest

In no event shall the aggregate "interest" (as defined in Section 347 (the "**Criminal Code Section**") of the *Criminal Code* (Canada)) payable to the Lender under this Note exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section. Further, if any payment, collection or demand pursuant to this Note in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the Lender and the Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lender of interest at a rate not in contravention of the Criminal Code Section.

4. Interest Act (Canada)

Each interest rate which is calculated under this Note on any basis other than a full calendar year (the "**deemed interest period**") is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such result by the actual number of days in the calendar year (365 or 366).

¹ To be dated the Closing Date (as defined in the Share Purchase Agreement).

² To be dated the 6 month anniversary date of the Closing Date.

5. Application of Payments

Any payments in respect of amounts due under this Note shall be applied first in satisfaction of any accrued and unpaid interest, and then to the principal amount outstanding under this Note.

6. Events of Default

All amounts due under this Note shall become due and payable without any notice to the Borrower if any one or more of the following events of default has occurred and is continuing:

- (a) the Borrower fails to make payment when due of the Principal Amount outstanding or of any accrued interest;
- (b) the Borrower is unable to meet its obligations as they generally become due; or
- (c) a proceeding in bankruptcy or insolvency of the Borrower or for a receiver or trustee for any of its property is filed by or against the Borrower.

7. Prepayment

Prior to demand, the Borrower shall be entitled to prepay all or any portion of the Principal Amount and any interest outstanding under this Note without penalty, notice or bonus.

8. Governing Law and Successors

This Note is made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario, and shall enure to the benefit of the Lender and its successors and assigns, and shall be binding on the Borrower and its successors and permitted assigns.

9. Waiver by the Borrower

The Borrower waives presentment for payment, notice of non-payment, notice of dishonour, and notice of protest of this Note. The Borrower also waives the benefits of division and discussion and the right to assert in any action or proceeding with regard to this Note any set-offs or counterclaims which the Borrower may have.

10. No Waiver by the Lender

Neither the extension of time for making any payment which is due and payable under this Note at any time or times, nor the failure, delay, or omission of the Lender to exercise or enforce any of its rights or remedies under this Note, shall constitute a waiver by the Lender of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Lender's further exercise of such right or remedy or any other right or remedy.

[signature page follows]

IN WITNESS WHEREOF the Borrower has executed this Note as of the date first above written.

1000370759 ONTARIO INC.

Per: _____
Name:
Title:

SCHEDULE "K"
GUARANTEE AND GSA

See attached.

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: TRICHOME FINANCIAL CORP. (the "Lender")

WHEREAS 1000370759 Ontario Inc. (the "**Borrower**") issued a promissory note dated as of the date hereof in favour of the Lender (the "**Note**") wherein the Lender agreed to loan the principal sum of \$2,375,000.00 to the Borrower on the terms and conditions set out in the Note (the "**Loan**").

AND WHEREAS the Lender, in consideration for and as a condition of proceeding with the Loan, required 2767888 Ontario Inc. (the "**Guarantor**") to provide a guarantee in respect of the repayment of monies secured by the Note.

AND WHEREAS the Guarantor will benefit from extension of the Loan to the Borrower.

NOW THEREFORE WITNESSETH in consideration of the sum of Two Dollars (\$2.00) now paid by the Lender to the undersigned (the receipt and sufficiency of which is hereby acknowledged) and the Lender providing the Loan to the Borrower on the terms and conditions set out in the Note, the Guarantor hereby jointly and severally with the Borrower irrevocably, absolutely and unconditionally, as principal debtor and not as surety, guarantees to the Lender the due and punctual payment by the Borrower of all principal monies, interest and any other monies which may now or hereafter become due and owing under the terms of the Note and the observance and performance by the Borrower of all of the covenants and obligations contained therein and the Guarantor for itself and its successors and assigns covenants with the Lender that if the Borrower shall at any time make default in the punctual payment of any monies payable under the Note or fail to observe and perform any of the covenants and obligations contained therein or in the Note, they will pay all such monies to the Lender or perform any of the covenants and obligations of the Borrower forthwith after demand having been made in accordance with the notice provisions contained herein and agree to indemnify the Lender against all losses, damages, costs, charges and expenses the Lender may at any time or from time to time suffer, incur or become liable of in connection with resulting from or occasioned by any breach by the Borrower of any provisions contained in the Note. The Guarantor's liability hereunder shall bear interest from the date of such demand at the rate of interest set out in the Note.

The Guarantor further acknowledges and agrees with the Lender as follows:

1. The Lender may grant time, renewals, extensions to comply, indulgences, releases and discharge or take additional security from and give up the same in any or all of the security it is receiving from the Borrower, abstain from taking any enforcement proceedings it may be entitled to and otherwise deal with the Borrower and others as the Lender may see fit, including entering into amending agreements or dealing with the Note in any other manner other than any increased obligations under the Note as same exist as of the date hereof unless the Guarantor has consented to such amendment in writing, and may apply all monies at any time received from the Borrower or others upon such part of the obligation of the Borrower as the Lender deem best and change any such application in whole or in part, without in any way limiting or lessening the liabilities of the Guarantor to the Lender.

2. The Lender shall not be bound to exhaust its recourse against the Borrower or other covenantors or to value the security under the Note or any collateral security before requiring or being entitled to payment from the Guarantor. Provided it is understood and agreed any funds payable pursuant to this covenant to the Lender shall be applied by the Lender upon receipt of such funds to amounts due and payable under the Note.
3. No change or extension of time or other indulgence or release of the Borrower or anyone claiming through the Borrower, either before or after demand or claim against the Guarantor or any arrangement or other dealing by the Lender with the Borrower or any other person, either before or after demand or claim against the Guarantor, or the bankruptcy or insolvency of the Borrower, or the release, exchange, acceptance or failure to perfect by the Lender of any security, either before or after demand or claim against the Guarantee, shall in any way release, waive, vary, affect or prejudice the rights of the Lender against the Guarantor, notwithstanding the Lender may not give notice thereof to the Guarantor and the Guarantor hereby waives, to the maximum extent permitted by law, any requirement of notice, demand or prior action against the Borrower or any other security and hereby renounces all benefits of discussions and division.
4. All indebtedness and liability, present and future, of the Borrower to the Guarantor as well as any indebtedness or liability for amounts advanced by the Guarantor on behalf of any other covenantor pursuant to any security are hereby assigned to the Lender and postponed to the obligations contained in the Note, and all monies received by the Guarantor in respect thereof shall be received in trust for the Lender and shall be paid over to the Lender upon demand without in any way limiting or lessening the obligations imposed on the Guarantor and this assignment and postponement shall remain in full effect until repayment in full to the Lender of all amounts secured by the Note. The Guarantor acknowledges the assignment to the Lender shall not impose upon the Lender any obligation to do anything to realize on the assigned debts and claims or to ensure those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.
5. The Guarantor shall have no right to be subrogated to the rights of the Lender until all liabilities and obligations of the Borrower and the Guarantor to the Lender have been satisfied in full in respect of the Note.
6. The covenants of the Guarantor shall continue for the full term of the Note unless a release in writing has been authorized by the Lender and shall be binding upon the respective successors and assigns of the Guarantor.
7. The Guarantor agrees to make payment to the Lender forthwith after demand for payment is made in writing.
8. The Guarantor acknowledges that if for any reason the Borrower has no legal existence and is or becomes under no legal obligation to discharge the monies secured by the Note or if any monies owing by the Borrower to the Lender becomes irrecoverable from the Borrower by operation of law or for any reason whatsoever, this covenant and the covenants, agreements and obligations of the Guarantor contained herein shall nevertheless be binding upon the Guarantor as principal debtor until such time as all monies owing by

the Borrower to the Lender under the Note have been paid in full and the liabilities secured thereby have been discharged.

