

**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 January 9, 2023)**

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

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Applicants

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TAB 1

**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

**NOTICE OF MOTION
(Returnable January 9, 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 January 9, 2023 at 10:30 a.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 "**Stalking Horse and SISP Approval Order**") substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record, *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) approving a sale and investment solicitation process, including corresponding Bidding Procedures and Auction Procedures (each as defined below) (the "**SISP**");
 - (c) 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;
 - (d) 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**");
 - (e) 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**");

- (f) 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*;
- (g) granting an extension of the Stay of Proceedings (as defined below) to and including March 10, 2023 (the "**Stay Period**"); and
- (h) 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.

2. Such further and other relief as counsel may request and this 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 recently 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 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 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 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**"), 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.

The SISP Advisor and the SISP Advisor Engagement Agreement

6. The Applicants have engaged the SISP Advisor for the purposes of facilitating the SISP. The SISP Advisor has extensive mergers and acquisitions, financial advisory and capital markets experience, with particular expertise in the cannabis sector.

7. Pursuant to the SISP Advisor Engagement Agreement, the SISP Advisor will perform several financial advisory services (collectively, the "**Services**") in connection with the SISP and 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.

8. 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's up to a maximum of \$300,000 (or 6 months) (the "**Maximum Fee**"). 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.

9. The Applicants believe that the SISP Advisor's engagement and remuneration are appropriate given the SISP Advisor's experience, the breadth of the Services and the benefit expected to accrue to the Applicants and their stakeholders by virtue of the SISP Advisor's involvement in the SISP.

10. 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**"), are supportive of the SISP Advisor's engagement and the proposed approval of the SISP Advisor Engagement Agreement.

The SISP

11. 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**").

12. The SISP Advisor, under the supervision of the Applicants and the Monitor, will be responsible for the marketing and sale of the Vendors' Assets 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.

13. To maximize flexibility in the SISP, the Applicants will consider (i) a bid for all of the Vendors' Assets, (ii) separate bids to acquire some but not all of the Vendors' Assets, and (iii) a bid that contemplates a plan of reorganization, recapitalization or other form of reorganization of the business and affairs of the Applicants.

14. A Potential Bidder (as defined in the SISP) 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**"). 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**".

15. The Applicants and the Monitor will review all Qualified Bids to determine which Qualified Bid is 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. The Auction, if any, will be conducted in accordance with the auction procedures attached as Schedule "A" to the SISP (the "**Auction Procedures**") at 10:00 a.m. (Eastern Time) on February 17, 2023.

16. 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.

17. Ultimately, the sale of the Vendors' Assets to a Qualified Bidder is conditional upon this 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**").

18. The SISP is expected 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. The SISP Advisor and the Monitor have advised that the timeline contemplated under the SISP 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.

19. Each of the DIP Lender and the Agent has advised that it is supportive of the proposed SISP. Likewise, 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.

The Stalking Horse SPA

20. 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. The Stalking Horse Bidder is a related party.

21. 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 (together with MYMB, Highland and TRC, the "**Purchased Entities**") 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.

22. The consideration payable under the Stalking Horse SPA includes a base cash purchase price of \$5,000,000 and certain deferred consideration (the "**Deferred Consideration**") payable pursuant to secured limited recourse promissory notes. The Deferred Consideration includes an amount equal to 100% of:

- (a) all actual receipts obtained by the Purchased Entities after the closing date on account of any receivables due and owing to the Purchased Entities on the closing date;

- (b) the costs of the cannabis inventory expected to be held by the Purchased Entities at closing as set out in the Stalking Horse SPA, provided that in no circumstances will the aggregate cost of such inventory exceed \$1,300,000 (the "**30-Day Inventory**"); and
- (c) all actual receipts obtained by the Purchased Entities after the closing date on account of the sale of any inventory owned by the Purchased Entities on the closing date other than 30-Day Inventory.

23. Approval of the Stalking Horse SPA under the proposed Stalking Horse and SISP Approval Order is being sought solely for the purposes of approving it as the Stalking Horse Bid 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 on the Approval and Vesting Order Motion.

24. 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**"). The Expense Reimbursement will become payable if, among other things, the Stalking Horse Bid is not the Successful Bid.

25. Given 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.

26. 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.

DIP Amendment

27. 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.

28. 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**").

29. 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.

30. 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 is supportive of the DIP Amendment and believes that its terms are reasonable and appropriate in the circumstances.

Extending the Stay of Proceedings

31. The Stay of Proceedings granted pursuant to the Amended and Restated Initial Order expires on February 3, 2023. Under the proposed Stalking Horse and SISP Approval Order, the Applicants are seeking an extension of the Stay of Proceedings to and including March 10, 2023.

32. Since the granting of the Initial Order, the Applicants have acted, and continue to act, in good faith and with due diligence to stabilize the Canadian Business and continue its operations, apprise their stakeholders of these CCAA proceedings, and advance their restructuring efforts.

33. The proposed extension of the Stay of Proceedings will, among other things, maintain the *status quo* and afford the Applicants the breathing space and stability required to preserve the Canadian Business. Further, it will allow the SISP Advisor, under the supervision of the Applicants and the Monitor, to conduct the SISP and 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.

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

35. No creditor is expected to suffer material prejudice as a result of the proposed extension of the Stay of Proceedings. The Monitor is supportive of the proposed extension of the Stay of Proceedings and believes that it is reasonable and appropriate in the circumstances.

The Monitor's Reports, Activities and Fees

36. 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 and the fees and disbursements of the Monitor and its counsel set out in the Second Report.

37. Records detailing the fees and disbursements of the Monitor and its counsel will be included in the Second Report.

Other Grounds

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

39. 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 section 106 of the *Courts of Justice Act*, R.S.O. 190, c. C. 43, as amended.

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

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

41. The Pre-Filing Report, the First Report and the Second Report.

42. The Affidavit of Michael Ruschetta sworn January 1, 2023, and the exhibits attached thereto.

43. Such further and other material as counsel may advise and this Honourable Court may permit.

January 1, 2023

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Lawyers for the Applicants

TO: THE SERVICE LIST

**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
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Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable January 9, 2023)

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TAB 2

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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AND HIGHLAND GROW INC.**

Applicants

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

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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
	at such time, or (ii) upon the Closing of the Successful Bid(s) if the Stalking Horse Bid is the Back-Up Bid; and (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.

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

TAB A

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

Court File No.: _____

**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 November 7, 2022)**

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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 November 7, 2022)**

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. 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. RELIEF REQUESTED

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

- (a) declaring that each of the Applicants is a debtor company to which the CCAA applies;
- (b) appointing KSV Restructuring Inc. ("**KSV**" or the "**Proposed Monitor**") as an officer of this Court to monitor the assets, business, and affairs of the Applicants (if appointed in such capacity, the "**Monitor**");
- (c) staying, for an initial period of not more than ten days (the "**Initial Stay Period**"), all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Applicants' directors and officers (collectively, the "**Directors and Officers**"), or affecting the Applicants' business (the "**Canadian Business**") or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");
- (d) authorizing the Applicants to continue to utilize the Cash Management System (as defined below) and to maintain the banking arrangements in place for the Applicants;

- (e) approving the Applicants' ability to borrow under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Facility**") to finance their working capital requirements and other general corporate purposes, post-filing expenses and costs;
- (f) authorizing the Applicants to pay, with the consent of the Monitor (based on its consideration of certain non-exhaustive factors enumerated under the proposed Initial Order) and the DIP Lender (as defined below), amounts owing for goods and services actually supplied to the Applicants prior to the date of the proposed Initial Order; and
- (g) granting the following charges (collectively, the "**Charges**") over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"):
 - (i) the Administration Charge (as defined below) up to a maximum amount of \$750,000;
 - (ii) the Directors' Charge (as defined below) up to a maximum amount of \$967,000; and
 - (iii) the DIP Lender's Charge (as defined below) up to a maximum amount of \$1,825,000.

4. If the proposed Initial Order is granted, the Applicants intend to bring a motion on November 17, 2022 (or such other date as the Court may advise) to seek (i) an order, *inter alia*,

approving a sale and investor solicitation process ("**SISP**"), and (ii) an amended and restated Initial Order (the "**Comeback Hearing**"), among other things:

- (a) extending the Initial Stay Period; and
- (b) increasing the maximum amount of certain of the Charges.

II. OVERVIEW

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 operating in Israel, Canada and Germany (the "**International Company**"). IMCC is not an Applicant in these CCAA proceedings.

6. IMCC focuses on providing premium cannabis products to both adult-use recreational consumers and medical patients. Its common shares trade on the NASDAQ Capital Market and the Canadian Securities Exchange under the symbol "IMCC". While IMCC is incorporated under the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**"), and has a registered office in Vancouver, British Columbia, it is headquartered in Israel.

7. IMCC conducts its business operations in Canada through the Applicants. Through their licensed operating subsidiaries, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in Canada. Collectively, the Applicants employ approximately 226 people who work predominantly at the Applicants' facilities in Kitchener, Ontario, and Antigonish, Nova Scotia (collectively, the "**Licensed Facilities**", and each a "**Licensed Facility**").

8. The Applicants have successfully positioned their "WAGNERS" and "Highland Grow" brands to become market leaders in the premium and ultra-premium dried flower and pre-roll segments in Canada (particularly in Ontario). The Applicants' efforts in this regard have resulted in growth in net revenue in the previous four quarters ended June 30, 2022 and the generation of consolidated net revenues of approximately \$12.9 million for the quarter ending June 30, 2022 (inclusive of revenues generated on sales to one of IMCC's Israeli subsidiaries). Contemporaneously with increasing their net revenues, the Applicants have also reduced operating losses through a combination of operational efficiencies, operating leverage and internal restructurings.

9. The Applicants' success in advancing the Canadian Business has, however, been impaired by their persistent and worsening liquidity issues. Following months of liquidity challenges, the Applicants are now facing a severe liquidity crisis, have limited cash on hand and are generally unable to meet their obligations as they become due. While the Applicants have been able to satisfy their recent payroll obligations, they have accrued significant accounts payable, the majority of which are overdue and owed to essential suppliers. Absent additional funding, the Applicants will be forced to immediately cease their operations.

10. In light of the Applicants' financial circumstances, TJAC is no longer able to satisfy the conditions precedent to obtaining further advances under its existing asset-based loan from Cortland Credit Lending Corporation ("**Cortland**"), in its capacity as administrative agent (in such capacity, the "**Agent**"), for and on behalf of the Applicants' senior secured lenders thereunder (collectively, the "**Lenders**"). However, the Applicants have engaged in discussions with the Agent regarding a consensual restructuring of the Canadian Business, including the sale or restructuring thereof pursuant to a Court-supervised SISP and other strategic transaction

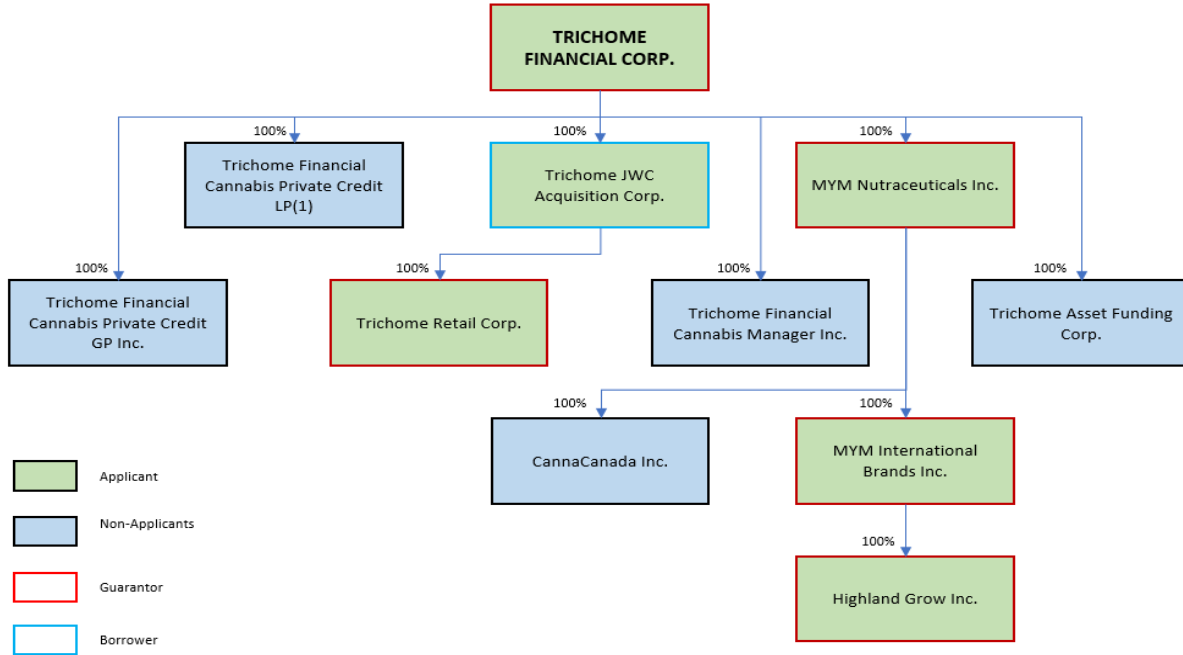
alternatives, in earnest. These discussions culminated in the proposed DIP Facility, which is in the maximum amount of \$4,875,000, and will provide the Applicants with sufficient liquidity to continue the Canadian Business in the ordinary course while the Applicants pursue their restructuring efforts.

11. These CCAA proceedings and the relief requested in the proposed Initial Order are in the best interests of the Applicants and their stakeholders, including the approximately 226 individuals employed by the Applicants. Given the Applicants' liquidity crisis, these CCAA proceedings present the only practical means of preserving and maximizing the value of the Canadian Business for the benefit of the Applicants' stakeholders.

III. CORPORATE STRUCTURE AND HISTORY

12. The Applicants in these CCAA proceedings are comprised of Trichome and five of its directly or indirectly wholly owned subsidiaries. Trichome's remaining four subsidiaries, together with one consolidated entity in which Trichome does not hold an equity interest but is required to consolidate for financial reporting purposes under the definition of control under IFRS 10 *Consolidated Financial Statements*, are not Applicants in these proceedings (collectively, the "**Non-Applicants**", and together with the Applicants, the "**Company**").

13. For clarity, below is an organizational chart with respect to the Company's corporate structure:



(1) Trichome Financial Cannabis Private Credit LP is considered a 100% owned subsidiary of Trichome Financial Corp. based on the requirements of IFRS 10 *Consolidated Financial Statements*. Trichome Financial Corp. does not own any equity in Trichome Financial Cannabis Private Credit LP.