9. This covenant shall be in addition to and not in substitution for any other guarantees or other securities which the Lender may now or hereafter hold in respect of the monies secured by the Note and the Lender shall be under no obligation to marshal in favour of the Guarantor any other covenants or other securities or any monies or other assets which the Lender may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other covenants or other securities the Lender may now or hereafter hold in respect of the monies secured by the Note.
10. The statement in writing of the Lender of the monies owing by the Borrower to the Lender or of any Event of Default (as defined in the Note) shall be binding upon the Guarantor and conclusive against it unless an error has been made and all right to question in any way the Lender's present or future method of dealing with the Borrower or any dealing with any person or persons now or hereafter liable to the Lender for the monies hereby secured or any part thereof or with any security now or hereafter held by the Lender or with any goods or property covered by such security is hereby waived.
11. The Guarantor agrees that the Lender shall not be obliged to make any demand upon, or take any proceedings, or action against the Borrower or any other person before pursuing its rights against the Guarantor pursuant hereto. In the event the Lender in its absolute discretion makes demand upon the Guarantor, the Guarantor shall be held and be bound to the Lender directly as principal debtor in respect of the payment of the amounts hereby guaranteed. Demand for payment shall be deemed to have been effectively made upon the Guarantor if and when an envelope containing such demand addressed to the Guarantor, at the address of the Guarantor last known to the Lender, is posted, postage prepaid, in the post office. All payments hereunder shall be made to the Lender at such location as the Lender may direct in writing.
12. The Guarantor hereby further covenants and agrees in addition to any liability imposed upon the Guarantor in respect of all amounts due and payable under the Note in respect of the Loan, including any interest due thereunder, any reasonable costs related to the recovering of same by the Lender, the Guarantor shall, in addition to the foregoing, be jointly and severally liable for and fully indemnify the Lender and its respective officers, directors and employees for any and all reasonable costs, expenses, damages or liabilities (including legal fees on a substantial indemnity basis) incurred by the Lender, directly or indirectly, arising out of or attributable to the non-compliance of the Borrower or its employees or agents with the obligations imposed under the Note, which the Guarantor acknowledges having reviewed, together with all such costs, expenses, damages or liabilities which the Guarantor acknowledges shall be secured under the Note and all such liabilities and indemnities shall survive the repayment of the Loan and/or any other extinguishment of the obligations of the Borrower and the Guarantor and any other exercise by the Lender of any remedies available to it against the Borrower and Guarantor.
13. Prior to executing this Guarantee and Postponement of Claim, the Guarantor confirms and acknowledges being provided with true copies of all documentation provided by the

Borrower to the Lender in respect of the Loan and the Note, including, without limiting the generality of the foregoing, the Note and all collateral security and the Guarantor confirms it has had the meaning and import of the terms and provisions of these documents explained to it and also had an opportunity to seek independent legal advice separate and apart from the Borrower. The Guarantor further confirms that the Guarantor is fully aware of the nature and effect of this Guarantee and Postponement of Claim and the obligations which arise hereunder in respect of the Note and its liabilities and rights hereunder and has entered into this Guarantee and Postponement of Claim of its own volition and without fear, threats, compulsion, influence or pressure from the Borrower or any other covenantors in respect of the Loan.

14. The covenants herein may be assigned by the Lender and the Lender in conjunction with an assignment of the Loan and shall remain in full force and effect notwithstanding any change in the ownership or control of the Note. In the event of the foregoing the Lender agrees to use its best efforts to ensure notice of the transfer or assignment of the Note and this covenant is provided, but failure to provide such notice shall not in any way invalidate or terminate the Guarantor's obligations herein.
15. This instrument covers all agreements between the parties hereto relative to this Guarantee and Postponement of Claim, and none of the parties shall be bound by any representation, warranty or promise made by any person relative thereto which is not embodied herein.
16. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the Lender and their respective successors and assigns, and every reference herein to the Guarantor is a reference to and shall be construed as including the undersigned and its respective successors and assigns of the undersigned to and upon all of whom this Guarantee and Postponement of Claim shall extend and be binding.
17. This Guarantee and Postponement of Claim shall be governed by the laws of the Province of Ontario.
18. This Guarantee and Postponement of Claim may be executed in any number of separate counterparts with the same effect as if all parties hereto had signed the same document, each of which when executed shall be deemed to be an original. Such counterparts shall be construed as and shall constitute one and the same instrument. This Guarantee and Postponement of Claim may be executed and delivered by facsimile or electronic transmission and the execution and delivery of this Guarantee and Postponement of Claim by facsimile or electronic transmission shall be binding upon the party delivering same, and may be relied upon by the party receiving same, as if it was an originally signed document. Any party that delivers a counterpart copy of this Guarantee and Postponement of Claim by facsimile or electronic transmission shall deliver an originally executed copy of this Guarantee and Postponement of Claim promptly thereafter; provided that the failure to do so shall not affect the validity or enforceability of this Guarantee and Postponement of Claim.

THE UNDERSIGNED HEREBY executes and delivers this Guarantee and Postponement of Claim as of the ____ day of April, 2023.

2767888 ONTARIO INC.

Per: _____
Name:
Title:

[43403.0009/29417682 .1](#)

GENERAL SECURITY AGREEMENT

TO: TRICHOME FINANCIAL CORP. (the "Lender")

WHEREAS 1000370759 Ontario Inc. (the "**Borrower**") issued a promissory note dated as of the date hereof in favour of the Lender (the "**Note**") wherein the Lender agreed to loan the principal sum of \$2,375,000.00 to the Borrower on the terms and conditions set out in the Note (the "**Loan**").

AND WHEREAS the Lender, in consideration for and as a condition of proceeding with the Loan, required 2767888 Ontario Inc. (the "**Guarantor**") to provide a guarantee in respect of the repayment of monies secured by the Note (the "**Guarantee**").

AND WHEREAS as collateral security for the obligations under the Guarantee and as a condition for the Borrower receiving the Loan, the Guarantor agreed to grant and create the collateral security constituted by this General Security Agreement as a further continuing and collateral security for the payment of the Loan and observance and performance of the Guarantee, and agrees to the terms, covenants, agreements, conditions, provisos and other matters set out in this General Security Agreement

AND WHEREAS the Guarantor will benefit from extension of the Loan to the Borrower.

NOW THEREFORE IN CONSIDERATION of the recitals, the Lender extending the Loan and for such other good and valuable consideration received by the Guarantor, the receipt and adequacy of which is acknowledged by the Guarantor, the Guarantor agrees with the Lender as follows:

1. SECURITY INTEREST

- (a) As security for the payment of all obligations, indebtedness and liabilities of the Guarantor to the Lender, whether incurred prior to, at the time of or subsequent to the execution hereof, including, without limitation, all obligations, indebtedness and liabilities pursuant to the Guarantee, the Guarantor hereby grants to the Lender by way of mortgage, charge, assignment and transfer, a security interest (the "**Security Interest**") in all present and after-acquired personal property, which are now owned or hereafter owned or acquired by or on behalf of the Guarantor (including such as may be returned to or repossessed by Guarantor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "**Collateral**"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Guarantor:
- (i) all inventory of whatever kind ("**Inventory**");
 - (ii) all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, appliances and vehicles of whatsoever nature or kind belonging to and owned by the Guarantor;
 - (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured which are now due, owing or accruing due to or owned by or which may hereafter become due, owing or accruing due or owned by the Guarantor or the business operated by the Guarantor including, without limitation, letters of credit and advises of credit, which are now due, owing or accruing due to or owned by

or which may hereafter become due, owing or accruing due to or owned by the Guarantor ("**Debts**");

- (iv) all deeds, documents, writings, papers, books of account and other books relating to or connected with the business operated by the Guarantor and which relate to or are records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property relating to or connected with business operated by the Guarantor thereon;
 - (vi) all monies, other than trust monies lawfully belonging to others, which now are or which may at any time hereafter be due and owing to or owned by the Guarantor;
 - (vii) all the goods, chattels and fixtures and belonging to and owned by Guarantor and any replacements thereof; and
 - (viii) all property described in Schedule "A" or any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend to or apply to, and the Collateral shall not include, the last date of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Guarantor shall stand possessed of such last day in trust to assign the same to any person acquiring such term;
- (c) The terms "Goods", "Chattel Paper", "Documents of Title", "Instruments", "Intangibles", "Securities", "proceeds", "Inventory", and "accessions", whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of Ontario, R.S.O., 1990, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "Act". Provided always that the terms "Goods" when used herein shall not include "consumer goods" of the Guarantor as that term is defined in the Act, and any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liabilities of Guarantor to the Lender (including interest thereof) secured by the Guarantee present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Guarantor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "**Indebtedness**").

3. OWNERSHIP OF COLLATERAL

The Guarantor represents and warrants that the Guarantor is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral.

4. INSURANCE

The Guarantor shall keep the Collateral insured against loss or damage by fire and such other risks as the Lender may reasonably require to the full insurance value thereof, and shall either assign the insurance policies to the Lender or have the loss thereunder made payable to the Lender as the Lender may require. At the request of the Lender such policies shall be delivered to and held by it. Should the Guarantor neglect to maintain such insurance the Lender may insure and any premiums paid by the Lender together with interest thereon shall be payable by the Guarantor to the Lender upon demand.

5. LIENS, ETC.

The Guarantor shall keep the Collateral free and clear of all taxes, assessments, claims, liens and encumbrances, and shall promptly notify the Lender of any material loss or damage to the Collateral or any part thereof. For greater certainty, the Lender acknowledges and consents to encumbrances being registered against the Collateral subsequent in priority to the Security Interest.

6. USE OF COLLATERAL

Until the Security Interest shall have become enforceable, the Guarantor may dispose of or deal with the Collateral in the ordinary course of its business, for the purpose of carrying on the same and in any lawful manner not inconsistent with the provisions hereof or any other agreements of the Guarantor to the Lender or with the terms of any policies of insurance relating thereto.

7. INFORMATION AND INSPECTION

The Guarantor shall from time to time forthwith on request furnish to the Lender in writing all information requested relating to the Collateral or any part thereof, and the Lender shall be entitled from time to time (upon reasonable notice and during business hours) to inspect the tangible Collateral wherever located including, without limitation, any books and records of the Guarantor relating to the Collateral, and for such purpose the Lender shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the Guarantor. The Guarantor shall also deliver to the Lender, as and when requested, such financial statements and other financial information relating to the Guarantor and its business as required by the Lender from time to time.

8. DEFAULT

- 8.1 Upon and during the continuance of an Event of Default (as defined in the Note), then the Security Interest shall become enforceable and so long as it shall remain enforceable beyond all applicable notice and cure periods, the Lender may proceed to realize the security constituted by this General Security Agreement by sale or to enforce its rights by entry, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and manager or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claims and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy or other judicial proceedings relative to the Guarantor. Any such sale may be made by public auction, by public tender or by private contract, with or without advertising and without any other formality, all of which are hereby waived by the Guarantor, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as either the Lender, in its sole discretion, may deem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets; provided

however, that unless the Collateral is perishable or unless the Lender believes on reasonable grounds that the Collateral will decline speedily in value the Guarantor shall be entitled to not less than fifteen (15) days' notice of sale containing such information and statements as are prescribed by the Act.

- 8.2 In addition to the rights of the Lender set forth in Paragraph 8.1, whenever the Security Interest shall have become enforceable and so long as it shall remain enforceable, the Lender may, by instrument in writing, appoint any person to be a receiver (which term shall include a receiver and manager) of the Collateral including any rents and profits thereof and may remove any receiver and appoint another in his stead. Any such receiver or receivers so appointed shall be vested with all the powers and rights of the Lender and shall have power to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of the Guarantor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of such business, and to further charge the Collateral in priority to the security constituted by this General Security Agreement as security for money so borrowed, and to exercise all rights attaching or incidental to any securities owned by the Guarantor and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. Any such receiver shall for all purposes be deemed to be the agent of the Guarantor and not the agent of the Lender, and therefore, the Lender shall not be responsible for the acts or omissions of the receiver save and except for gross negligence and wilful misconduct. The Lender may from time to time fix the remuneration of such receiver and direct the payment thereof out of the Collateral. The receiver shall apply all monies from time to time received by him in such of the following modes and in such order or priority as the Lender may from time to time at its option direct, namely: in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral; in payment of the remuneration of the receiver; in keeping in good standing all liens and charges on the Collateral prior to the Security Interest; in payment of the costs of carrying out or executing any powers, duties or directions which are vested in the receiver; in payment of the interest accruing due under the Note; and in payment of the principal due and payable under the Note and residue of any monies so received shall be paid to the Guarantor. The Lender, in appointing or refraining from appointing such receiver, shall not incur any liability to the receiver, the Guarantor or otherwise.
- 8.3 In addition to the rights and remedies specifically provided herein, the Lender shall, upon and during the continuance of an Event of Default have the rights and remedies of a secured party under the Act.

9. RECEIVABLES

At such time as the Security Interest shall have become enforceable, the Lender may collect, realize, sell, or otherwise deal with the Debts or any part thereof in such manner, upon such terms and conditions and at such time or times, as may seem to it advisable and without notice to the Guarantor. The Lender shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Debts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Lender, the Guarantor or any other person, firm or corporation in respect of the same. All monies collected or received by the Lender in respect of the Debts or other Collateral may be applied on account of the Indebtedness of the Guarantor as the Lender may, in its sole discretion, elect, or in the discretion of the Lender may be released to the Guarantor,

all without prejudice to the liability of the Guarantor or the Lender's right to hold and realize the security constituted by this General Security Agreement.