14. A copy of the complete organizational chart with respect to the International Company effective as of August 2022 is attached hereto as **Exhibit "A"**. The Applicants, in respect of which relief is sought in the within application, are discussed below. Corporate profile reports for each of the Applicants are collectively attached hereto as **Exhibit "B"**.

A. Trichome

15. Trichome is an Applicant in these CCAA proceedings and as referenced above, is a wholly-owned subsidiary of IMCC. Trichome is also the direct or indirect parent of each of the remaining Applicants.

16. Trichome was incorporated pursuant to the provisions of the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended (the "**OBCA**"), on September 18, 2017 under the name "Trichome Income Fund Inc." Trichome Income Fund Inc.'s name was changed to "Trichome

Yield Corp." on September 22, 2017, and to "Trichome Financial Corp." on June 1, 2018. On October 4, 2019, Trichome amalgamated with 22 Capital Corp. and continued under the name "Trichome Financial Corp." Trichome's registered office is located at 79 Wellington Street, West, Suite 3000, Toronto, Ontario, M5K 1N2.

17. Trichome began as a specialty finance company, providing capital solutions to the Canadian cannabis market. At inception, Trichome aimed to generate optimal risk-adjusted returns through investing shareholders' capital in Canada's then burgeoning cannabis industry. To this end, Trichome focused on providing secured loans to legal participants in the Canadian cannabis industry. Additionally, Trichome entered into accounts receivable financing facilities funded through Trichome Financial Cannabis Private Credit LP ("**Trichome LP**"), which was managed by Trichome.

18. While Trichome's strategy to serve as a specialty lender provided attractive rates of return on invested capital, Trichome sought to seize the opportunity to obtain better risk-adjusted returns through acquiring and restructuring cannabis assets. This opportunity was catalyzed by certain events of default occurring under a loan agreement dated February 19, 2019 (as amended and restated, the "**JWC Loan**"), between James E. Wagner Cultivation Corporation ("**JWC**") and Trichome. As discussed in detail below, JWC's default under the JWC Loan led to Trichome's acquisition of substantially all of the assets of JWC through Trichome's designee, TJAC (the "**JWC Acquisition**"), in consensual and Court-supervised restructuring proceedings commenced by JWC and its wholly-owned subsidiaries under the CCAA in April 2020 (the "**JWC CCAA Proceedings**").

19. On March 18, 2021, IMCC acquired all of the issued and outstanding shares of Trichome (the common shares of which were previously traded on the Canadian Securities Exchange under the symbol "TFC") pursuant to a statutory plan of arrangement under the OBCA (the "**Trichome Arrangement**"). Pursuant to the Trichome Arrangement, each former holder of Trichome's shares received 0.24525 common shares of IMCC for each Trichome share held (the "**Exchange Ratio**"), and each former holder of Trichome in-the-money convertible instruments received a net payment of IMCC's common shares based on the Exchange Ratio. In connection with the closing of the Trichome Arrangement, 10,104,901 common shares of IMCC were issued to Trichome's former shareholders and former holders of in-the-money convertible instruments, and Trichome's shares were delisted from the Canadian Securities Exchange.

B. TJAC

20. TJAC is an Applicant in these CCAA proceedings and is a wholly-owned subsidiary of Trichome. TJAC is also the direct parent of TRC. TJAC was incorporated under the OBCA on May 7, 2020. Its registered office is located at 79 Wellington Street, West, Suite 3000, Toronto, Ontario, M5K 1N2.

21. TJAC was incorporated to serve as Trichome's purchaser designee under an asset purchase agreement dated March 31, 2020 (the "**Stalking Horse Agreement**"), between JWC, James E. Wagner Cultivation Ltd., JWC 1 Ltd., JWC 2 Ltd., JWC Supply Ltd., and GrowthStorm Inc., as vendors (collectively, the "**JWC Vendors**") and Trichome, as purchaser. The Stalking Horse Agreement contemplated the sale of substantially all of the JWC Vendors' assets to Trichome (or its designee) within the JWC CCAA Proceedings.

22. Prior to the JWC CCAA Proceedings, JWC was a publicly-listed company whose common shares traded on the TSXV under the symbol "JWCA" and the OTC Market Group under the symbol "JWCAF". Collectively, the JWC Vendors operated a vertically integrated premium cannabis company focused on producing cannabis using their aeroponic platform. In addition to being the JWC Vendors' senior-secured lender under the JWC Loan, Trichome also provided DIP financing to the JWC Vendors (the "**JWC DIP**") to facilitate their continued business operations while a Court-approved SISP was conducted in the JWC CCAA Proceedings (the "**JWC SISP**").

23. The Stalking Horse Agreement was ultimately declared the successful bid in the JWC SISP and Trichome, together with TJAC, completed the transaction contemplated thereunder on August 28, 2020. In accordance with the Stalking Horse Agreement, Trichome paid the JWC Vendors approximately \$17.3 million, comprised of a credit bid, the assumption of certain of the JWC Vendors' obligations and cash in consideration for substantially all of the assets of the JWC Vendors, including, among other things:

- (a) the JWC Vendors' two leased cannabis facilities in Kitchener, Ontario;
- (b) certain of the JWC Vendors' biological assets and inventory;
- (c) all intellectual property owned or licensed by the JWC Vendors and used in relation to the JWC Vendors' business; and
- (d) the benefit of all contracts or other agreements not otherwise excluded under the terms of the Stalking Horse Agreement to which the JWC Vendors were party.

C. TRC

24. TRC is an Applicant in these CCAA proceedings and is a wholly-owned subsidiary of TJAC. TRC was incorporated on April 20, 2021 under the OBCA. Its registered office is located at 150 King Street West, 214, Toronto, Ontario, M5H 1J9. Since inception, TRC has not carried on any operations.

D. MYM

25. MYM is an Applicant in these CCAA proceedings and is a wholly-owned subsidiary of Trichome. It is also the direct and indirect parent of MYMB and Highland, respectively. MYM was continued under the OBCA as of May 6, 2022. Its registered office is located at 79 Wellington Street, West, Suite 3000, Toronto, Ontario, M5K 1N2.

26. MYM was originally incorporated under the BCBCA, on July 11, 2014 as "My Marijuana Canada Inc.". On September 19, 2014, MYM's common shares were listed for trading on the Canadian Securities Exchange under the symbol "MYM". On February 24, 2016, MYM changed its name from My Marijuana Canada Inc. to "MYM Nutraceuticals Inc."

27. Through a series of transactions completed on June 30, 2020, MYM acquired the remaining total issued and outstanding capital that it did not already own of CannaCanada Inc. ("**CannaCanada**") and SublimeCulture Inc. ("**Sublime**"). As a result, CannaCanada and Sublime became wholly-owned subsidiaries of MYM. After acquiring the remaining total issued and outstanding capital of CannaCanada and Sublime, MYM completed the acquisition of Highland on July 31, 2020. Following the completion of these acquisitions, MYM operated as a Canadian

cultivator, processor and distributor of premium cannabis through its licensed operating subsidiaries, Sublime and Highland.

28. On March 31, 2021, MYM, entered into an arrangement agreement (the "**MYM Arrangement Agreement**") with IMCC and Trichome. Among other things, the MYM Arrangement Agreement contemplated IMCC's acquisition, through Trichome, of all of the issued and outstanding common shares of MYM in exchange for common shares of IMCC by way of a statutory plan of arrangement under the BCBCA (the "**MYM Arrangement**").

29. The MYM Arrangement was completed on July 9, 2021. In accordance with the terms of the MYM Arrangement Agreement, each former holder of MYM's common shares received 0.022 common shares of IMCC for each MYM common share held (rounded down to each whole share), subject to adjustment. In-the-money convertible instruments of MYM were settled for a net payment of common shares of IMCC and replacement convertible instruments of IMCC were issued in exchange for out-of-the-money convertible instruments of MYM. In connection with the MYM Arrangement, 10,073,437 common shares of IMCC were issued to MYM's former shareholders.

30. Upon completion of the MYM Arrangement, MYM became a wholly-owned subsidiary of Trichome and the common shares of MYM were delisted from the Canadian Securities Exchange.

31. On April 1, 2022, MYM sold all of the shares of Sublime it held to TJAC in consideration for an intercompany promissory note in the principal amount of \$1.04 million issued by TJAC in favour of MYM (the "**Sublime Acquisition**"). The Sublime Acquisition was a strategic initiative aimed at positioning TJAC to be more competitive in its pursuit of a retail license in Quebec.

32. On August 5, 2022, all of the issued and outstanding shares of Sublime were sold by TJAC on an "as-is, where is" basis to a group of purchasers comprised predominantly of former members of Sublime's management team. As discussed below, this sale was part of the Applicants' concerted efforts to improve its financial position, conserve costs and restructure the Canadian Business.

E. MYMB

33. MYMB is an Applicant in these CCAA proceedings and is a wholly-owned subsidiary of MYM as well as the direct parent of Highland. MYM was continued under the OBCA on May 4, 2022. Its registered office is located at 79 Wellington Street, West, Suite 3000, Toronto, Ontario, M5K 1N2.

34. MYMB was originally incorporated under the BCBCA on August 1, 2019. At inception, MYMB was intended to focus on the distribution of cannabidiol-rich consumer products. MYMB was maintained in the MYM Arrangement to preserve certain of its tax losses. MYMB does not currently carry on any operations.

F. Highland

35. Highland is an Applicant in these CCAA proceedings and is a wholly-owned subsidiary of MYMB. Highland was incorporated under the *Companies Act*, R.S.N.S. 1989, c. 81, as amended, on September 12, 2014. Its registered office is located at 302-5475 Spring Garden Road, Nova Scotia, Halifax, B3J 3T2.

36. Highland was formerly a wholly-owned subsidiary of Biome Grow Inc. ("**Biome**") until, as noted above, it was acquired by MYM on July 31, 2020 (the "**Highland Acquisition**"). The

total consideration paid for the Highland Acquisition was approximately \$12 million, consisting of, among other things:

- (a) \$1.5 million in cash;
- (b) 42,813,985 common shares in the capital of MYM at a per share price of \$0.065;
- (c) 132,551,040 class A special shares of MYMB; and
- (d) MYM's agreement to provide Biome with a loan in the principal amount of \$1 million (which could be, and was in fact, increased by the amount of certain assumed liabilities of Highland for an additional principal amount of \$1,664,141), bearing an annual interest rate of 17.5%, for a term of eighteen months, with an option to extend for an additional six months in Biome's sole discretion and upon the payment of an extension fee (the "**Biome Loan**").

G. The Non-Applicants

37. With the exception of CannaCanada, which is an indirect subsidiary, and Trichome LP, which is consolidated for financial reporting purposes as a result of the definition of control under IFRS 10 *Consolidated Financial Statements*, each of the Non-Applicants is a wholly-owned direct subsidiary of Trichome. The jurisdiction of incorporation or formation, as applicable, of each of the Non-Applicants is as follows:

- (a) *CannaCanada* – Quebec;
- (b) *Trichome Financial Cannabis GP Inc.* – Ontario;
- (c) *Trichome LP* – Ontario;

(d) *Trichome Asset Funding Corp.* – Ontario; and

(e) *Trichome Financial Cannabis Manager Inc.* – Ontario.

38. The Non-Applicants do not currently carry on any operations or have any material assets or liabilities. No relief is sought in respect of the Non-Applicants under the proposed Initial Order.

IV. BUSINESS OF THE APPLICANT

A. Cannabis Industry in Canada

39. The Canadian Business operates within Canada's rapidly evolving and highly regulated cannabis industry.

40. The *Cannabis Act*, S.C. 2018, c. 16, as amended (the "**Cannabis Act**") came into force on October 17, 2018, providing a framework for the legalization of adult-use cannabis in Canada. The Cannabis Act, and the regulations thereunder, govern the issuance of cultivation licenses for standard cultivation, industrial hemp cultivation, micro-cultivation and nursery cultivation as well as licenses for standard and micro-processing and sales licenses for medical or non-medical use. Canada's federal regulatory regime also imposes labeling and packaging restrictions for cannabis products and imposes strict requirements with respect to the possession, cultivation, production, distribution and sale of cannabis.

41. The provinces and territories of Canada are responsible for developing, implementing, maintaining and enforcing systems to oversee the distribution and sale of cannabis and cannabis accessory products within their respective province or territory. To date, all of the provinces and

territories of Canada have introduced regulatory regimes for the distribution and sale of cannabis for recreational purposes.

B. The Canadian Business

42. Trichome was created to address the lack of credit availability in the cannabis market and at inception, operated as a specialty finance company focused on providing tailored credit-based capital solutions to the Canadian and legal international cannabis industry. As the Canadian cannabis industry rationalized and consolidated, Trichome shifted its focus from specialty finance to acquiring cannabis assets at compelling valuations and financially and operationally restructuring such assets. This shift in focus was catalyzed by JWC's default under the JWC Loan, which ultimately resulted in the JWC Acquisition in the JWC CCAA Proceedings.

43. As noted previously, pursuant to the JWC Acquisition, Trichome through its wholly-owned subsidiary, TJAC, acquired substantially all of the assets of JWC and became licensed by Health Canada on August 28, 2020. Further, the JWC Acquisition resulted in Trichome, through TJAC, obtaining control of two of the Licensed Facilities, as well as certain biological assets, inventory on hand, and registered or applied for patents, trademarks and other intellectual property.

44. TJAC is now one of Trichome's two operating subsidiaries through which the Canadian Business is conducted. TJAC holds a Standard Cultivation, Standard Processing and Sale for Medical Purposes license in respect of the Trillium Facility and a Standard Cultivation and Standard Processing license in respect of the Manitou Facility (each as defined below). TJAC focuses on the cultivation, processing and sale of premium cannabis for the adult-use market in Canada under the "WAGNERS" brand. It has provincial supply agreements or similar arrangements and authorizations to sell cannabis in all provinces and territories across Canada,

except Nunavut. Its active product listings include premium dried flower, pre-rolls, infused pre-rolls and hash.

45. Highland is Trichome's second operating subsidiary. Highland became an indirect subsidiary of Trichome pursuant to the MYM Arrangement. Highland holds a single Standard Cultivation, Standard Processing and Sale for Medical Purposes license in respect of the Highland Facility (as defined below). It has traditionally focused on the cultivation, processing and sale of ultra-premium cannabis for the adult-use market in Canada under the "Highland Grow" brand. Highland's products have generally been sold to provincially-owned cannabis or third party intermediary wholesalers in the Northwest Territories, Nunavut, Yukon, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador.

46. While TJAC and Highland operate the Licensed Facilities, Trichome centrally manages all aspects of the Canadian Business from Ontario. This includes managing the Company's financial position, cash management, and strategic and other decision-making.