10. CHARGES AND EXPENSES

The Lender may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in connection with the realization, disposition of, retention or collection of the Collateral or any part thereof, and such sums shall be a subordinate charge, subject to the Security Interest on the proceeds of such realization, disposition or collection and shall be added to the Indebtedness secured by this General Security Agreement and shall also be secured hereby.

11. DEALINGS BY THIRD PARTIES

No person dealing with the Lender or its respective agent or a receiver shall be concerned to enquire whether the Security Interest has become enforceable, or whether the powers which the Lender or its agent is purporting to exercise have become exercisable, or whether any money remains due upon the security constituted by this General Security Agreement, or as to the necessity or expediency of the stipulations and conditions to which any sale shall be made, or as to the propriety or regularity of any sale, or of any other dealing by the Lender with the Collateral, or to see to the application of any money paid to the Lender.

12. ADDITIONAL COVENANTS

The Guarantor hereby covenants and agrees with the Lender, so long as this General Security Agreement remains outstanding, that:

- (a) it will do, observe and perform all matters and things necessary or expedient to be done, observed or performed by virtue of any law of Canada or any province or municipality thereof for the purpose of creating and maintaining the security hereby constituted;
- (b) it will, at all times, maintain all licenses, permits and authorizations to enable it to conduct its business; will carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good business practice;
- (c) it will upon the reasonable request of the Lender, provide the Lender with such information concerning the Collateral and the business of the Guarantor as required by the Lender;
- (d) it will pay or cause to be paid all taxes, rates, government fees and dues, levies, assessed or imposed on it and its property or any part thereof as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is, in good faith, contested by it and will, if and when required in writing by the Lender, furnish the Lender for inspection, with receipts for any of such payments;
- (e) it will not, without the prior written consent of the Lender, which may be granted or withheld by the Lender, in its absolute discretion, sell, transfer, assign or otherwise dispose of any part of the Collateral other than in the ordinary course of its business, for the purpose of carrying on same in a lawful manner not inconsistent with the provisions of this agreement or any other agreement of the Guarantor with the Lender.

13. FURTHER ASSURANCES

The Guarantor shall from time to time forthwith on the Lender's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Lender of, or with respect to, the Collateral or any part thereof or as may be required to give effect to these presents, and the Guarantor hereby constitutes and appoints a duly authorized officer of the Lender the true and lawful attorney of the Guarantor irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Guarantor whenever and wherever it may be deemed necessary or expedient.

14. DEALINGS BY THE LENDER

The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Guarantor, debtors of the Guarantor, sureties and others and with the Collateral and other securities as the Lender may see fit without prejudice to the liability to the Guarantor or the Lender's rights to hold and realize the security constituted by this General Security Agreement.

15. NO REMEDY EXCLUSIVE

No remedy herein conferred upon or reserved to the Lender for the realization of the Security Interest, enforcement of rights of the Lender or otherwise is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or under any other document or agreement in respect of the obligations to the Lender owned by the Guarantor. Every power and remedy given by this General Security Agreement to the Lender may be exercised from time to time as often as may be deemed expedient by the Lender. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the monies secured hereby, shall not release or affect the security constituted by this General Security Agreement.

16. DISCHARGE AND SATISFACTION

Upon satisfaction by the Guarantor of all Indebtedness of the Guarantor owed to the Lender, the Lender shall, upon the request and at the expense of the Guarantor, execute and deliver to the Guarantor such releases and discharges as the Guarantor may reasonably require.

17. WAIVER OF COVENANTS

The Lender may waive any breach by the Guarantor of any of the provisions contained in this General Security Agreement or any failure by the Guarantor in the observance or performance of any covenant or condition required to be observed or performed by the Guarantor hereunder; provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or failure or the rights resulting therefrom.

18. APPLICATION OF INSURANCE PROCEEDS

Any insurance monies received by the Lender pursuant to this General Security Agreement may at the option of the Lender be applied to restoring, replacing or repairing the Collateral or any part thereof, or be paid to the Guarantor, or any such monies may be applied in the sole discretion of the Lender, in whole or in part, to the repayment of the obligations hereby secured or any part thereof whether then due or not, with

any partial payments to be credited against principal amounts of Indebtedness payable by the Guarantor in inverse order of maturity.

19. ATTACHMENT

Each of the Guarantor and the Lender acknowledges that it is its intention that the security interests herein created attach on the execution hereof by the Guarantor (save as to after-acquired property forming part of the Collateral in respect of which attachment will result forthwith upon the Guarantor acquiring rights thereto) and that value has been given.

20. NOTICES

Any notice required by or given under or in connection with this agreement may be effectively given if it is in written form and given in the same manner and extent as provided for in the Guarantee.

21. GENERAL

This General Security Agreement:

- (a) shall be a continuing agreement in every respect;
- (b) shall be governed by the laws of the Province of Ontario;
- (c) notwithstanding anything set out in this General Security Agreement, where reference to "Guarantor" is deemed to be more than one party, the obligations and covenants shall be deemed to be joint and several notwithstanding any different undivided interests each Guarantor holds in the collateral;
- (d) may be terminated by the Guarantor by written notice delivered to the Lender at the above-mentioned address at any time when the Guarantor is not indebted or liable to the Lender. For greater certainty, it is declared that any and all future loans, advances or other value which the Lender may in its discretion make or extend to or for the account of the Guarantor shall be secured by this agreement. Nothing contained in this agreement shall in any way obligate the Lender to grant, continue, renew, extend time for payment of, or accept anything which constitutes or would constitute Indebtedness; and
- (e) may be executed and delivered by facsimile or electronic transmission and the execution and delivery of this General Security Agreement by facsimile or electronic transmission shall be binding upon the party delivering same, and may be relied upon by the party receiving same, as if it was an originally signed document. Any party that delivers a counterpart copy of this General Security Agreement by facsimile or electronic transmission shall deliver an originally executed copy of this General Security Agreement promptly thereafter; provided that the failure to do so shall not affect the validity or enforceability of this General Security Agreement.

22. BINDING EFFECT

This General Security Agreement is binding upon the Guarantor and its successors and permitted assigns.

23. RECEIPT

The Guarantor acknowledges receipt of a duplicate original hereof.

IN WITNESS WHEREOF the Guarantor has executed this General Security Agreement as of this ____ day of April, 2023.

2767888 ONTARIO INC.

Per: _____
Name:
Title:

SCHEDULE "A"

Nil.

[43403.0009/29422777 .1](#)

SCHEDULE "L"
MORTGAGE DOCUMENTS

See attached.

ACKNOWLEDGEMENT RE: STANDARD CHARGE TERMS

TO: TRICHOME FINANCIAL CORP. (the "**Lender**")

2767888 Ontario Inc. (the "**Chargor**") hereby acknowledges having received duly completed copies of the Charge/Mortgage (together with Schedule) and Standard Charge Terms No. 200033, and agrees to be bound by the provisions of same (except as otherwise set out in the Charge/Mortgage (together with Schedule) to which this Acknowledgement relates) as if such standard charge terms had been specifically incorporated in and formed part of the Charge/Mortgage executed by the Chargor.