C. Leased Facilities and Real Property

47. TJAC leases two of the Licensed Facilities while the remaining Licensed Facility is owned by MYMB. MYM leases office space.

1. The Trillium Facility

48. TJAC leases a 15,000 sq. ft. processing and packaging facility located at 855 Trillium Drive, Unit B, Kitchener, Ontario, N2R 1J9 (the "**Trillium Facility**"). No cultivation occurs at the Trillium Facility. James E. Wagner Cultivation Ltd. entered into the lease for the Trillium Facility

on December 13, 2013 (the "**Original Trillium Lease**"). The term of the Trillium Lease originally ended on March 31, 2021, at which time James E. Wagner Cultivation Ltd. was entitled to exercise an option to renew the Trillium Lease for an additional five years, subject to certain conditions.

49. The Trillium Lease was assigned to TJAC upon the closing of the JWC Acquisition on August 28, 2020. Pursuant to a renewal agreement of lease dated November 25, 2020 (together with the Original Trillium Lease, the "**Trillium Lease**"), TJAC renewed the term of the Original Trillium Lease effective April 1, 2021, for five years until March 31, 2026.

50. As of the date of this affidavit, the monthly base rent due under the Trillium Lease is \$9,625.50, and the monthly common area expenses are approximately \$3,850. TJAC is currently in arrears with respect to the Trillium Lease having failed to pay November rent.

2. The Manitou Facility

51. TJAC leases a 345,000 sq. ft. cultivation facility located at 530 Manitou Drive, Kitchener, Ontario, N2C 1L3 (the "**Manitou Facility**"). The Manitou Facility is the Applicants' only cultivation facility. TJAC only uses approximately 115,000 sq. ft. of the Manitou Facility and as such, has been seeking to sublet the remainder.

52. James E. Wagner Cultivation Ltd. entered into an amended and restated lease agreement for the Manitou Facility on February 1, 2018 (the "**Manitou Lease**"). The Manitou Lease was assigned to TJAC upon the closing of the JWC Acquisition and has a term of fifteen years, expiring on January 31, 2033.

53. The Manitou Lease is subject to a phased rent schedule. The monthly base rent due is currently \$169,861.28, and the monthly common area maintenance and insurance expenses are

approximately \$73,803. As of the date of this affidavit, the Applicants are in arrears with respect to the Manitou Lease having failed to pay November rent. The landlord under the Manitou Lease currently holds a \$600,000 security deposit as security for the performance by TJAC of all of the terms, covenants and conditions of the Manitou Lease.

3. The Highland Facility

54. MYMB owns a 6,500 sq. ft. processing and packaging facility located at 861 Ohio East Road, Antigonish, Nova Scotia, B2G 2K8, which has an additional nineteen acres of attached farmland (the "**Highland Facility**").

55. To conserve costs in the Canadian Business the Applicants have ceased all cultivation at the Highland Facility and centralized all of the Canadian Business' cultivation at the Manitou Facility. The Highland Facility continues to be used for processing and packaging purposes.

4. Leased Office Space

56. Until recently, Trichome leased office space located at 1027 Yonge Street, Toronto, Ontario, M4W 2K9 pursuant to a sublease dated July 9, 2021 (the "**Toronto Office Lease**"). The Toronto Office Lease was on a month-to-month basis and had a monthly rent of \$10,170. The term of the Toronto Office Lease expired on October 31, 2022 and Trichome provided the requisite notice to its landlord that it did not intend to extend the Toronto Office Lease. As of the date of this affidavit, Trichome is three months in arrears in respect of the Toronto Office Lease. However, the landlord is currently holding the cumulative gross rent applicable for the first and last monthly period of the term of the lease, which amount was provided to the landlord in connection with Trichome's execution of the Toronto Office Lease.

57. MYM leases office space located at 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6, pursuant to a lease dated April 13, 2018 (the "**Vancouver Office Lease**"). The Vancouver Office Lease has a term of five years, expiring on June 30, 2023 and a monthly rent of approximately \$10,568. As of the date of this affidavit, MYM is three months in arrears in respect of the Vancouver Office Lease.

D. Employees

58. The Applicants currently employ approximately 226 people and engage 12 consultants subject to consulting arrangements. Certain of the Applicants' employees are designated responsible persons or possess the security clearances required under the Cannabis Act and the regulations thereunder to operate the Canadian Business. Such persons are essential to the Canadian Business.

59. Additional details regarding the Applicants' employees and consultants, including their location and designation, is set out in the table below:

Employee Designation	Trillium Facility	Manitou Facility	Highland Facility	Overhead Corporate¹	MYM	Trichome	Total
Full Time (Hourly)	25	46	24	1	N/A	N/A	96
Full Time (Salaried)	15	41	11	54	1	8	130
Consultant	1	N/A	1	6	4	N/A	12
Total	41	87	36	61	5	8	238

60. All of the Applicants' salaried and hourly employees are paid bi-weekly. The Applicants' aggregate bi-weekly payroll obligations are approximately \$491,000 for their salaried and hourly

¹ These are individuals who are employed at one of the Leased Facilities, but their time is dedicated to more than one of the Applicants.

employees, consisting of approximately \$51,000 paid by Trichome, approximately \$380,000 paid by TJAC and approximately \$60,000 paid by MYM. As of the date of this affidavit, (i) TJAC and MYM are current on their payroll obligations, including all source deductions and (ii) Trichome is current on its bi-weekly payroll obligations but, is in arrears on certain of its consulting fees and with respect to the Withholding Tax (as defined and discussed below).

61. The Applicants' employees are non-unionized and there are no pension, retirement or deferred compensation plans for their benefit. Through their benefits provider, Green Shield Canada, the Applicants sponsor a group benefit plan offering health care, dental care, short-term disability and long-term disability benefits for all of their salaried and hourly employees.

62. The Applicants do not maintain a formal pre-determined compensation plan for their named executive officers (collectively, the "**NEOs**"). Rather, the Applicants informally evaluate the NEOs' performance when determining compensation. The NEOs compensation generally consists of a base salary, short-term cash incentives and long-term equity incentives. Certain of the NEOs are parties to employment contracts that entitle such NEOs to prescribed pay and/or benefits in the event of termination without cause.

63. As indicated above, the Applicants engage twelve consultants pursuant to consulting agreements or arrangements (collectively, the "**Consultants**"), six of which hold critical roles with the Applicants and are integral to the Canadian Business. Generally, the Consultants are paid agreed upon monthly consulting fees. As at October 28, 2022, approximately \$500,000 is owing to the Consultants.

E. Suppliers

64. The Applicants rely on vendors, third-party suppliers and service providers to conduct the Canadian Business in the ordinary course. The Applicants are not current with respect to their obligations to certain of their vendors, third-party suppliers and service providers. As of November 1, 2022, the Applicants' invoiced trade accounts payable was approximately \$7.7 million, of which approximately \$7.4 million was past due.

65. The Applicants' inability to pay their vendors, third-party suppliers and service providers in the ordinary course has negatively impacted the Canadian Business. Specifically, the Applicants have been unable to purchase cannabis from third-party suppliers and fulfill numerous hard pipeline purchase orders. This resulted in a loss of revenue of approximately \$2 million in the third quarter of 2022 as compared to the Applicants' budget for such period. The Applicants' inability to purchase cannabis from third-party suppliers and fulfill purchase orders is expected to negatively affect the Applicants' revenue in the fourth quarter of 2022 and thereafter. The Applicants' acute liquidity issues have likewise adversely impacted the Applicants' capacity to, among other things, cultivate and sell cannabis and provide outside testing services.

66. In the case of service providers, the Applicants' liquidity issues have prompted opportunistic behaviour by certain delivery services, causing the Applicants' cannabis to be held in abeyance pending immediate payment of the Applicants' arrears. In addition, Kitchener Wilmot Hydro, one of TJAC's critical utility service providers, has advised that both the Trillium Facility's and the Manitou Facility's hydro will be disconnected in light of the Applicants' existing arrears in the amount of approximately \$273,300 between November 7, 2022 and November 20, 2022. Such

a result would be catastrophic to the value of the Applicants' inventory and expected yield in the coming weeks of approximately 200kg of cannabis.

F. Excise Duty and Other Tax Obligations

67. The Applicants are liable for certain excise duties, sales taxes and withholding taxes. Each is discussed below.

1. Excise Duty

68. As of October 31, 2022, the Applicants had approximately \$847,000 in excise tax arrears net of cash security and a surety bond (the "**Excise Arrears**").

69. Cannabis producers are required to post security pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22, as amended. The security provides the Canada Revenue Agency ("**CRA**") with financial assurance for any outstanding excise duty. The security can be posted in the form of a surety bond or a deposit with the CRA. Details regarding the Applicants' security posted with the CRA and the Excise Arrears are set out in the table below:

Balance/Security Type	Approximate Amount
Applicants' Accrued Excise Duty Balances Owing (arrears and accrued as at October 28, 2022)	\$2,061,000 ² (X)
Highland's Surety Bond Value Held as Security for Excise Duty	\$300,000 (Y)
TJAC's Deposits with the CRA Held as Security for Excise Duty	\$533,000 (Z)
Approximate net Excise Duty Balance Owing (net of Surety Bond and Deposits Held as Security)	\$1,228,000 (X-Y-Z)

² Of this balance, approximately \$1,250,000 is in arrears.

70. As illustrated in the Cash Flow Forecast (as defined and discussed below), the Applicants intend to pay the Excise Arrears during these CCAA proceedings.

2. Sales Taxes

71. As at the date of this affidavit, TJAC and TFC are one month in arrears on sales taxes payable in the amount of approximately \$41,000 and \$49,000, respectively. Similarly, MYM and Highland are two months in arrears on sales taxes payable in the amount of approximately \$120,000 and \$59,000, respectively, as at the date of this affidavit.

72. As indicated within the Cash Flow Forecast, TJAC, TFC and MYM intend to pay their sales tax arrears during these CCAA proceedings.

3. Withholding Taxes

73. Trichome records a liability for withholding tax in the approximate amount of \$5.3 million (excluding interest and late penalties) arising from the Trichome Arrangement (the "**Withholding Tax**"). Certain of the common shares of IMCC issued in connection with the Trichome Arrangement were withheld in accounts owned by Trichome to satisfy the Withholding Tax upon expiration of the applicable lock-up period (the "**Share Holdback**").

74. As at the date of this affidavit, the majority of the Withholding Tax remains outstanding. Further details regarding the Withholding Tax and the Share Holdback can be found in IMCC's management's discussion and analysis for the three and six months ended June 30, 2022 (the "**MD&A**") and IMCC's audited consolidated financial statements as of December 31, 2021 (the "**IMCC Audited Financial Statements**"). Copies of the MD&A and IMCC Audited Financial Statements are attached hereto as **Exhibits "C"** and **"D"**, respectively.

G. Cash Management System and Credit Cards

75. The Applicants utilize a manual cash management system to collect, manage and distribute funds used in the Canadian Business (the "**Cash Management System**"). As part of the Cash Management System, the Applicants maintain the following bank accounts:

Applicant	Accounts	Currency
Trichome	<ul style="list-style-type: none"> ▪ 2 Chequing Accounts with ATB Financial ▪ 1 Chequing Account with Alterna Savings and Credit Union Limited ▪ 1 Membership Shares Account with Alterna Savings and Credit Union Ltd. ▪ 2 Guaranteed Investment Certificates with ATB Financial (Considered restricted cash held for security against credit cards issued to the Applicants) 	(CAD)
TJAC	<ul style="list-style-type: none"> ▪ 1 Chequing Account with Alterna Savings and Credit Union Ltd. 	(CAD)
MYM	<ul style="list-style-type: none"> ▪ 3 Demand Deposit Accounts with Bank of Montreal 	(CAD)
Highland	<ul style="list-style-type: none"> ▪ 1 Demand Deposit Account with Bank of Montreal ▪ 1 Chequing Account with East Coast Credit Union Limited ▪ 1 Equity Share Account with East Coast Credit Union Limited 	(CAD)

76. Trichome also maintains two investment accounts with Cormark Securities Inc., an inactive account with Olympia Trust Company and one investment account with Cannacord Genuity Corp. With the exception of one of Trichome's investment accounts with Cormark Securities Inc., the aforementioned investment accounts are in Canadian currency. Cash received from customers in the ordinary course of business is deposited in deposit accounts held by TJAC and MYM, and is thereafter directed to Cortland. Such amounts cannot be used directly to fund the Canadian Business as they are held to be remitted to Cortland.

77. The Cash Management System gives the Applicants the ability to efficiently and accurately track and control corporate funds and ensure cash availability. The Applicants require the

continued use of the Cash Management System during these CCAA proceedings. Accordingly, the proposed Initial Order authorizes the Applicants to continue to use the Cash Management System and to maintain their existing funding and banking arrangements.

78. The Applicants also have 8 credit cards (collectively, the "**Credit Cards**"), which have been provided to certain of their employees for departmental and personal business expenses incurred on behalf of the Applicants, including paying third parties where required. The maximum combined credit limit of the Credit Cards is \$80,000. As of October 31, 2022, approximately \$37,900 is owing under the Credit Cards.

H. Intellectual Property

79. TJAC holds several registered or applied for patents, trademarks and other intellectual property, which were acquired in the JWC Acquisition. MYM likewise holds several registered or applied for patents, trademarks and other intellectual property. Certain of the aforementioned intellectual property is not material to the Canadian Business. The Applicants have not taken steps to maintain or have otherwise abandoned their non-material intellectual property.

V. FINANCIAL POSITION OF THE APPLICANT

80. As at the date of this affidavit, the Applicants have approximately \$0.3 million in cash on hand not restricted for the Agent.

81. A copy of the Company's internally prepared unaudited consolidated balance sheet for the six months ended June 30, 2022 (the "**Consolidated Balance Sheet**") is attached hereto as **Exhibit "E"**. Certain of the information contained within the Consolidated Balance Sheet is discussed below.

A. Assets

82. As at June 30, 2022, the Company had total assets with a book value of approximately \$113.8 million. The Company's assets, as at June 30, 2022, consisted of the following:

Assets	Book Value
Cash	\$2,462,934
Receivables and Recoverable Balances	\$10,764,215
Prepaid Expenses and Deposits	\$2,019,124
Inventory	\$10,767,816
Biological Assets	\$1,490,622
Other Current Assets	\$28,228
Loans Receivable	\$686,402
Intangible Assets and Goodwill	\$55,751,795
Property, Plant, and Equipment	\$15,969,485
Right of Use Assets (Leases under IFRS 16)	\$13,914,548
Total Assets	\$113,855,168

83. The realizable value of certain categories of the Company's assets would reasonably be expected to be less than the book value of such assets, and in some cases, significantly less.