DATED as of the ___ day of April, 2023.

2767888 ONTARIO INC.

Per: _____

Name:

Title:

This is a Schedule attached to a Charge/Mortgage
between 2767888 Ontario Inc. (the "Chargor")
and
TRICHOME FINANCIAL CORP. (the "Chargee")

DEFINITIONS

- a) "**Borrower**" means 1000370759 Ontario Inc.;
- b) "**Lands**" means the lands and premises identified in this Charge and described in the *Properties* section on Page 1 of the Charge to which this Schedule is attached;
- c) "**Contracts**" means, collectively, all of the Chargor's right, title and interest in and to all contracts, agreements, permits, and licenses, material or significant to the ownership, management, development, construction or operation of the Charged Premises, as applicable and as same may be amended from time to time;
- d) "**Indebtedness**" means the Principal Amount and interest thereon and all other amounts payable by the Chargor under this Charge as security for the Guarantee;
- e) "**Guarantee**" means the guarantee dated as of the date hereof provided by the Chargor to and in favour of the Chargee with respect to repayment of monies secured by the Note;
- f) "**Note**" means a promissory note dated as of the date hereof issued by the Borrower in favour of the Chargee wherein the Chargee agreed to loan the principal sum of \$2,375,000.00 to the Borrower on the terms and conditions set out therein; and
- g) "**Obligations**" means the Indebtedness and all other obligations of the Chargor under this Charge.

CHARGE

As security for the due and timely payment and performance of the Obligations, the Chargor:

- a) mortgages and charges as and by of a first fixed specific mortgage and charge to and in favour of the Chargee, its successors and assigns, all of its right, title, estate and interest, present and future, in and to: (i) the Lands; (ii) all buildings, erections, structures, improvements and fixtures now or hereafter constructed or placed in, under or upon the Lands; (iii) all easements, rights-of way, licenses and privileges appurtenant or appertaining to the Lands; and (iv) all interests in any of the foregoing and all benefits and rights to be

derived by the Chargor in respect thereof (collectively, the "**Property**"); and

- b) assigns, transfers and sets over unto and in favour of the Chargee, its successors and assigns, as and by way of a fixed and specific assignment, all of its right, title, estate and interest, present and future, in and to all Contracts and benefits, powers and advantages of the Chargor to be derived therefrom and all covenants, obligations and agreements of the tenants and counterparties thereunder or in any agreement collateral thereto (collectively with the Property, the "**Charged Premises**")

to have and to hold unto the Chargee until payment in full of the Indebtedness and performance of all of the Obligations, provided that notwithstanding the foregoing, until such time as the Chargor is in default of its Obligations beyond any applicable cure period, the Chargor shall have the right to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee, in each case as would a prudent landlord or owner of same.

INTEREST RATE

The Principal Amount outstanding at any time, and from time to time, and any overdue interest, shall bear interest at the rate equal to 10% per annum, both before and after demand, default, and judgment (the "**Interest Rate**"). Such interest shall be calculated not in advance when not in default on the Maturity Date and, after default, payable on demand.

PREPAYMENT

The Indebtedness will be open for prepayment, in whole or in part, with prior written notice to the Chargee without any fee, bonus or penalty.

EVENT OF DEFAULT

At the option of the Chargee, it shall constitute a default hereunder if the Chargor shall become insolvent or be the subject of any bankruptcy, arrangement with creditors, or proposal.

Provided and without in any way limiting anything herein contained, in the event that:

- (a) the Chargor makes default in the payment of any Indebtedness when same is required to be paid by the Chargor hereunder, which failure continues for three (3) days after notice thereof has been given to the Chargor, provided that there shall be no notice or cure period for failure to pay the full amount of the Indebtedness outstanding on the Maturity Date;
- (b) the Chargor fails to observe or perform any other covenant or agreement herein contained, which failure continues for fifteen (15) days after notice thereof has been given to the Chargor;

- (c) any representation or warranty made herein by the Chargor is at any time while this Charge is outstanding not true, in any material respect;
- (d) an execution, sequestration, extent or any other process of any court becomes enforceable against the Chargor or if a distress or analogous process is levied upon the Charged Premises or any part thereof, provided such execution, sequestration, extent, process of court, distress or analogous process is not in good faith being disputed by the Chargor;
- (e) the Chargor shall permit any sum which has been admitted as due by the Chargor or is not disputed to be due by the Chargor and which forms, or is capable of being made, a charge upon any of the Charged Premises in priority to or ranking equally with the charge of this Charge to be or remain unpaid;
- (f) any charge or encumbrance created or issued by the Chargor having the nature of a fixed and/or floating charge shall become enforceable, whether ranking in priority to, or *pari passu* with this Charge;
- (g) a lien is registered against title to the Lands pursuant to the *Construction Act* (Ontario) which is not discharged by the Chargor within 10 days after the Chargor becomes aware of such lien,

then, and in any such event, this Charge shall, at the option of the Chargee, be deemed to be in default.

RECEIVERSHIP

Provided that, and notwithstanding anything herein contained, it is agreed that at any time and from time to time when this Charge shall be in default which is continuing, and whether or not the principal has been accelerated, the Chargee may, with or without entry into possession of the Charged Premises or any part thereof, and whether or not there has been such entry, by writing under its hand or at its option by application to a court of competent jurisdiction, for and during the period of such default, appoint a receiver-manager (the "**Receiver**") of the Charged Premises or any part thereof and of the rents and profits thereof, or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver and appoint another and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of a receiver, the following provisions shall apply:

- (a) a statutory declaration of the Chargee as to default under this Charge shall be conclusive evidence thereof for the purpose of the appointment of such Receiver;
- (b) every such Receiver shall be the agent or attorney of the Chargor, whose appointment is irrevocable by the Chargor, for the collection of all rents or other money receivable in respect of the Charged Premises or any part thereof, and the Chargor covenants and agrees to cooperate with and assist the receiver and execute

such documentation as the receiver shall reasonably require, in order to effect the aforesaid purposes;

- (c) the Chargee may from time to time in writing fix the remuneration of the Receiver;
- (d) the Receiver shall so far as concerns responsibility for the Receiver's acts or omissions be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (e) the appointment of the Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect, and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of the receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Charged Premises or any part thereof;
- (f) the Receiver shall have power to exercise any of the powers or discretions of the Chargee hereunder, and may rent or license for use any part of the Charged Premises which may become vacant for such term and subject to such provisions as the Receiver may deem advisable or expedient, and in doing so the Receiver shall act as the attorney or agent of the Chargor and shall have the authority to execute under seal any lease in the name of and on behalf of the Chargor, and the Chargor undertakes to ratify and confirm whatever the Receiver may do in connection with the Charged Premises;
- (g) the Receiver shall have power to construct or complete any unfinished construction upon the Charged Premises so that the Charged Premises and the buildings thereon so completed shall be a complete structure;
- (h) the Receiver shall have power to manage, operate, amend, repair, alter or extend the Charged Premises or any part thereof as it deem expedient in the name of the Chargor and to carry on or concur in carrying on all or any part of the business of the Chargor solely in connection with the Charged Premises;
- (i) the Receiver may borrow or raise money in the security of all or any part of the Charged Premises in priority to or ranking equal with or subordinate to the charge of this Charge for such purpose as may be approved by the Chargee;
- (j) the Receiver shall not be liable to the Chargor to account for money or damages other than the money actually received by the Receiver in respect of the Charged Premises or any part thereof, and out of such money so received the Receiver shall, subject to other written directions from the Chargee, pay or make reasonable reserves for payment in the following order:
 - (i) the Receiver's reasonable remuneration and disbursements;
 - (ii) all obligations incurred by the Receiver in connection with the management, including leasing and licensing, operation, amendment, repair, alteration or

extension of the Charged Premises or any part thereof, and in borrowing or raising money on the security of the Charged Premises, or any part thereof;