B. Liabilities

84. As at June 30, 2022, the Company had total liabilities with a book value of approximately \$124.8 million. The Company's primary liabilities, as at June 30, 2022, consisted of the following:

Liabilities	Book Value
Accounts Payable and Accrued Liabilities	\$19,705,157
Deferred Revenues - Intercompany with IMCC	\$150,000
Intercompany Payable with IMCC	
IMCC Promissory Note and Accrued Interest Owing	\$10,272,767
IFRS 3 Purchase Consideration and Transaction Fees	\$63,994,172
Intercompany Balance Owing From Focus (Israeli Subsidiary) for Purchased Product	\$(99,204)
Other Intercompany Balances	\$(610,662)
Lease Liabilities	\$15,385,662
Loans Payable	\$12,107,067

Liabilities	Book Value
Deferred Tax Liability	\$3,866,079
Total Liabilities	\$124,771,038

85. As discussed in greater detail below, each of the Applicants is an Obligor under the ABL Agreement (each as defined below) and as such, has liabilities in excess of \$5 million.

C. Secured Debt

86. The Applicants' primary secured debt obligations consist of amounts owing under the ABL Agreement and the Secured Trichome Loans (as defined below). The ABL Agreement and the Secured Trichome Loans are discussed immediately below.

1. The ABL Agreement

87. On May 14, 2021, TJAC entered into a credit agreement (the "**Original ABL Agreement**") among Cortland, in its capacity as the Agent for the Lenders, TJAC, as borrower, and Trichome, as the initial guarantor. Pursuant to an instrument of assumption and joinder dated August 27, 2021 (the "**Joinder**"), Highland, MYM, MYMB and TRC (collectively, the "**Guarantors**", and together with TJAC and Trichome, the "**Obligors**") also became parties to the Original ABL Agreement. On that same date, the Original ABL Agreement was amended pursuant to an amending agreement no. 1 (and as further amended by an amending agreement no. 2 dated March 31, 2022, the "**ABL Agreement**"). A redacted copy of the ABL Agreement (inclusive of the amendments thereto) and a copy of the Joinder are attached hereto as **Exhibits "F"** and **"G"**, respectively.

88. Among other things, the ABL Agreement provides for a revolving credit facility in a maximum principal amount not to exceed \$15 million (the "**Total Commitment**"). Pursuant to the ABL Agreement, the proceeds of the revolving credit facility are to be used to finance the Obligors'

working capital requirements and other ordinary course payables. Amounts advanced under the ABL Agreement bear interest at a rate per annum equal to the greater of (i) 9.75% and (ii) the TD Prime Rate, plus 7.30%, due and payable in arrears in cash on the last day of each calendar month. In consideration for making the revolving credit facility available to TJAC, the Agent is entitled to, among other fees and reimbursements, a utilization fee of 2.4% per annum, calculated daily and payable on the last business day of each month on the unused portion of the Total Commitment.

89. The total advances under the revolving credit facility cannot exceed, at any given time, the lesser of (i) the Borrowing Base Amount (as defined in the ABL Agreement) and (ii) the Total Commitment (the "**Borrowing Limit**"). TJAC must make written requests for advances under the revolving credit facility that are attended by, among other things, a borrowing base certificate evidencing that the loan advance request does not exceed the Borrowing Limit.

90. The initial term of the ABL Agreement ends on May 14, 2023 (the "**Initial Term**"). The Initial Term may be extended for up to two additional periods of 180 days each with the mutual agreement of TJAC and the Agent no later than thirty days prior to the end of the Initial Term, subject to the continued satisfactory performance of the Obligor's obligations under the ABL Agreement and other transaction documents.

91. As of October 28, 2022, approximately \$4.73 million of principal is owing to the Agent under the ABL Agreement. As of November 1, 2022, there was an additional \$79,000 of interest accrued month-to-date.

92. As general and continuing security for the payment and performance of all of TJAC's present and future indebtedness and other obligations to the Agent and the Lenders under the ABL

Agreement (collectively, the "**Cortland Debt**"), the following security (collectively, the "**Security**") was provided to the Agent:

- (a) a general security agreement dated May 14, 2021, pursuant to which Trichome and TJAC granted a continuing security interest in favour of the Agent, for the benefit of the Agent and the Lenders, in, among other things, all of their present and after acquired personal property;
- (b) a supplement to general security agreement dated August 27, 2021, pursuant to which each of the additional Guarantors, among other things, granted a security interest in favour of the Agent, for the benefit of the Agent and the Lenders, in certain pledged equity interests held by such Guarantor (the "**Pledged Securities**"), all cash, instruments and other property received, receivable or otherwise distributed in exchange for any and all such Pledged Securities and all other collateral relating to the Pledged Securities;
- (c) a guarantee dated May 14, 2021 (the "**Initial Guarantee**"), pursuant to which Trichome, among other things, guaranteed payment to the Agent and the Lenders of (i) all present and future, direct and indirect, contingent and absolute obligations and liabilities of TJAC to the Agent and the Lenders arising under or in connection with the ABL Agreement and the Security Agreements (as defined in the ABL Agreement) and (ii) all other obligations of TJAC to the Agent and the Lenders that Trichome may from time to time acknowledge in writing are guaranteed under the Initial Guarantee (collectively, the "**Guaranteed Obligations**");

- (d) a supplement to guarantee dated August 27, 2021, pursuant to which each of the additional Guarantors, among other things, unconditionally and irrevocably guaranteed the prompt payment and performance to the Agent of all of the Guaranteed Obligations;
- (e) a Canadian patent security agreement dated May 14, 2021, pursuant to which TJAC granted a security interest in favour of the Agent in all of its right, title and interest in, to and under all (i) of its Canadian patents and all renewals and extensions thereof and (ii) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect any of the foregoing;
- (f) a Canadian trademark security agreement dated May 14, 2021, pursuant to which TJAC granted a security interest in favour of the Agent in all of its right, title and interest in, to and under all (i) of its Canadian trademarks and all renewals and extensions thereof, (ii) all goodwill of the business conducted with or symbolized by such trademarks, and (iii) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect any of the foregoing;
- (g) a Canadian trademark security agreement dated August 27, 2021, pursuant to which MYM granted a security interest in favour of the Agent in all of its right, title and interest in, to and under all (i) of its Canadian trademarks and all renewals and extensions thereof, (ii) all goodwill of the business conducted with or symbolized by such trademarks, and (iii) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect any of the foregoing;

- (h) a transfer and assignment of insurance dated May 14, 2021, pursuant to which Trichome and TJAC transferred and assigned to the Agent all sums of money that may become payable to Trichome and/or TJAC by any insurance policies maintained by them; and
- (i) a transfer and assignment of insurance dated August 27, 2021, pursuant to which each of the Guarantors transferred and assigned to the Agent all sums of money that may become payable to such Guarantor by any insurance policies maintained by it.

93. Copies of each of the foregoing elements comprising the Security are attached hereto as **Exhibits "H" - "P"**.

94. In connection with the ABL Agreement, IMCC entered into a postponement agreement dated August 27, 2021 (the "**Postponement Agreement**"). Pursuant to the Postponement Agreement, IMCC agreed to defer and postpone the Obligors' payment of all present and future indebtedness and other obligations to IMCC (collectively, the "**IMCC Debt**") to the Cortland Debt, except as otherwise permitted under the ABL Agreement or by the Agent. As security for the Cortland Debt, IMCC assigned and transferred the IMCC Debt to the Agent pursuant to the Postponement Agreement. A copy of the Postponement Agreement is attached hereto as **Exhibit "Q"**.

95. TJAC is currently in breach of certain terms of the ABL Agreement. Namely TJAC has failed to:

- (a) maintain a Debt Service Coverage Ratio (as defined in the ABL Agreement) of not less than 2:1 (the "**Debt Service Covenant**");

- (b) promptly, and in any event within three business days of providing notice of a Borrowing Base Shortfall (as defined in the ABL Agreement), repay the outstanding principal amount of all loan advances under the ABL Agreement by an amount required to reduce the aggregate principal amount thereof to an amount less than or equal to the Borrowing Limit (the "**Paydown Covenant Breach**"); and
- (c) comply with certain other representations, warranties and covenants under the ABL Agreement (collectively, the "**Additional Breaches**"), including, among others, TJAC's solvency and tax remittance.

96. Pursuant to a limited waiver agreement dated August 3, 2022 between the Agent and the Obligors (the "**August Limited Waiver**"), the Agent, on behalf of the Lenders, waived the Debt Service Covenant breach until September 30, 2022. On September 26, 2022 the Agent and the Obligors executed an additional limited waiver agreement (the "**September Limited Waiver**") pursuant to which the Agent, on behalf of the Lenders, waived the Paydown Covenant Breach and any Event of Default (as defined in the ABL Agreement) arising therefrom on the terms of the Limited Waiver. The September Limited Waiver does not provide a similar waiver of the Additional Breaches, including TJAC's continued breach of the Debt Service Covenant, nor any Event of Default resulting therefrom. Copies of the August Limited Wavier and the September Limited Waiver are collectively attached hereto as **Exhibit "R"**.

2. The Secured Trichome Loans

97. Upon closing the JWC Acquisition, approximately \$7 million of the then outstanding JWC DIP was assumed in the form of 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 (as amended, the "**Secured Debenture**"). The balance of the JWC DIP, plus TJAC's anticipated future funding requirements were funded by way of a secured grid promissory note dated August 28, 2020 issued by TJAC in favour of Trichome (the "**Secured Promissory Note**", and together with the Secured Debenture, the "**Secured Trichome Loans**"). Copies of the Secured Promissory Note and the Secured Debenture are attached hereto as **Exhibits "S"** and **"T"**, respectively.

98. All advances under both the Secured Promissory Note and the Secured Debenture bear interest at a rate of 1% per annum, payable quarterly within ten business days of the first day of January, March, June and September each year. The Secured Promissory Note matured on August 28, 2022 and TJAC's indebtedness thereunder remains outstanding. The Secured Debenture matures on August 28, 2024 or such earlier date as the principal amount advanced thereunder may become due and payable.

99. As of September 30, 2022, approximately \$20.6 million (inclusive of accrued interest) and approximately \$7.1 million (inclusive of accrued interest) are owing to Trichome under the Secured Promissory Note and the Secured Debenture, respectively.

100. The following security was granted pursuant to the terms of the Secured Trichome Loans:

- (a) as continuing security for the payment of all amounts owing under the Secured Promissory Note, TJAC granted a security interest in favour of Trichome in, among other things, all of its present and future undertaking and all personal property in which TJAC at any time has any right, title or interest but, excluding any consumer goods; and

- (b) as continuing security for the payment of all amounts owing under the Secured Debenture, TJAC granted a security interest in favour of Trichome in, among other things, all of its present and future undertaking and all personal property in which TJAC at any time has any right, title or interest but, excluding any consumer goods.

101. Although the ABL Agreement contemplates the provision of a postponement, subordination and standstill agreement from Trichome in respect of any debt owed to it by TJAC, no such stand-alone agreement was executed. However, pursuant to the Initial Guarantee payment of all present and future obligations of TJAC to Trichome are to be postponed to the payment of the Cortland Debt. Further, all security interests held by Trichome for the payment of all present and future obligations of TJAC are to be subordinated to all present and future security interests held by the Agent in respect of the Guaranteed Obligations. Under the Initial Guarantee, this subordination is effective notwithstanding the order of execution, delivery, registration or perfection of such security interests, the order of advancement of funds, the order of crystallization of security, or any other matter that may affect the relative priority of such security interests.

3. Other Secured Obligations

102. Copies of the results of searches conducted against the Applicants under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**Ontario PPSA**") effective September 18, 2022 and September 19, 2022, as applicable, are collectively attached hereto as hereto as **Exhibit "U"**. A copy of the results of a search conducted against Highland under the *Personal Property Security Act*, 1995-96, c. 13, s. 1, as amended (the "**Nova Scotia PPSA**") effective September 21, 2022, is attached hereto as hereto as **Exhibit "V"**.

103. The Ontario PPSA and the Nova Scotia PPSA search results disclose registrations against each of the Applicants in favour of the Agent. The Ontario PPSA search results also disclose (i) two registrations against TJAC in favour of Trichome in connection with the Secured Trichome Loans and (ii) one registration against TJAC in favour of Kempenfelt, a Division of Bennington Financial Corp., in connection with a forklift leased by TJAC.

D. Unsecured Debt

1. The Applicants' Indebtedness to IMCC

104. The Applicants have previously engaged in intercompany transactions with IMCC in the ordinary course of their business, giving rise to intercompany receivables and payables. In addition to its previous ordinary course intercompany transactions, IMCC has provided an unsecured loan to Trichome pursuant to a grid promissory note dated June 28, 2021 (the "**IMCC Promissory Note**"). A copy of the IMCC Promissory Note is attached hereto as **Exhibit "W"**.

105. The aggregate outstanding principal amount of all advances to Trichome under the IMCC Promissory Note bears interest at 5% per annum until such principal amount is repaid in full, accruing on a monthly basis and payable both before and after maturity, default or judgment. The principal amount advanced under the IMCC Promissory Note, together with all unpaid interest, was due and payable in full on June 28, 2022.

106. As of September 30, 2022, approximately \$12.5 million (inclusive of accrued interest) was owing by Trichome to IMCC under the IMCC Promissory Note.

2. Other Intercompany Indebtedness

107. In the ordinary course of business, the Applicants frequently engage in intercompany transactions resulting in the creation of intercompany receivables and payables. Generally, these intercompany balances are eliminated on the consolidation of the Applicants' financial results. TJAC and Highland, as the Applicants' operating subsidiaries, also pay management fees to certain of the other Applicants in the ordinary course of business.

108. In addition to the aforementioned ordinary course intercompany transactions, Trichome has provided unsecured and interest free financing to MYM. Principally, this financing has funded operational costs for Highland and prior to its sale, Sublime. As at September 30, 2022, approximately \$3.9 million is owing to Trichome by MYM.

109. As referenced above, in connection with the Sublime Acquisition, TJAC issued an unsecured and interest free promissory note dated April 1, 2022 in the principal amount of \$1.04 million in favour of MYM (the "**TJAC Promissory Note**"). Pursuant to its terms, TJAC is permitted to repay the principal amount owing under the TJAC Promissory Note at any time or from time to time. A copy of the TJAC Promissory Note is attached hereto as **Exhibit "X"**.