- (iii) interest, principal and other money which may from time to time be or become charged upon the Charged Premises in priority to this Charge, and all taxes, insurance premiums and every other proper expenditure made or incurred by the Receiver in respect of the Charged Premises or any part thereof;
 - (iv) to the Chargee all amounts due under this Charge and to the extent elected by the Chargee, amounts to become due hereunder for no more than two (2) months; and
 - (v) thereafter any surplus remaining in the hands of the Receiver shall be payable to the Chargor; and
- (k) the Chargee may at any time and from time to time terminate any such receivership by notice in writing under its hand to the Chargor and to the Receiver.

SUBSEQUENT ENCUMBRANCES

Notwithstanding anything else contained herein, the Chargee hereby acknowledges and consents to encumbrances being registered against title to the Lands subsequent in priority to this Mortgage/Charge.

STANDARD CHARGE TERMS

In the event of any discrepancy between the provisions contained in this Schedule and the provisions contained in Standard Charge Terms No. 200033, the provisions of this Schedule shall prevail.

SCHEDULE "M"**EXCLUDED CONTRACTS**

1. TJAC Excluded Contracts to be transferred to TJAC Residual Co.:
 - (a) Credit Agreement dated May 14, 2021, among Cortland Credit Lending Corporation, TJAC, and Trichome, as amended pursuant to an Amending Agreement No. 1 dated August 27, 2021, and as further amended pursuant to an Amending Agreement No. 2 dated March 31, 2022;
 - (b) General Security Agreement dated May 14, 2021, among Cortland Credit Lending Corporation, TJAC, and Trichome;
 - (c) Canadian Patent Security Agreement dated May 14, 2021, between TJAC and Cortland Credit Lending Corporation;
 - (d) Canadian Trademark Security Agreement dated May 14, 2021, between TJAC and Cortland Credit Lending Corporation;
 - (e) Transfer and Assignment of Insurance dated May 14, 2021, issued by Trichome and TJAC in favour of Cortland Credit Lending Corporation;
 - (f) Secured Debenture;
 - (g) Secured Grid Promissory Note dated August 28, 2020, issued by TJAC in favour of Trichome;
 - (h) DIP Facility Agreement dated November 6, 2022, among Cortland Credit Lending Corporation, TJAC, Trichome, Highland, MYM, MYMB and TRC, as amended pursuant to a First Amending Agreement dated December 14, 2022, and as further amended pursuant to a Second Amending Agreement dated January 6, 2023; and
 - (i) Promissory Note dated April 1, 2022, issued by TJAC in favour of MYM.
2. TRC Excluded Contracts to be transferred to TRC Residual Co.:
 - (a) Supplement to General Security Agreement dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (b) Instrument of Assumption and Joinder dated August 27, 2021, made by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation;
 - (c) Supplement to Guarantee dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (d) Transfer and Assignment of Insurance dated August 27, 2021, issued by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation; and

- (e) DIP Facility Agreement dated November 6, 2022, among Cortland Credit Lending Corporation, TJAC, Trichome, Highland, MYM, MYMB and TRC, as amended pursuant to a First Amending Agreement dated December 14, 2022, and as further amended pursuant to a Second Amending Agreement dated January 6, 2023.
3. MYM Excluded Contracts to be transferred to MYM Residual Co.:
- (a) Supplement to General Security Agreement dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (b) Instrument of Assumption and Joinder dated August 27, 2021, made by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation;
 - (c) Supplement to Guarantee dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (d) Transfer and Assignment of Insurance dated August 27, 2021, issued by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation
 - (e) DIP Facility Agreement dated November 6, 2022, among Cortland Credit Lending Corporation, TJAC, Trichome, Highland, MYM, MYMB and TRC, as amended pursuant to a First Amending Agreement dated December 14, 2022, and as further amended pursuant to a Second Amending Agreement dated January 6, 2023;
 - (f) Loan and Security Agreement between MYM, as lender, and Cultivator Catalyst Corp., as borrower, dated July 31, 2020; and
 - (g) Term Sheet Re: Settlement of Receivership Application and Loan Agreement among, MYM, Biome Grow Inc. and Cultivator Catalyst Corp dated September 9, 2022.
4. MYMB Excluded Contracts to be transferred to MYMB Residual Co.:
- (a) Supplement to General Security Agreement dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (b) Instrument of Assumption and Joinder dated August 27, 2021, made by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation;
 - (c) Supplement to Guarantee dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
 - (d) Transfer and Assignment of Insurance dated August 27, 2021, issued by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation; and
 - (e) DIP Facility Agreement dated November 6, 2022, among Cortland Credit Lending Corporation, TJAC, Trichome, Highland, MYM, MYMB and TRC, as amended pursuant to a First Amending Agreement dated December 14, 2022, and as further amended pursuant to a Second Amending Agreement dated January 6, 2023.
5. Highland Excluded Contracts to be transferred to Highland Residual Co.:

- (a) Supplement to General Security Agreement dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
- (b) Instrument of Assumption and Joinder dated August 27, 2021, made by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation;
- (c) Supplement to Guarantee dated August 27, 2021, among Cortland Credit Lending Corporation, Highland, MYM, MYMB, TRC, and SublimeCulture Inc.;
- (d) Transfer and Assignment of Insurance dated August 27, 2021, issued by Highland, MYM, MYMB, TRC, and SublimeCulture Inc. in favour of Cortland Credit Lending Corporation;
- (e) Bond No. 429,700 issued by Western Surety Company; and
- (f) DIP Facility Agreement dated November 6, 2022, among Cortland Credit Lending Corporation, TJAC, Trichome, Highland, MYM, MYMB and TRC, as amended pursuant to a First Amending Agreement dated December 14, 2022, and as further amended pursuant to an Second Amending Agreement dated January 6, 2023.