3. Employee Liabilities

110. As discussed above, the Applicants' bi-weekly payroll obligations are approximately \$491,000 for their salaried and hourly employees. While the Applicants are current with respect to their payment of payroll and the remittance of employee source deductions, save for certain consulting fees and the Withholding Tax, their ability to meet their future payroll obligations,

including on November 8, 2022, is contingent on the granting of the relief sought in the proposed Initial Order.

4. Other Noteworthy Unsecured Claims

111. In addition to the aforementioned unsecured obligations, the Applicants have the following noteworthy claims:

- (a) *Accounts Payable* – As noted above, as of November 1, 2022, the Applicants' invoiced trade accounts payable balance to vendors, third party suppliers and service providers was approximately \$7.7 million, of which approximately \$7.4 million is overdue.
- (b) *Excise, Sales and Withholding Taxes* – As previously discussed, as of October 31, 2022, the Applicants had approximately \$847,000 in excise tax arrears (net of deposits and a surety bond), approximately \$268,000 in sales tax arrears, and approximately \$5.3 million in Withholding Tax.
- (c) *Outstanding Professional Fees* – The Applicants are currently indebted to certain of their professional advisors retained prior to, and for purposes other than, these CCAA proceedings.

5. Litigation Matters

112. On March 12, 2021, MYM filed a notice of civil claim in the Supreme Court of British Columbia against Robert Gietl in respect of a loan advanced to Mr. Gietl. A trial of the action was

initially scheduled for October, 2022, but has been adjourned until December 4, 2023. As at the date of this affidavit, this action remains unresolved.

113. On May 3, 2022, MYM filed an application in the Ontario Superior Court of Justice (Commercial List) for the appointment of a receiver and manager over the assets, undertaking and properties of Biome and its subsidiary, Cultivator, in connection with a default under the Biome Loan (the "**Receivership Application**"). On September 9, 2022, MYM entered into a settlement term sheet (the "**Biome Settlement**") with Biome and Cultivator pursuant to which, among other things, the maturity date of the Biome Lone was extended to December 9, 2023. On September 12, 2022, the Honourable Madam Justice Conway issued an endorsement (the "**Biome Endorsement**") adjourning the Receivership Application pending implementation of the Biome Settlement. As at the date of this affidavit, the balance of the Biome Loan, inclusive of accrued interest, is approximately \$2.9 million. A copy of the Biome Endorsement is attached hereto as **Exhibit "Y"**.

VI. EVENTS PRECEDING THESE CCAA PROCEEDINGS

114. Since the JWC Acquisition, the Applicants have materially grown the Canadian Business and positioned their "WAGNERS" and "Highland Grow" brands to become market leaders in the premium and ultra-premium dried flower and pre-roll segments in Canada. Notwithstanding the growth of the Canadian Business and the Applicants' increase in net revenue over the previous four quarters ended June 30, 2022, and reduced operating losses, the Applicants have been unable to resolve their pernicious liquidity issues. Over the last several months, the Applicants have made numerous concerted efforts to improve their financial position, conserve costs and restructure the

Canadian Business, in consultation and with the approval of IMCC. These efforts have included, among other things:

- (a) ceasing all cultivation at the Highland Facility and centralizing the Canadian Business' cultivation at the Trillium Facility and the Manitou Facility;
- (b) maximizing efficiencies in the Applicants' workforce by (i) reducing headcount and (ii) terminating certain employees needed on a part-time basis and moving such employees to consulting contracts, with a view to reducing the Applicants' aggregate payroll expenses by approximately \$2 million per annum;
- (c) selling all of the issued and outstanding shares of Sublime, which was consistently losing money, on an "as-is, where is" basis to a group of purchasers comprised predominantly of former members of Sublime's management team;
- (d) with the assistance of Cormark Securities Ltd., the advisor to IMCC's special committee, conducting an out-of-Court sale process to solicit interest from potential qualified bidders in the Applicants and/or their assets;
- (e) engaging in detailed discussions with potential qualified bidders contacted by the Applicants or Cormark Securities Ltd. regarding a purchase of the Canadian Business, in whole or in part; and
- (f) coordinating with the Agent to ensure that the Applicants would have access to capital under the ABL Agreement.

115. Despite the Applicants' best efforts, their liquidity situation has not materially improved. What is more, the Applicants have been unable to obtain alternative financing or sufficient funding to address their liquidity challenges.

116. With a view to avoiding the devastating effects of a bankruptcy or liquidation, and having regard to the best interests of the Applicants and their stakeholders, the boards of directors of the Applicants engaged advisors to discuss contingency plans should the Applicants be unable to obtain additional funding or consummate a timely out-of-Court sale transaction. That eventuality has now materialized, necessitating urgent creditor protection and additional relief under the CCAA.

VII. RELIEF SOUGHT

117. As set out above, the Applicants are currently facing a severe liquidity crisis and are unable to satisfy their liabilities as they generally become due. Without immediate relief, including additional financing and a stay of enforcement actions, the Applicants will inevitably be forced to cease their going concern operations and liquidate their assets. After extensive review and careful consideration of the strategic options and alternatives available, the boards of directors of the Applicants, with the assistance of their advisors, determined that it is in the best interests of the Applicants and their stakeholders to seek urgent relief under the CCAA.

118. The material relief sought under the proposed Initial Order is discussed below.

B. Stay of Proceedings

119. The Applicants urgently require a stay of proceedings to prevent enforcement action by, among others, their contractual counterparties and disruption to the Canadian Business.

Accordingly, the proposed Initial Order provides the Stay of Proceedings for the Initial Stay Period of not more than ten days. The proposed Stay of Proceedings extends to each of the Monitor, the Applicants, the Canadian Business, the Property and the Directors and Officers.

120. The proposed Stay of Proceedings will preserve the *status quo* and afford the Applicants the breathing space and stability required to advance their restructuring efforts, including developing a SISP and/or exploring other transaction alternatives. More to the point, it will permit the Applicants to continue to operate the Canadian Business as a going concern with minimal disruption. The continued and uninterrupted operation of the Canadian Business will preserve value for the Applicants' stakeholders and is in the best interests of, among others, the Applicants' employees, suppliers, regulators and landlords.

121. Having regard to the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. The Proposed Monitor has advised that it is supportive of the proposed Stay of Proceedings.

C. Proposed Monitor

122. The proposed Initial Order contemplates that KSV will act as the Monitor in these CCAA proceedings. KSV has consented to act as the Monitor in these CCAA proceedings on the terms of the proposed Initial Order, if granted. A copy of KSV's consent to act as the Monitor is attached hereto as **Exhibit "Z"**.

123. I am advised by KSV that it is a "trustee" within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and that it is not otherwise precluded from acting as the Monitor under subsection 11.7(2) of the CCAA. KSV also has

familiarity with respect to certain of the assets having been the Court-appointed monitor in the prior JWC CCAA Proceedings.

D. Administration Charge

124. Pursuant to the proposed Initial Order, the Applicants are seeking a Court-ordered charge on the Property in favour of the Monitor, as well as counsel to the Monitor and counsel to the Applicants in these CCAA proceedings up to a maximum amount of \$750,000 (the "**Administration Charge**"). The Administration Charge will secure payment of the respective fees and disbursements of the Monitor, counsel to the Monitor and counsel to the Applicants in these CCAA proceedings incurred in connection with services rendered to the Applicants. The Administration Charge is proposed to rank ahead of, and have priority over, all of the other Charges.

125. The expertise, knowledge, and continued participation of the beneficiaries of the proposed Administration Charge during these CCAA proceedings is essential to a successful restructuring of the Applicants. The beneficiaries of the proposed Administration Charge have made, and will continue to make, distinct and significant contributions to the Applicants' restructuring efforts.

126. The Applicants, in consultation with the Proposed Monitor, determined the quantum of the Administration Charge required during the Initial Stay Period, taking into account that the professionals have material accrued fees and no retainers. Such quantum is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge by the end of the Initial Stay Period.

127. Given the circumstances, the anticipated complexity of these CCAA proceedings and the services rendered and to be provided by the beneficiaries thereof, I believe that the proposed Administration Charge is fair and reasonable. I understand that the Proposed Monitor is of the view that the Administration Charge is appropriate in the circumstances.

E. Directors' Charge and Protections

128. A successful restructuring of the Applicants will benefit from the continued participation and commitment of the Directors and Officers, certain of which possess the security clearances necessary to operate the Canadian Business. For this reason, the Applicants seek a Court-ordered charge in favour of the Directors and Officers in the maximum amount of \$967,000 (the "**Directors' Charge**").

129. I am advised by Sean Zweig of Bennett Jones LLP, counsel to the Applicants, and believe that, in some circumstances, directors and officers of Canadian companies can be liable for certain obligations of a company, including those owed to employees and government entities. Mr. Zweig has advised me that these obligations may include, among other things, unpaid accrued wages and unpaid accrued vacation pay, together with unremitted excise, sales, goods and services, and harmonized sales taxes.

130. The Directors and Officers are currently among the potential beneficiaries under two claims-made policies maintained by IMCC for the entire International Company (together, the "**Insurance Policies**"). First, a directors' and officers' liability insurance policy, having an aggregate annual limit of USD \$5 million and deductibles of USD \$3.75 million and USD\$ 1.75 million for securities claims and other claims, respectively. Second, a side-A executive liability personal asset policy, having an aggregate annual limit of USD \$5 million.

131. In view of their relatively small annual limits, the applicable deductibles and the number of beneficiaries and exclusions, exceptions and carve-outs thereunder, the Insurance Policies may not provide adequate coverage against the potential liabilities that the Directors and Officers could incur during these CCAA proceedings. Moreover, the Applicants are unable to acquire alternative or additional directors' and officers' liability insurance capable of adequately supplementing the Insurance Policies.

132. Given the risks attending these CCAA proceedings, the regulatory environment in which the Applicants operate and the significant uncertainty surrounding coverage under the Insurance Policies, the Directors and Officers have indicated that their continued involvement in these CCAA proceedings is conditional upon the granting of the Directors' Charge. Pursuant to the proposed Initial Order, the Directors' Charge would serve as security for the indemnification obligations and potential liabilities the Directors and Officers may face in these CCAA proceedings to the extent that they do not otherwise benefit from coverage under the Insurance Policies. The Directors' Charge is proposed to rank in priority to the DIP Lender's Charge but, subordinate to the Administration Charge.

133. The quantum of the Directors' Charge was determined by the Applicants, in collaboration with the Proposed Monitor, and is limited to the indemnification obligations and liabilities that the Directors and Officers may face during the Initial Stay Period. The Applicants expect to seek an increase to the Directors' Charge at the Comeback Hearing.

134. The Applicants believe that the proposed Directors' Charge is reasonable in the circumstances. The Proposed Monitor has advised that it is supportive of the proposed Director's Charge.

135. In connection with the consummation of a value-maximizing sale or restructuring transaction and the eventual termination of these CCAA proceedings, the Directors and Officers anticipate seeking a release of claims against them in their capacity as directors and officers.

F. The DIP Facility and the DIP Lender's Charge

136. Given their ongoing liquidity crisis, and as illustrated in the Cash Flow Forecast, the Applicants require interim financing to fund their ongoing operations and pursue their restructuring efforts. To this end, TJAC, as borrower (in such capacity, the "**Borrower**"), Trichome, TRC, MYM, MYMB and Highland, as guarantors (together with the Borrower, the "**Credit Parties**"), and Cortland, as agent for and on behalf of the lenders party thereto (the "**DIP Lender**"), entered into a DIP facility agreement in respect of the DIP Facility (the "**DIP Agreement**") on November 6, 2022. A copy of the DIP Agreement is attached hereto as **Exhibit "AA"**.

137. The DIP Facility is a super-priority interim revolving credit facility (subject to certain mandatory repayment provisions). The maximum principal amount under the DIP Facility is the lesser of (i) \$4,875,000 (the "**Facility Limit**") and (ii) the Borrowing Base Amount, as calculated in accordance with the terms of the ABL Agreement, minus the amount of the Pre-Filing Obligations, plus the Over-Advance Amount (each as defined in the DIP Agreement). In accordance with the DIP Agreement, the DIP Facility is to be used during these CCAA proceedings by the Borrower to fund its working capital needs.

138. The interest rate applicable to all advances under the DIP Facility is 14% per annum, due and payable in cash on the first business day of each month. In consideration for making the DIP Facility available to the Borrower, the DIP Lender is entitled to the following:

- (a) a commitment fee equal to 2.0% of the Facility Limit;
- (b) a utilization fee of 2.4% per annum, calculated daily in accordance with the DIP Agreement on the unused portion of the DIP Facility; and
- (c) a \$100,000 deposit to cover the DIP Lender's legal and other transaction expenses, which will be paid from the initial advance under the DIP Facility.

139. The term of the DIP Facility is the earlier of (i) 16 weeks from the date of the Initial Order (the "**Maturity Date**") and (ii) any Termination Date (as defined in the DIP Agreement). All outstanding principal and interest under the DIP Facility will be due and payable on the date that the earlier of the following occur:

- (a) the Maturity Date;
- (b) the date on which any Event of Default, other than the CCAA Event of Default (as defined in the DIP Agreement), occurs or is discovered to have occurred in the past and the DIP Lender has terminated the DIP Facility by notice to the Borrower;
- (c) the date of a sale of all or a portion of the Collateral (as defined in the ABL Agreement), provided that these CCAA proceedings are concurrently terminated with the consent of the DIP Lender; and
- (d) unless waived or other consented to by the DIP Lender, the date on which any of the Credit Parties undertakes a liquidity, reorganization event, or Change of Control (as defined in the ABL Agreement).

140. The DIP Agreement provides the DIP Lender with the right to terminate the DIP Facility upon 60 days' notice to the Borrower if adverse market conditions are negatively affecting the liquidity of the lenders under the DIP Agreement. Provided however, that repayment of the outstanding advances under the DIP Facility will not be due and payable until 60 days after receipt of such notice by the Borrower, unless otherwise agreed to in writing.

141. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by the Credit Parties to the DIP Lender. Additionally, the DIP Facility is conditional upon the issuance of the proposed Initial Order, approving the DIP Facility and granting a Court-ordered charge over the Property in favour of the DIP Lender to secure all amounts advanced by the DIP Lender on behalf of the lenders under the DIP Facility, together with all obligations, indebtedness, fees, costs and expenses of the Borrower under the DIP Agreement and the DIP Facility (the "**DIP Lender's Charge**"). Pursuant to the terms of the proposed Initial Order, the DIP Lender's Charge would rank subordinate to all of the other Charges. Importantly, the DIP Lender's Charge will not secure obligations incurred prior to these CCAA proceedings.