SCHEDULE "5.2(I)"

CANNABIS LICENSES

Licenses	TJAC	Highland
Health Canada License Number	LIC-WS1222RD05-2020	LIC-CV96ADY4K0-2020
GS1 Subscriber ID Number	370175	368650

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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn March 30, 2023)

BENNETT JONES LLP
3400 One First Canadian Place
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Toronto, Ontario M5X 1A4

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Lawyers for the Applicants

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 6 TH
)	
JUSTICE CONWAY)	DAY OF APRIL, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC. (collectively the "**Applicants**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia* (i) approving the Share Purchase Agreement (the "**Sale Agreement**") among Trichome Financial Corp. (the "**Vendor**"), 1000370759 Ontario Inc. (the "**Purchaser**"), Trichome JWC Acquisition Corp. ("**TJAC**"), Trichome Retail Corp. ("**TRC**"), MYM Nutraceuticals Inc. ("**MYM**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with TJAC, TRC, MYM and MYMB, the "**Purchased Entities**" and each a "**Purchased Entity**"), dated March 28, 2023 and attached as Exhibit "I" to the affidavit of Michael Ruscetta sworn March 30, 2023 (the "**Ruscetta Affidavit**"), and the transactions contemplated therein (collectively, the "**Transactions**"), including the Closing Sequence (as defined in the Sale Agreement), (ii) adding [●] ("**TJAC Residual Co.**"), [●] ("**TRC Residual Co.**"), [●] ("**MYM Residual Co.**"), [●] ("**MYMB Residual Co.**") and [●] ("**Highland Residual Co.**") as Applicants to these CCAA proceedings, (iii) vesting in the Purchaser all of the Vendor's right, title and interest in and to the

Purchased Shares (as defined in the Sale Agreement), free and clear of any Encumbrances (as defined below), (iv) vesting in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Sale Agreement) and discharging all Encumbrances against the Purchased Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Sale Agreement), and (v) granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Applicants, the Ruscetta Affidavit and the Exhibits thereto, the Fifth Report of KSV Restructuring Inc. ("**KSV**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated [●], 2023, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, counsel for Cortland Credit Lending Corporation, as agent for and on behalf of certain lenders, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Joshua Foster, filed:

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement or the Amended and Restated Initial Order of the Honourable Madam Justice Conway dated November 17, 2022 (the "**ARIO**").

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including October 31, 2023.

APPROVAL AND VESTING

4. **THIS COURT ORDERS AND DECLARES** that the Sale Agreement and the Transactions are hereby approved and the execution of the Sale Agreement by the Vendor and the Purchased Entities is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Sale Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Shares to the Purchaser.

5. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision of this Order, the closing of the Transactions shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the prior written consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which the Vendor or the Applicants' stakeholders will benefit from as part of the Transactions.

6. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Vendor and the Purchased Entities to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

7. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred in the manner and sequence set out in the Closing Sequence:

- (a) the Purchaser shall pay the Cash Payment in immediately available funds to the Monitor, to be held in escrow and released in accordance with the Closing Sequence;
- (b) the following shall occur, and shall be deemed to occur, concurrently:

- (i) all of TJAC's, TRC's, MYM's, MYMB's and Highland's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively, and all Claims (as defined below) and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (ii) the Excluded Liabilities and the Excluded Contracts of TJAC, TRC, MYM, MYMB and Highland shall be transferred to, assumed by and vest absolutely and exclusively in TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., respectively (who, in each case, shall be deemed to be party to such Excluded Contracts), and shall no longer be obligations of TJAC, TRC, MYM, MYMB and Highland, as applicable, each of which Purchased Entity and its Retained Assets shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities, and all Claims and Encumbrances are hereby expunged and discharged as against the Retained Assets; and
 - (iii) TJAC shall issue a Deferred Consideration Note to TJAC Residual Co. and Highland shall issue a Deferred Consideration Note to Highland Residual Co.;
- (c) all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person and are convertible or exchangeable for any securities of any of the Purchased Entities or which require the issuance, sale or transfer by any of the Purchased Entities, of any shares or other securities of the Purchased Entities, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Purchased Entities, or otherwise

relating thereto, shall be deemed terminated and cancelled without any payment or other consideration;

- (d) the Purchase Price shall be paid and satisfied in accordance with Section 7.2(d) of the Sale Agreement and all of the Vendor's right, title and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, including those listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares; and
- (e) the Purchased Entities shall and shall be deemed to cease to be Applicants in these CCAA proceedings, and the Purchased Entities shall be deemed to be released from the purview of the ARIO and all other Orders of this Court granted in respect of these CCAA proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate and deliver a copy of the Monitor's Certificate to the Service List, in each case forthwith after delivery thereof in connection with the Transactions.

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser (which notice may be by email from counsel to the Applicants and the Purchaser) regarding the satisfaction or waiver of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

10. **THIS COURT ORDERS** that, subject to paragraph 11 of this Order, for the purposes of determining the nature and priority of Claims, from and after delivery of the Monitor's Certificate, the Deposit, the Cash Payment, and any amounts received under the Secured Promissory Note (the "**Note Proceeds**") shall be allocated to the Vendor, and any amounts received under any Deferred Consideration Note (collectively with the Deposit, the Cash Payment and the Note Proceeds, the "**Proceeds**") shall be allocated to the applicable Residual Cos., and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Retained Assets immediately prior to the sale, as if (i) the Purchased Shares and the Retained Assets had remained owned by and in the possession or control of the Person who owned and had possession or control immediately prior to the Effective Time, and (ii) the Excluded Contracts and the Excluded Liabilities had not been transferred to the Residual Cos. and remained liabilities of the Purchased Entities immediately prior to the transfer.

11. **THIS COURT ORDERS** that, subject to the receipt of the Cash Payment, release of the Deposit and completion of the Transactions, the Vendor is hereby authorized and directed to:

- (a) pay from the Cash Payment received on the Closing Date the amount of \$56,500.00 (for greater certainty, being \$50,000 plus applicable HST) to Hyde Advisory & Investment Inc. within five (5) business days of the Closing Date; and
- (b) pay from the Note Proceeds (i) five (5) percent of the first \$1,000,000.00 in Note Proceeds received by the Vendor (the "**Initial Note Proceeds**"), and (ii) seven and one-half (7.5) percent of all Note Proceeds received by the Vendor in excess of the Initial Note Proceeds (the "**Additional Note Proceeds**"), in each case, plus applicable HST, to Hyde Advisory & Investment Inc. within five (5) business days of receipt of all of the Initial Note Proceeds and all of the Additional Note Proceeds, respectively.

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, each of the Applicants or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Purchased Entities' records pertaining to past and current employees of the Purchased Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Purchased Entities prior to the Effective Time.

13. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 7 of this Order, the Purchaser and the Purchased Entities shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided that, such release shall not apply to: (i) Taxes in respect of the business and operations conducted by any of the Purchased Entities after the Effective Time; or (ii) Taxes expressly assumed as Assumed Liabilities pursuant to the Sale Agreement), including without limiting the generality of the foregoing all Taxes that could be assessed against the Purchaser or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to section 160 or section 160.01 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

14. **THIS COURT ORDERS** that, except to the extent expressly contemplated by the Sale Agreement, all Contracts to which any of the Purchased Entities is a party upon the Effective Time will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no Person who is party to any such Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such Contract and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Applicants);
- (b) the insolvency of any of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Sale Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these CCAA proceedings; or
- (d) any transfer or assignment, or any change of control of the Purchased Entity arising from the implementation of the Sale Agreement, the Transactions or the provisions of this Order.

15. **THIS COURT ORDERS**, for greater certainty, that: (i) nothing in paragraph 14 of this Order shall waive, compromise or discharge any obligations of any of the Purchased Entities in respect of any Assumed Liabilities; (ii) the designation of any Claim as an Assumed Liability is without prejudice to the Purchased Entities' and the Purchaser's rights to dispute the existence, validity or quantum of any such Assumed Liability; and (iii) nothing in this Order or the Sale Agreement shall affect or waive the Purchased Entities' or the Purchaser's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

16. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of any of the Applicants then existing or previously committed by any of the Applicants, or caused by any of the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and any of the Purchased Entities arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Transactions, including without

limitation any of the matters or events listed in paragraph 14 of this Order, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse any of the Purchased Entities, the Vendor or the Purchaser from performing their obligations under the Sale Agreement or be a waiver of defaults by any of the Purchased Entities, the Vendor or the Purchaser under the Sale Agreement and the related documents.

17. **THIS COURT ORDERS** that, from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any of the Purchased Entities, the Purchaser, the Purchased Shares or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

18. **THIS COURT ORDERS** that, from and after the Effective Time:

- (a) the nature of the Assumed Liabilities assumed by the Purchaser or retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., as applicable;
- (c) any Person that prior to the Effective Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Contract and/or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such

right or claim against the applicable Purchased Entity but will have an equivalent Excluded Liability Claim against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable, in respect of the Excluded Contract and/or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable; and

- (d) the Excluded Liability Claim of any Person against TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and/or Highland Residual Co., as applicable, following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the applicable Purchased Entity prior to the Effective Time.

19. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (a) TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. shall each be a company to which the CCAA applies; and
- (b) TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. shall each be added as an Applicant in these CCAA proceedings and all references in any Order of this Court in respect of these CCAA proceedings to (i) an "Applicant" or the "Applicants" shall refer to and include TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., *mutatis mutandis*, and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co., including without limitation, any amounts received under any Deferred Consideration Note (collectively, the "**Residual Co. Property**"), and,

for greater certainty, each of the Charges shall constitute a charge on the Residual Co. Property.

20. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") in respect of any of the Applicants or any of the Residual Cos. and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Applicants or any of the Residual Cos.;

the Sale Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to the Residual Cos., and the transfer and vesting of the Purchased Shares in and to the Purchaser), and any payments by the Purchaser or any Purchased Entity authorized herein or pursuant to the Sale Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Applicants and/or any of the Residual Cos. and shall not be void or voidable by creditors of any of the Applicants or any of the Residual Cos., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

21. **THIS COURT ORDERS** that nothing in this Order, including the release of the Purchased Entities from the purview of these CCAA proceedings pursuant to paragraph 7(e) of this Order and the addition of the Residual Cos. as Applicants in these CCAA proceedings, shall affect, vary, derogate from, limit or amend, and KSV shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, this Order, any other Orders in these CCAA proceedings or otherwise, including all approvals,

protections and stays of proceedings in favour of KSV in its capacity as Monitor, all of which are expressly continued and confirmed.

GENERAL

22. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser and the Purchased Entities shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Retained Assets.

23. **THIS COURT ORDERS** that, following the Effective Time, the title of these CCAA proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., [•], [•], [•], [•] AND [•]

24. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

25. **THIS COURT ORDERS** that the Applicants and the Monitor shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and Monitor as may be deemed necessary or appropriate for that purpose.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this

Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing, provided that the transaction steps set out in paragraph 7 of this Order shall be deemed to have occurred in the manner and sequence set out in the Closing Sequence.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

Court File No.: CV-22-00689857-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS INC., AND HIGHLAND GROW INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants commenced these proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Proceedings**") pursuant to an initial order (as amended and restated, the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 7, 2022. Among other things, the Initial Order appointed KSV Restructuring Inc. as monitor of the Applicants in the CCAA Proceedings (in such capacity, the "**Monitor**").

B. Pursuant to an Approval and Vesting Order of the Court dated April 6, 2023 (the "**Approval and Vesting Order**"), the Court, *inter alia*: (i) approved the transactions (the "**Transactions**") contemplated by the Share Purchase Agreement (the "**Sale Agreement**") among Trichome Financial Corp. (the "**Vendor**"), Trichome JWC Acquisition Corp. ("**TJAC**"), Trichome Retail Corp. ("**TRC**"), MYM Nutraceuticals Inc. ("**MYM**"), MYM International Brands Inc. ("**MYMB**") and Highland Grow Inc. ("**Highland**", and collectively with TJAC, TRC, MYM and

MYMB, the "**Purchased Entities**"), and 1000370759 Ontario Inc. (the "**Purchaser**") dated March 28, 2023; (ii) added the Residual Cos. as Applicants in the CCAA Proceedings; (iii) vested in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Shares, free and clear from any Encumbrances; and (iv) vested in and to TJAC Residual Co., TRC Residual Co., MYM Residual Co., MYMB Residual Co. and Highland Residual Co. absolutely and exclusively, all of the right, title and interest of TJAC, TRC, MYM, MYMB and Highland, respectively, in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities and discharged all Encumbrances against the Purchased Entities and the Retained Assets other than Permitted Encumbrances.

C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Vendor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Sale Agreement.
2. This Monitor's Certificate was delivered by the Monitor at _____ on, _____, 2023.

KSV RESTRUCTURING INC., solely in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity

Per: _____
 Name:
 Title:

SCHEDULE "B"

CLAIMS AND ENCUMBRANCES TO BE VESTED FROM PROVINCIAL PERSONAL
PROPERTY REGISTRY SYSTEMS

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
<i>TJAC</i>				
Ontario	20200826 1340 1590 0316 765129519	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20200826 1341 1590 0317 765129537	August 26, 2020	Trichome Financial Corp.	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20210511 0938 1862 7712 772381629	May 11, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Ontario	20220324 1335 1901 1970 781390161	March 24, 2022	Kempfenfelt, a division of Bennington Financial Corp.	Equipment Other Motor vehicle incl.
<i>MYM</i>				
Ontario	20210823 1624 1590 1854 775673973	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196579N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after acquired personal property
<i>MYMB</i>				
Ontario	20210823 1623 1590 1853 775673937	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
British Columbia	196584N	August 24, 2021	Cortland Credit Lending Corporation, as agent	All of the Debtor's present and after

Jurisdiction	Registration and File Number	Date	Secured Party	Particulars
				acquired personal property
<i>Highland</i>				
Ontario	20210823 1626 1590 1855 775673982	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.
Nova Scotia	35017565 SM004579.645	August 23, 2021	Cortland Credit Lending Corporation, as agent	A security interest is taken in all of the debtor's present and after acquired personal property
<i>TRC</i>				
Ontario	20210823 1353 1590 1796 775668366	August 23, 2021	Cortland Credit Lending Corporation, as agent	Inventory Equipment Accounts Other Motor vehicle incl.

SCHEDULE "C"
PERMITTED ENCUMBRANCES

Nil.

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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

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

Court File No.: CV-22-00689857-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL
BRANDS INC., AND HIGHLAND GROW INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD
(Returnable April 6, 2023)

BENNETT JONES LLP
3400 One First Canadian Place
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Toronto, Ontario M5X 1A4

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