142. The amount to be funded under the DIP Facility during the Initial Stay Period is limited to the amount necessary to ensure the continued operation of the Canadian Business prior to the Comeback Hearing. The DIP Lender's Charge sought pursuant to the proposed Initial Order is correspondingly limited to the amount to be funded during the Initial Stay Period. The Applicants intends to seek an increase to the DIP Lender's Charge at the Comeback Hearing.

G. Payments Throughout these CCAA Proceedings

143. The proposed Initial Order permits (but does not require) the Applicants to make payments for all goods and services actually supplied to the Applicants in the ordinary course of business on or subsequent to the date of the proposed Initial Order. To preserve continuity in the Canadian Business, the proposed Initial Order also authorizes (but does not require) the Applicants to pay, among others, the following expenses:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the date of the Initial Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Canadian Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Canadian Business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of the Initial Order, including pursuant to the terms of the Initial Order.

144. Together, the aforementioned relief will facilitate the continued operation of the Canadian Business during the Initial Stay Period. Specifically, it will allow the Applicants to:

- (a) maintain their existing customer and supplier relationships;
- (b) ensure the uninterrupted supply of critical goods and services necessary for the Canadian Business' operation; and
- (c) address inventory deficiencies.

145. I understand that both the Proposed Monitor and the DIP Lender are supportive of the Applicants' authorization to make the aforementioned payments pursuant to the proposed Initial Order.

H. Cash Flow Forecast

146. With the assistance of the Proposed Monitor, the Applicants have conducted a cash flow analysis to determine the amount required to finance their ordinary course business operations, assuming the Initial Order is granted, over the 13-week period from November 7, 2022, to February 3, 2023 (the "**Cash Flow Forecast**"). The Cash Flow Forecast substantiates the Applicants' urgent need for the DIP Facility.

147. I understand that the Cash Flow Forecast, which is accompanied by the representations prescribed under the CCAA, will be attached to the pre-filing report of the Proposed Monitor. If appointed, the Applicants anticipate that the Monitor will report to the Court on any variances between the Cash Flow Forecast and the Applicants' actual results during these CCAA proceedings.

VIII. CONCLUSION

148. The proposed Initial Order is in the best interests of the Applicants and their stakeholders. Absent the relief requested under the proposed Initial Order, including the Stay of Proceedings and the DIP Facility, the Applicants will be forced to cease the Canadian Business' going concern operations and liquidate their assets to the detriment of their employees and other stakeholders.

149. The relief sought under the proposed Initial Order is tailored to that which is reasonably necessary to ensure the continued operation of the Canadian Business and preserve the *status quo* during the Initial Stay Period. In the circumstances, the Applicants believe that these CCAA proceedings are the best means of addressing the challenges facing the Canadian Business and effecting the restructuring transactions necessary to maximize value for their stakeholders.

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 November 7th, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



JOSHUA FOSTER

Commissioner for Taking Affidavits
(or as may be)



MICHAEL RUSCETTA

**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.**

Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL RUSCETTA
(Sworn November 7, 2022)

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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
1ST DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)



Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 7TH
JUSTICE CONWAY) DAY OF NOVEMBER, 2022

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**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Michael Ruscetta sworn November 7, 2022 and the Exhibits thereto (the "**Ruscetta Affidavit**"), and the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated November 7, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for KSV, 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, and on reading the consent of KSV to act as the monitor (in such capacity, the "**Monitor**"),

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Ruscetta Affidavit or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as

provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below); and
- (d) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the Definitive Documents (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance and tail insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants on or following the date of this Order.

7. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"),

for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein and in the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that 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:

- (a) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THEIR RESPECTIVE PROPERTY

11. **THIS COURT ORDERS** that until and including November 17, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, accounting services, testing and irradiation services, security services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by Subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law

to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of any of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

18. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$967,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs 35 and 37 herein.

19. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 17 of this Order.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including the management and use of any funds advanced by the DIP Lender to the Applicants under the DIP Agreement (as defined below);
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a bi-weekly basis, or as otherwise agreed to by the DIP Lender, of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the DIP Lender;
- (e) monitor all payments, obligations and transfers as between the Applicants;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the *Cannabis Control Act*, S.N.S. 2018, c. 3, as amended, the *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, *The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, *Cannabis Regulation Act*, C.Q.L.R. c. C-5.3, as amended, the *Cannabis Control Act*, S.N.B. 2018, c. 2, as amended, *The Cannabis Retailers Licensing Act*, S.N.B. 2022, c. 5, s. 3, as amended, the *Cannabis Management Corporation Act*, S.N.B. 2018, c. 3, as amended, the *Cannabis Control Act*, R.S.P.E.I. 1988, c. C-1.2, as amended, the *Cannabis Management Corporation Act*, R.S.P.E.I. 1988, c. C-1.3, as amended, the *Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the *Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the *Cannabis Products Act*, S.N.W.T. 2018, c. 6, Sch. A, as amended, the *Cannabis Act*, S.Nu. 2018, c. 7, as amended or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise. For greater certainty, nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Nova Scotia Occupational Health and Safety Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Environment Act* and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order including, without limitation, under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each

case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants in these proceedings on a monthly basis or pursuant to such other arrangements agreed to between the Applicants and such parties.

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

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

DIP FINANCING

29. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$4,875,000, unless permitted by further Order of this Court.

30. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Agreement between the Applicants and the DIP Lender dated as of November 6, 2022 (as may be amended from time to time, the "**DIP Agreement**"), filed.

31. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by

the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

32. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$1,825,000, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 35 and 37 hereof.

33. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

34. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

35. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000);

Second – Directors' Charge (to the maximum amount of \$967,000); and

Third – DIP Lender's Charge (to the maximum amount of \$1,825,000).

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

37. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment; provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of the application for this Order. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion including, without limitation, on the Comeback Date (as defined below), on notice to those Persons likely to be affected thereby.

38. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any

Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

39. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property lease.

SERVICE AND NOTICE

41. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder.

42. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/trichome>.

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

(i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

44. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

45. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date, and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Eastern Time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

46. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including, without limitation, by way of a 9:30 a.m. (Eastern Time) appointment, of the absence or the status of any objections to the applicable motion and the judge having carriage of such motion may determine: (i) whether a hearing in respect of the motion is necessary; (ii) if a hearing is necessary, the date and time of such hearing; (iii) whether such hearing will be in person, by telephone or videoconference, or by written submissions only; and (iv) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the applicable Notice of Motion.

GENERAL

47. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on November 17, 2022 at 9:30 a.m. (Eastern Time) (the "**Comeback Date**"), and any such interested party shall give not less than two (2) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 35 and 37 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

48. **THIS COURT ORDERS** that, notwithstanding paragraph 47 of this Order, each of the Applicants, the Monitor or the DIP Lender may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder or in the interpretation of this Order.

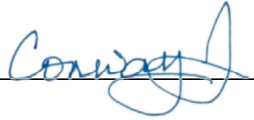
49. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

50. **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.

51. **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.

52. **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.:

**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

INITIAL ORDER

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
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Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

Lawyers for the Applicants

TAB C

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: _____ DATE: **7 November 2022**

NO. ON LIST: 2

TITLE OF PROCEEDING: **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	Applicants	zweigs@bennettjones.com
Joshua Foster	Applicants	fosterj@bennettjones.com

For Other:

Name of Person Appearing	Name of Party	Contact Info
Jane Dietrich	Proposed Monitor	jdietrich@cassels.com
Mark Freake	DIP Lender	mark.freake@dentons.com
John Salmas	DIP Lender	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 Factum of the Applicants dated November 7, 2022.

The Applicants operate in the cannabis industry. They seek an initial order pursuant to the CCAA. They are facing a severe liquidity crisis. In particular, funding is insufficient to meet payroll (due tomorrow) for their 226 employees and 12 consultants. They seek to create a stabilized environment in which to continue operations while they develop a SISP and explore other value maximizing restructuring transactions. The relief sought is recommended by the proposed Monitor, as outlined in its Pre-Filing Report.

I am satisfied that each of the Applicants is a debtor company to which the CCAA applies and that Ontario is the appropriate venue for these proceedings.

The stay of proceedings for 10 days is warranted to provide the required breathing room for the Applicants to explore their restructuring options while permitting operations to continue without interruption during that period. It is in the best interests of the stakeholders for the stay to be granted.

With respect to the DIP Facility, I have determined that the amounts to be advanced, while not insignificant, are limited to what is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the Initial Stay Period, as required by s. 11.001 of the CCAA. This is borne out by the Cash Flow Forecast, which shows that funding of just over \$1.8 million will be required to continue operations pending the comeback motion next week. The DIP Facility meets the criteria of s. 11.2(1) and (4) of the CCAA. I note that the order provides that the DIP Lender's Charge will not rank in priority to any Encumbrances in favour of any person that has not received notice of the application. Further, the charge will not secure any obligations incurred prior to the date of these proceedings.

The order provides that the Applicants may make certain pre-filing payments, with restrictions that require the consent of both the Monitor and DIP Lender. The Monitor is required to consider, among other things, whether the supplier is essential to the Canadian Business. The Monitor has advised that it will engage with the Applicants to ensure that payments to suppliers for pre-filing liabilities are limited to the extent reasonably possible. I am satisfied that the order should be granted pursuant to s. 11 of the CCAA. Since this is an initial application, I am further satisfied that the terms of the order will be restricted to what is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the Initial Stay Period, as required by s. 11.001 of the CCAA.

The Directors' Charge has been calculated to cover the exposure of the directors and officers for liabilities of the Applicants during the Initial Stay Period. I am granting the charge pursuant to s. 11.51 of the CCAA.

The Administration Charge is approved pursuant to s. 11.51 of the CCAA. In particular, I note that the professionals in question do not have retainers and have accrued significant fees already.

The comeback hearing will be before me on **November 17, 2022**. Counsel have confirmed that they will issue the Application forthwith after the hearing today. I direct that all materials be uploaded to CaseLines forthwith.

I required that paragraph 10(a) of the Draft Initial Order be deleted as it is not appropriate for the Initial Stay Period. Counsel has now revised the order accordingly.

Initial 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.

TAB D

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 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) THURSDAY, THE 17TH
JUSTICE CONWAY) DAY OF NOVEMBER, 2022

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**")

AMENDED AND RESTATED INITIAL ORDER
(Amending Initial Order Dated November 7, 2022)

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 Amended and Restated Initial Order was heard this day by judicial videoconference via Zoom.

ON READING the affidavits of Michael Ruscetta sworn November 7, 2022 and the Exhibits thereto (the "**Ruscetta Affidavit**") and November 11, 2022 and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated November 7, 2022, and the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated November 14, 2022, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, 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 else appearing although duly served as

appears from the affidavits of service of Joshua Foster, filed, and on reading the consent of KSV to act as the Monitor,

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.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Ruscetta Affidavit or, with the consent of the Monitor, replace it with another substantially similar central cash

management system (the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below); and

- (d) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the Definitive Documents (as defined below), the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance and tail insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants on or following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein and in the Definitive Documents, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that 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:

- (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;
- (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;

- (c) in accordance with paragraphs 12 and 13 of this Order, vacate, abandon or quit any leased premises and/or disclaim any real property lease and any ancillary agreements relating to the leased premises in accordance with Section 32 of the CCAA;
- (d) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the applicable Applicant deems appropriate, in accordance with Section 32 of the CCAA;
- (e) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (f) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

12. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If any Applicant disclaims a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (i) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor 24 hours' prior written

notice; and (ii) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THEIR RESPECTIVE PROPERTY

14. **THIS COURT ORDERS** that until and including February 3, 2023, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Applicants and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, accounting services, testing and irradiation services, security services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the Applicants or exercising any other remedy provided under the agreements or arrangements, and that each of the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with the normal payment practices of the applicable Applicant or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by Subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of any of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,922,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including the management and use of any funds advanced by the DIP Lender to the Applicants under the DIP Agreement (as defined below);
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a bi-weekly basis, or as otherwise agreed to by the DIP Lender, of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;

- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) monitor all payments, obligations and transfers as between the Applicants;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the *Cannabis Control Act*, S.N.S. 2018, c. 3, as amended, the *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, *The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, *Cannabis Regulation Act*, C.Q.L.R. c. C-5.3, as amended, the *Cannabis Control Act*, S.N.B. 2018, c. 2, as amended, *The Cannabis Retailers Licensing Act*, S.N.B. 2022, c. 5, s. 3, as amended, the *Cannabis Management Corporation Act*, S.N.B. 2018, c. 3, as amended, the *Cannabis Control Act*, R.S.P.E.I. 1988, c. C-1.2, as amended,

the *Cannabis Management Corporation Act*, R.S.P.E.I. 1988, c. C-1.3, as amended, the *Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the *Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the *Cannabis Products Act*, S.N.W.T. 2018, c. 6, Sch. A, as amended, the *Cannabis Act*, S.Nu. 2018, c. 7, as amended or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise. For greater certainty, nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Nova Scotia Occupational Health and Safety Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Environment Act* and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the

information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order including, without limitation, under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants in these proceedings on a monthly basis or pursuant to such other arrangements agreed to between the Applicants and such parties.

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

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$4,875,000, unless permitted by further Order of this Court.

33. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Facility Agreement between the Applicants and the DIP Lender dated as of November 6, 2022 (as may be amended from time to time, the "**DIP Agreement**"), filed.

34. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$4,875,000, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

36. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in the Plan (if any) filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000);

Second – Directors' Charge (to the maximum amount of \$2,922,000); and

Third – DIP Lender's Charge (to the maximum amount of \$4,875,000).

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

40. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be

- deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
 - (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property lease.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of

the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/trichome>.

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicants, the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

47. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

48. **THIS COURT ORDERS** that, except with respect to any motion to be heard pursuant to paragraph 50 of this Order, and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Eastern Time) on the date that is two (2)

days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

49. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including, without limitation, by way of a 9:30 a.m. (Eastern Time) appointment, of the absence or the status of any objections to the applicable motion and the judge having carriage of such motion may determine: (i) whether a hearing in respect of the motion is necessary; (ii) if a hearing is necessary, the date and time of such hearing; (iii) whether such hearing will be in person, by telephone or videoconference, or by written submissions only; and (iv) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the applicable Notice of Motion.

GENERAL

50. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on not less than seven (7) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 38 and 40 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

51. **THIS COURT ORDERS** that, notwithstanding paragraph 50 of this Order, each of the Applicants, the Monitor or the DIP Lender may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder or in the interpretation of this Order.

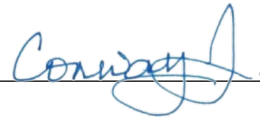
52. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

53. **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.

54. **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.

55. **THIS COURT ORDERS** that the Initial Order of this Court dated November 7, 2022 is hereby amended and restated pursuant to this Order, and 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

**AMENDED AND RESTATED INITIAL
ORDER**

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
Tel: (416) 777-6254
Email: zweigs@bennettjones.com

Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

Lawyers for the Applicants

T A B L E

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 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 689857 DATE: 17 November 2022

NO. ON LIST: 1.

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	Applicants	zweigs@bennettjones.com
Joshua Foster	Applicants	fosterj@bennettjones.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Mark Freake	Agent and DIP Lender	Mark.freake@dentons.com
John Salmas	Agent and DIP Lender	John.salmas@dentons.com
Jane Dietrich	Monitor	jdietrich@cassels.com
Jeremy Bornstein	Monitor	jbornstein@cassels.com
Noah Goldstein	KSV Restructuring, Monitor	ngoldstein@ksvadvisory.com
Murtaza Tallat	KSV Restructuring, Monitor	mtallat@ksvadvisory.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

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 November 14, 2022.

On November 7, 2022, the Applicants sought and obtained an Initial Order from this court under the CCAA. The Initial Stay Period expires today. The Applicants now seek an order to extend the Stay of Proceedings to February 3, 2023, increase the Directors' Charge to \$2,922,000, and increase the DIP Lender's Charge to \$4,875,000.

The motion materials have been served and the motion is unopposed. The Monitor supports the relief sought, as does the Agent and DIP Lender.

The Applicants are currently developing a SISF and negotiating a potential stalking horse bid. They expect to return to court for approval of the SISF and stalking horse bid (if any) by the end of the year.

I am satisfied that the Stay of Proceedings should be extended to February 3, 2023. The Applicants have acted in good faith and with due diligence to stabilize the business and pursue their restructuring objectives. The stay will preserve the *status quo* and give additional breathing space for the Applicants to continue to operate their business as the process unfolds. The Monitor does not believe that any creditor will be prejudiced by the extension. I grant the extension of the Stay of Proceedings.

The increase to the Directors' Charge is approved pursuant to s. 11.51 of the CCAA. Notice has been given to the secured creditors likely to be affected by the charge. The amount of the proposed charge is appropriate given their exposure during the extended stay period, particularly in light of the low limits of insurance available to the directors and officers.

The increase to the DIP Lender's Charge is approved. It reflects the maximum borrowings available under the DIP Facility. The requirements of s. 11.2(1) and (4) of the CCAA have been met. In particular, the Cash Flow Forecast substantiates the need for the additional financing. The financing will enable the Applicants to continue their ordinary course operations during the extended stay period. The Monitor is of the view that the increase to the DIP Lender's Charge is required and appropriate given the need for liquidity, the Cash Flow Forecast, and the terms of the DIP Agreement.

I have signed the Amended and Restated Initial Order. This order is effective from today's date and is enforceable without the need for entry and filing. Counsel may arrange the next attendance before me through the Commercial List office at the appropriate time.

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

T A B F

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

STOIC ADVISORY

November 7th, 2022

STRICTLY CONFIDENTIAL

**Trichome Financial Corp., Trichome
JWC Acquisition Corp., MYM
Nutraceuticals Inc., Trichome Retail
Corp., MYM International Brands Inc.,
and Highland Grow Inc.
214-150 King Street West
Toronto, ON M5H 1J9**

Dear Mr. Michael Ruschetta:

This letter agreement (including any schedules hereto, this “**Letter Agreement**”) confirms the understanding between Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc., and Highland Grow Inc. (collectively, the “**Company**” or “**you**”) and Stoic Advisory Inc. (“**Stoic**” or “**we**”) with regard to the engagement of Stoic to act as exclusive financial advisor to the Company in connection with a possible sale, transfer or other disposition, directly or indirectly, of all or part of the equity securities, assets or business of the Company, whether effected in one transaction or a combination or series of transactions (the “**Transaction**”).

Provided that for purposes of this Letter Agreement, the definition of a Transaction and the consequences of constituting a Transaction shall not apply to any manner of sale, transfer or other disposition which was sourced by the Company, including a stalking horse bid, and for which assistance by Stoic has not been obtained. Where such assistance has been obtained, compensation or other fee will be provided for in a separate agreement.

This Letter Agreement shall only become effective upon the approval of a sale and investment solicitation process which includes the retention by the Company of Stoic on the terms set out herein, by the Ontario Superior Court of Justice (Commercial List) in the Company’s proceedings under the *Companies' Creditors Arrangement Act*.

Stoic’s Services

1. Subject to the terms and conditions of this Letter Agreement, Stoic shall provide services that are customary for financial advisory engagements of this type and as mutually agreed upon by the Company and Stoic, which may include:

a. advising management of the Company in its consideration and analysis of a Transaction and developing the Company’s strategy with regard to the Transaction, including the identification and sourcing (subject to prior approval by the Company) 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 Company with the due diligence review process by potential buyers, including assisting with 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 Company in its negotiations regarding the financial and other terms of the Transaction; and

d. preparing or helping the Company prepare any financial models and market materials associated with the Transaction (collectively, the “**Services**”).

Fees and Expenses

2. As consideration for Stoic agreeing to provide its Services to the Company as contemplated by this Letter Agreement, the Company shall pay Stoic the following non-refundable fees:

a. a fixed cash fee (the “**Transaction Fee**”) in an amount equal to \$50,000.00 per month, payable monthly from the execution of this Letter Agreement up to a maximum of \$300,000.00 (or 6 months) (the “**Maximum Fee**”). For clarity, the first \$50,000.00 of the Transaction Fee will be paid on execution of this Letter Agreement with installments every thirty (30) days thereafter. Should the Transaction close prior to the full \$300,000.00 being paid, all remaining payments shall be payable upon consummation of a Transaction (“**Closing**”). For example, if \$200,000.00 has been paid to date (4 months), the final \$100,000.00 (two months) will be paid on Closing. For clarity, should a Transaction fail to consummate, no further payments are due. For further clarity, should a stalking horse transaction close prior to the entire amount of the Maximum Fee being paid, no further Transaction Fee payment shall be due or payable including with respect to any partial monthly period.

3. The Company agrees to reimburse Stoic periodically, upon request, and upon termination of our Services pursuant to this Letter Agreement for our reasonable expenses, as agreed upon by the Company. The Company’s prior consent is required for anticipated expense amounts in excess of \$1,000.00 per transaction.

4. For purposes of calculating any amounts under this Letter Agreement, if the applicable amount is denominated in a currency other than Canadian dollars, then the Canadian dollar equivalent of any such amount shall be calculated by Stoic by reference to the exchange rate between the Canadian dollar and the relevant currency on the date the applicable amount is due under this Letter Agreement (as reported on Thomson Reuters Eikon).

5. Subject to Section 2a, all payments due to Stoic under this Letter Agreement shall be quoted and payable in cash in Canadian dollars by wire transfer of immediately available funds, without set-off and without deduction for any withholding, stamp, value added or other taxes. If any such taxes are payable by Stoic, the Company agrees to pay Stoic such additional amount as is necessary to ensure that Stoic will receive the full amount of the relevant payment as if such tax had not been payable. Fees and other amounts payable under this Letter Agreement may be subject to goods and services tax, harmonized sales tax, value added tax, sales tax or other similar tax (“**Sales Tax**”). If Sales Tax is applicable, an additional amount equal to the Sales Tax will be charged to and will be payable by the Company. Where Stoic claims reimbursement of out-of-pocket expenses the Sales Tax component of such expenses (if any) will be recharged to the Company only to the extent Stoic is unable to obtain an input tax credit or refund in relation to that Sales Tax component.

Termination

6. Stoic's engagement under this Letter Agreement may be terminated at any time by the Company, upon written notice to that effect to Stoic; provided that the provisions set forth under the first paragraph, Section 2, Section 3, Section 4, this Section 5, and each subsequent Section of this Letter Agreement shall survive any termination of this Letter Agreement. In addition, in the event of the termination of this Letter Agreement, Stoic shall continue to be entitled to receive (a) all fees described in this Letter Agreement that have accrued prior to such termination, (b) reimbursement for expenses incurred prior to termination in accordance with section 3 herein and, (c) the Transaction Fee in the event that at any time prior to the date falling on the date that is six (6) months following such termination (i) a Transaction is consummated or (ii) a definitive agreement, letter of intent or agreement in principle with respect to a Transaction is entered into and such definitive agreement, letter of intent or agreement in principle at any time subsequently results in a Transaction that is consummated, which Transaction Fee shall be payable promptly upon consummation of such Transaction or similar transaction. Notwithstanding the terms of this section 6, should the Company elect to terminate this Agreement pursuant to section 17 herein, the parties agree that no Transaction Fee will be payable. Provided that a Transaction Fee is not required to be paid to Stoic subsequent to termination, where a transaction is introduced and consummated with a party which was not introduced to the Company by Stoic.

Information

7. The Company will furnish or arrange to have furnished to Stoic (including, if requested by Stoic, from the parties or prospective parties with which the Company enters negotiations) such information as Stoic reasonably requests in connection with the Services to be performed hereunder. The Company recognizes and acknowledges that Stoic (a) may rely on all such information as well as publicly available information without any obligation to independently verify the same, (b) does not assume responsibility for the accuracy or completeness of any such information and has no obligation to investigate such accuracy or completeness, (c) with respect to any financial forecasts (including, without limitation, with respect to costs, savings and synergies) that may be furnished to or discussed with Stoic by or on behalf of the Company, will assume that such forecasts have been reasonably prepared and reflect the best then-currently available estimates and judgment of the Company's (and each other applicable party's) management, and (d) has no obligation to undertake an independent evaluation or appraisal of any assets or liabilities, or evaluate the solvency, of the Company or any other party. The Company further agrees to notify Stoic promptly of any material change in any information furnished by or on behalf of the Company.

8. The Company represents and agrees that all information furnished to Stoic by or on behalf of the Company and any other information or documents (including, without limitation, any descriptive memoranda) furnished by or on behalf of the Company to third parties (a) will, to the best knowledge of the Company, not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not be false or misleading, and (b) will be, to the best knowledge of the Company, true, complete and correct in all material respects.

Confidentiality

9. Subject to any required disclosure in the Company's proceedings under the *Companies' Creditors Arrangement Act*, any advice, analysis, opinion or documentation (whether written or oral) rendered or provided by Stoic in its role as advisor to the Company will be solely for the confidential

use of management and the Board of Directors of the Company and may not be disclosed, quoted, reproduced, summarized, described or referred to without the prior written consent of Stoic.

10. Stoic agrees to keep all information furnished by or on behalf of the Company to Stoic in connection with this engagement confidential; provided that (a), with the prior written consent of the Company, such information may be disclosed to affiliates of Stoic and to the extent necessary for Stoic to perform its duties under this Letter Agreement and (b) Stoic shall not be obligated to keep such information confidential to the extent that it (i) is or becomes publicly available through a source other than Stoic, (ii) was known to Stoic at the time such information was furnished to Stoic, (iii) is independently developed by Stoic without reference to such information, (iii) is learned from a third party that, to the best of Stoic's knowledge after due inquiry, is not subject to a confidential obligation with respect to such information, (iv) is required to be disclosed pursuant to applicable law or regulation, stock exchange or self-regulatory organization requirements, government authority, duly authorized subpoena or court order or directive, or (v) is approved for disclosure by prior consent of the Company.

Other Provisions

11. Stoic is not assuming any responsibility for the Company's underlying business decision to pursue or not to pursue any business strategy or to effect or not to effect any Transaction. The Company acknowledges and agrees that it is responsible for making its own independent judgment with respect to any Transaction. In addition, Stoic will not be responsible for setting the scope of or for reviewing the Company's due diligence exercise. The Company understands and acknowledges that Stoic cannot provide any assurance that Stoic's Services will result in any Transaction or that a Transaction will be consummated.

12. The Company will be the issuer of and shall be responsible for any descriptive memorandum, and such descriptive memorandum shall be based exclusively upon information provided by the Company. The Company shall be exclusively responsible for the accuracy and completeness of the descriptive memorandum, and Stoic may rely upon the accuracy and completeness of all such information without independent verification. The Company acknowledges and agrees that the Company is solely responsible for ensuring that it complies with all applicable law.

13. The Company will be responsible for obtaining its own professional advice on legal, accounting and taxation matters.

14. This Letter Agreement does not constitute an underwriting or agency agreement, a commitment on the part of Stoic to subscribe for or purchase any securities or to provide or arrange debt or a commitment to invest in any way in any transaction. The Company hereby acknowledges that Stoic is not a broker/dealer, registrant or investment advisor under any securities regime within North America or otherwise and is not acting as such pursuant to the terms of this Letter Agreement.

15. It is understood and agreed that Stoic will act under this Letter Agreement as an independent contractor with duties solely to the Company and nothing in this Letter Agreement or the nature of our Services in connection with this engagement or otherwise shall be deemed to create a fiduciary duty or fiduciary or agency relationship between or among Stoic, the Company or its security holders, employees, creditors, or any other person or entity and the Company agrees that it shall not make, and hereby waives, any claim based on an assertion of any such fiduciary duty or other relationship. Neither this Letter Agreement nor the delivery of any advice in connection with this Letter Agreement confers upon any person or entity not a party hereto (including, without limitation, security holders, employees, creditors, or any other person or entity) any rights or remedies hereunder or by reason hereof as against Stoic or the other Indemnified Parties (as defined in Attachment A hereto).

16. Upon the earlier of the public announcement of a Transaction or the consummation of a Transaction, Stoic may, at its option and expense, (a) disclose to any party or publicly announce its role as financial advisor to the Company and/or (b) place “tombstone” advertisements in financial and other publications and media, and/or in presentations or other marketing materials provided to prospective clients, describing its Services to the Company under this Letter Agreement.

17. Stoic and its affiliates are engaged in a broad range of securities activities and financial advisory services specifically within the Cannabis space. Stoic and its affiliates carry on a range of businesses on their own account and for their clients, including providing investment advisory, corporate strategy, capital markets strategy, and asset valuation and diligence services. Stoic represents to the Company that it does not have any conflict of interest, whether or not there is a financial benefit to Stoic associated with such conflict of interest (a “Conflict of Interest”) which would prevent it from acting at all times in the best interest of the Company, Stoic will take commercially reasonable steps to give effect to this section 17 and will identify any potential Conflict of Interest to the Company immediately upon identification of such potential Conflict of Interest. Stoic agrees that, should a Conflict of Interest arise in relation to its representation of the Company pursuant to this Agreement, the Company may elect, if it reasonably believes that the Conflict of Interest may render Stoic unable to act in the Company’s best interest, to terminate this Agreement pursuant to section 6 herein. It is acknowledged that Stoic provides services similar to the Services to other companies engaged in activities similar to the Company, and any such engagements and the provision of such services are not considered a conflict of interest under this Agreement, provided that, without the prior written consent of the Company, no such other company is proposed to be engaged in a transaction with the Company pursuant to this Agreement.

18. This Letter Agreement constitutes the entire agreement between the Company and Stoic relating to this engagement, and supersedes any and all prior agreements between the parties relating to this engagement. No waiver, amendment or other modification of this Letter Agreement shall be effective unless in writing and signed by each party intended to be bound thereby. If any portion of this Letter Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this Letter Agreement shall remain in effect, whereupon the parties shall negotiate in good faith to replace the void, invalid or otherwise unenforceable provision with a valid and enforceable provision that effects the original intent of the parties to the fullest extent possible.

19. Stoic and the Company agree that Stoic may, with the prior written consent of the Company, carry out the Services contemplated hereunder through or in conjunction with one or more affiliates. Unless otherwise agreed in writing by the parties, any such Services performed by any such affiliate shall be subject to the terms and conditions of this Letter Agreement (including, without limitation, Schedule A hereto).

20. This Letter Agreement may not be assigned by the Company or Stoic, except with the written consent of the non-assigning party. Any attempted assignment in violation of the provisions hereof shall be void and of no effect. The benefits of this Letter Agreement shall inure to the Company, Stoic and their respective successors and permitted assigns, and the obligations and liabilities assumed in this Letter Agreement by the parties hereto (including, without limitation, Schedule A hereto) shall be binding upon their respective successors and permitted assigns. Neither this Letter Agreement nor the delivery of any advice in connection with this Letter Agreement is intended to confer rights upon any person not a party hereto (including security holders, employees or creditors of the Company) as against Stoic or the other Indemnified Parties.

21. To the extent that the Company requests that Stoic perform additional services not contemplated by this Letter Agreement, the scope and fees for such services shall be mutually agreed upon in writing by Stoic and the Company.

22. This Letter Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same agreement. Transmission by telecopy, facsimile, email or other form of electronic transmission of an executed counterpart of this Letter Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.


23. This Letter Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Company hereby (a) irrevocably consents to personal jurisdiction in the Ontario Superior Court of Justice (Commercial List) for the purposes of any suit, action or other proceeding arising out of this Letter Agreement or any of the agreements or transactions referred to herein or contemplated hereby, which is brought by or against the Company, (b) waives any objection to venue with respect thereto, and (c) irrevocably attorns to the jurisdiction of such court and agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in any such court, and that such courts shall have jurisdiction over any claims arising out of or relating to the Letter Agreement or such agreements or transactions, and agrees not to commence any suit, action or proceeding arising out of or relating to the Letter Agreement except in such courts. The Company hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Company at its address set forth above, such service to become effective ten (10) days after such mailing.

[Signature Page Follows]

This engagement is important to us and we appreciate the opportunity to be of service to the Company. If the Company is in agreement with the terms set forth herein, please indicate by signing and returning the enclosed copy of this Letter Agreement to us. If you have any questions about this Letter Agreement or wish to discuss these matters further, please contact Aaron Salz at (416) 565-4457.


Very truly yours,

STOIC ADVISORY INC.

By: 
Name: Aaron Salz
Title: Principal

Agreed to and Accepted:

TRICHOME FINANCIAL CORP. on behalf of itself and Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc., and Highland Grow Inc. By:


Name: Michael Ruscetta
Title: CEO

SCHEDULE A - INDEMNIFICATION

As consideration for Stoic Advisory Inc. ("**Stoic**") agreeing to provide the services described in the Letter Agreement to which this Schedule is attached (the "**Engagement**"), Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc., and Highland Grow Inc. (collectively, the "**Indemnitor**") agrees to indemnify and hold harmless Stoic and its affiliates, and each of their respective current or former directors, officers, employees and agents (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**"), to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, "**Losses**") incurred in investigating, defending, settling and/or satisfying a judgment in any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or to which an Indemnified Party may become subject or otherwise involved in any capacity (collectively, the "**Claims**") insofar as the Claims arise out of or are based upon, directly or indirectly, the Engagement together with any Losses incurred in enforcing this indemnity. This indemnity will not be available to an Indemnified Party in respect of Losses incurred to the extent a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party.

If for any reason (other than, a judicial determination that the loss resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party as described above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor will contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that an Indemnified Party will never be responsible for more than the amount of the fees received by Stoic, if any, under the Engagement.

The Indemnitor agrees that in case any legal proceeding is brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or required to respond to procedures designed to discover information regarding, in connection with or by reason of the Engagement, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with disbursements and out-of-pocket expenses incurred by the personnel in connection therewith) shall be paid by the Indemnitor as they occur.

After receiving notice of a Claim against any Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, Stoic: (a) will promptly notify the Indemnitor, in writing, of such Claim or investigation, stating the particulars thereof, (b) will provide copies of all relevant documentation to the Indemnitor and (c) unless the Indemnitor assumes the defense thereof, will keep the Indemnitor advised of the progress and will discuss all significant proposed actions. Failure to notify the Indemnitor will not relieve the Indemnitor of any liability that the Indemnitor may have to an Indemnified Party except, and only to the extent, that any such delay in giving or failure to give such notice results in the loss of substantive rights or defenses in connection with such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would not otherwise have incurred had Stoic given the required notice.

The Indemnitor will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defense of any Claim, provided such defense is conducted by experienced and competent counsel. Upon the Indemnitor notifying Stoic in writing of its election to assume the defense and retain counsel, the Indemnitor will not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defense. If such defense is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to Stoic, will keep Stoic advised of the progress thereof and will discuss with Stoic all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defense of any Claim if:

- a. the employment of such counsel has been authorized by the Indemnitor;
- b. the Indemnitor has not assumed the defense and employed counsel therefor promptly after receiving notice of such Claim; or
- c. counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that
 - (i) there may be legal defenses available to the Indemnified Party that are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defense on such Indemnified Party's behalf),
 - (ii) there is a conflict of interest between the Indemnitor and the Indemnified Party or
 - (iii) the subject matter of the Claim may not fall within the indemnity set forth herein

in each case the Indemnitor shall not have the right to assume or direct the defense on such Indemnified Party's behalf, provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

No admission of liability and no settlement of any Claim shall be made by the Indemnitor or an Indemnified Party without the prior written consent of the Indemnified Parties affected or the Indemnitor (as applicable) (which consent may not be unreasonably withheld or delayed) unless such settlement includes an unconditional release of each Indemnified Party or the Indemnitor (as applicable) from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by any Indemnified Party or Indemnitor (as applicable).

The Indemnitor hereby acknowledges that Stoic acts as trustee for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and Stoic agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability the Indemnitor may otherwise have (including under the Engagement), shall extend upon the same terms and conditions herein to the Indemnified Parties and shall be binding upon and continue in effect in accordance with the terms and conditions herein for the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, Stoic and any other Indemnified Party. The foregoing provisions shall survive any termination of the Engagement.

TAB G

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF MICHAEL RUSCETTA, SWORN BEFORE ME THIS
1ST DAY OF JANUARY, 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" - SISF
- Schedule "B" - Stalking Horse and SISF 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.

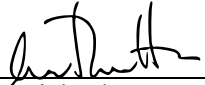
[Remainder of page intentionally left blank. Signature page follows.]

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

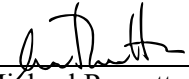
L5 CAPITAL INC.

By: 
Name: Marc Lustig
Title: President

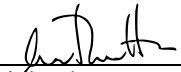
TRICHOME FINANCIAL CORP.

By: 
Name: Michael Ruscetta
Title: Director

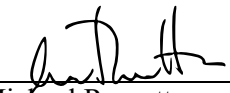
TRICHOME JWC ACQUISITION CORP.

By: 
Name: Michael Ruscetta
Title: Director

TRICHOME RETAIL CORP.

By: 
Name: Michael Ruscetta
Title: Director

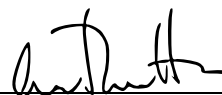
MYM NUTRACEUTICALS INC.

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) [●], THE [●]TH
)
JUSTICE [●]) 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 SISIP 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
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
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Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

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
1ST DAY OF JANUARY, 2023.

Joshua Foster

JOSHUA FOSTER

A Commissioner for taking Affidavits
(or as may be)

FIRST AMENDING AGREEMENT

This First Amending Agreement (this “**Amendment**”) is entered into on December 14, 2022

WHEREAS Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM Nutraceuticals Inc., and Trichome Retail Corp. (collectively, the “**Credit Parties**” and each, a “**Credit Party**”) commenced proceedings pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”);

AND WHEREAS on November 7, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an initial order in respect of the Credit Parties under the CCAA, which was subsequently amended and restated on November 17, 2022 (the “**Initial Order**”);

AND WHEREAS the Initial Order, among other things, approved the DIP Facility Agreement, dated November 6, 2022 (the “**DIP Facility Agreement**”) entered into by the Credit Parties and Cortland Credit Lending Corporation, as agent for and on behalf of itself and the lenders party thereto from time to time (the “**Agent**”);

AND WHEREAS the parties hereto wish to amend the DIP Facility Agreement on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Interpretation. Capitalized terms used and not otherwise defined in this Amendment shall have the meanings assigned to them in the DIP Facility Agreement.
2. Amendments to the DIP Facility Agreement. The DIP Facility Agreement is hereby amended by deleting the chart in section 3.1 and replacing it with the chart contained on Schedule “A” hereto.
3. Conditions Precedent. The effectiveness of this Amendment is subject to the Agent having received a copy of this Amendment duly executed and delivered by each of the Credit Parties.
4. Covenant regarding Court Approval. The Credit Parties covenant and agree in favour of the Agent that they shall obtain Court Approval of this Amendment by no later than January 13, 2023.
5. Limited Effect. Except as expressly provided herein, all of the terms and provisions of the DIP Facility Agreement, all security documents and guarantees delivered by the Credit Parties in connection with the Credit Agreement, the DIP Charge and all related documentation are and shall remain in full force and effect and are hereby ratified and confirmed by the Credit Parties. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the DIP Facility Agreement or for any purpose except as expressly set forth herein

or a consent to any further or future action on the part of the Credit Parties that would require the waiver or consent of the Agent.

6. Representations and Warranties. The Credit Parties hereby represent and warrant to the Agent that:

- (a) The Credit Parties are duly incorporated, organized and validly existing and in good standing under the laws of the jurisdiction of their incorporation.
- (b) The Credit Parties have taken all necessary corporate action to authorize the execution, delivery and performance of this Amendment.
- (c) This Amendment has been duly authorized, executed and delivered by the Credit Parties and constitutes a legal, valid and binding obligation of the Credit Parties enforceable in accordance with its terms.
- (d) Each of the representations and warranties made by the Credit Parties herein or in or pursuant to the DIP Facility Agreement is true and correct on and as of the date hereof.
- (e) No Event of Default has occurred or will result from this Amendment.

7. Confirmation of Security. The Borrowers hereby confirm that the DIP Charge is and continues to be in full force and effect as continuing security for the payment and performance by them of all of their present and future indebtedness, liabilities and obligations to the Agent now or hereafter arising under the DIP Facility Agreement, and the DIP Charge is enforceable against them by the Agent in accordance with the terms of the DIP Facility Agreement and the Initial Order.

8. Confirmation of Guarantees. Each Credit Party that has delivered a guarantee in favour of the Agent pursuant to the Credit Agreement hereby confirms that such guarantee remains in full force and effect as a continuing guarantee of the such Credit Party's present and future indebtedness, liabilities and obligations to the Agent under the DIP Facility Agreement, the DIP Charge, the Credit Agreement, the Security Agreements (as defined in the Credit Agreement), and related documentation (all as more particularly set forth in such guarantee), enforceable against such Credit Party in accordance with its terms and the Initial Order.

9. Successors and Assigns. This Amendment is binding upon and shall enure to the benefit of the parties and each of their respective permitted successors and permitted assigns.

10. Governing Law. All matters arising out of or relating to this Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that Province and the parties hereby attorn to the exclusive jurisdiction of the Court.

11. Counterparts and Electronic Execution. This Amendment may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, email or

other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Agent:

CORTLAND CREDIT LENDING CORPORATION

DocuSigned by:
Sean Register
376FEFF2EF6A46C...

Sean Register
CEO

TRICHOME JWC ACQUISITION CORP.

Per: _____
Name: _____
Title:

TRICHOME FINANCIAL CORP.

Per: _____
Name: _____
Title:

HIGHLAND GROW INC.

Per: _____
Name: _____
Title:

MYM INTERNATIONAL BRANDS INC.

Per:

Name: Michael Ruscetta

Title: Director

MYM NUTRACEUTICALS INC.

Per:

Name: Michael Ruscetta

Title: Director

TRICHOME RETAIL CORP.

Per:

Name: Michael Ruscetta

Title: Director

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Agent:

CORTLAND CREDIT LENDING CORPORATION

TRICHOME JWC ACQUISITION CORP.

Per: 

Name: Michael Ruscetta

Title: Director

TRICHOME FINANCIAL CORP.

Per: 

Name: Michael Ruscetta

Title: Director

HIGHLAND GROW INC.

Per: 

Name: Michael Ruscetta

Title: Director

MYM INTERNATIONAL BRANDS INC.

Per: 

Name: Michael Ruscetta

Title: Director

MYM NUTRACEUTICALS INC.

Per: 

Name: Michael Ruscetta

Title: Director

TRICHOME RETAIL CORP.

Per: 

Name: Michael Ruscetta

Title: Director

SCHEDULE "A"

Week Ended	Max over-advance
9-Dec-2022	(2,399,069)
16-Dec-2022	(2,628,918)
23-Dec-2022	(2,582,595)
30-Dec-2022	(2,554,643)
6-Jan-2022	(2,257,967)
13-Jan-2022	(2,577,025)
20-Jan-2022	(1,813,624)
27-Jan-2022	(2,488,156)
3-Feb-2022	(2,464,093)
10-Feb-2022	(982,479)
17-Feb-2022	(1,967,628)
24-Feb-2022	(1,331,183)
03-Mar-2022	(1,430,446)

**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
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)
Tel: (416) 777-6254
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Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

Lawyers for the Applicants

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 9TH
)
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 Amendment (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**"), 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 [●], 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 AMENDMENT

13. **THIS COURT ORDERS** that the Applicants' execution of the first amending agreement among the Applicants and the DIP Lender dated December 14, 2022, and attached to the Ruschetta Affidavit as Exhibit "H" (the "**DIP Amendment**"), 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 Amendment 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 Amendment.

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 SISIP 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.

**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**

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MOTION RECORD
(Returnable January 9, 2023)

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