



January 4, 2023

**Second Report of
KSV Restructuring Inc.
as CCAA Monitor of
Trichome Financial Corp., Trichome
JWC Acquisition Corp., MYM
Nutraceuticals Inc., Trichome Retail
Corp., MYM International Brands
Inc., and Highland Grow Inc.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

SECOND REPORT OF KSV RESTRUCTURING INC. AS
MONITOR

JANUARY 4, 2023

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 7, 2022 (the "Initial Order"), 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") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and KSV Restructuring Inc. ("KSV") was appointed monitor of the Applicants (in such capacity, the "Monitor"). A copy of the Initial Order is attached as Appendix "A".
2. Pursuant to the terms of the Initial Order, among other things, the Court:
 - a) granted a stay of proceedings in favour the Applicants to and including November 17, 2022 (the "Stay Period");
 - b) approved the terms of a debtor-in-possession loan facility (the "DIP Facility") in the maximum principal amount of \$4.875 million to be made available by Cortland Credit Lending Corporation ("Cortland"), in its capacity as agent for and on behalf of certain lenders (the "DIP Lender"), pursuant to the terms of a DIP Facility Agreement dated November 6, 2022 (the "DIP Facility Agreement");

- c) granted a charge:
 - i. in the amount of \$750,000 on all of the Applicants' current and future assets, property and undertaking (collectively, the "Property") to secure the fees and disbursements of the Monitor, its legal counsel and the Applicants' legal counsel (the "Administration Charge");
 - ii. in the amount of \$967,000 on the Property in favour of the directors and officers (the "Directors and Officers") of the Applicants (the "Directors' Charge"); and
 - iii. up to the maximum amount of \$1.825 million on the Property in favour of the DIP Lender (the "DIP Lender's Charge", and collectively with the Administration Charge and the Directors' Charge, the "Charges") to secure the DIP Lender's advances to the Applicants under the DIP Facility until November 17, 2022, being the date of the comeback motion (the "Comeback Motion"); and
 - d) granted the Applicants permission to pay certain pre-filing obligations to essential suppliers, subject to, among other things, the consent of the Monitor and the DIP Lender.
3. At a motion on November 17, 2022 (the "Comeback Hearing"), the Court issued an Amended and Restated Initial Order (the "ARIO") pursuant to which, among other things:
- a) the Stay Period was extended to February 3, 2023;
 - b) the DIP Lender's Charge was increased to \$4.875 million; and
 - c) the amount of the Directors' Charge was increased to \$2.922 million.
4. The principal purpose of these restructuring proceedings is to create a stabilized environment to enable the Applicants to pursue a restructuring of their business. Subject to Court approval, the Applicants intend to conduct a sale and investment solicitation process (the "SISP") with the assistance of Stoic Advisory Inc. ("Stoic") and under the supervision of the Monitor. The Applicants are also seeking approval of a stalking horse transaction (as described in detail herein) to serve as a base bid under the SISP and which provides the Applicants and their stakeholders with certainty of a going concern outcome.

1.1 Purposes of this Report

- 1. The purposes of this report ("Report") are to:
 - a) provide the Court with an update on the Applicants' activities since the Monitor's First Report to Court dated November 14, 2022 (the "First Report");
 - b) discuss the terms of Stoic's engagement as set out in the Stoic letter agreement dated November 7, 2022 (the "Stoic Engagement Letter");

- c) detail the proposed SISP;
- d) summarize the terms of a stalking horse offer made by L5 Capital Inc. (“L5”) pursuant to a share purchase agreement dated December 12, 2022 (the “Stalking Horse Agreement”);
- e) report on the Applicants’ cash flow projection for the period January 2, 2023 to March 10, 2023 (the “Updated Cash Flow Forecast”);
- f) discuss the reasons that the Monitor believes that the Stay Period should be extended from February 3, 2023 to March 10, 2023;
- g) discuss an amendment to the DIP Facility Agreement dated December 14, 2022 (the “First DIP Amendment”);
- h) summarize the fees and disbursements of the Monitor and its counsel, Cassels Brock & Blackwell LLP (“Cassels”), from the commencement of the CCAA proceedings to and including November 30, 2022; and
- i) recommend that the Court issue an order or orders approving:
 - the Stoic Engagement Letter;
 - the SISP;
 - the Stalking Horse Agreement as the stalking horse bid, including the expense reimbursement (the “Expense Reimbursement”) contemplated therein;
 - the extension of the Stay Period from February 3, 2023 to March 10, 2023;
 - the First DIP Amendment;
 - the fees and disbursements of the Monitor and Cassels; and
 - the Pre-Filing Report of the Monitor dated November 7, 2022 (the “Pre-Filing Report”), the First Report, this Report, and the activities of the Monitor described therein.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Applicants’ unaudited financial information, books and records and discussions with the Applicants’ management and legal counsel.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence. The Monitor does not accept any responsibility to any third party for any reliance they may place on the Applicants’ financial information herein.
3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants’ assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. Prior to the JWC Transaction (as defined below), Trichome was a specialty finance company, providing capital solutions to the Canadian cannabis market. One of Trichome’s loans was to the James E. Wagner Cultivation Corporation (“JWC”) and several related entities (collectively, the “JWC Group”), which operated a vertically integrated premium cannabis company focused on producing and selling cannabis.
2. In April 2020, the JWC Group was granted protection under the CCAA and KSV was appointed CCAA monitor. In addition to being the JWC Group’s senior ranking lender, Trichome was the debtor-in-possession lender in the CCAA proceedings (the “JWC DIP”). Pursuant to an order issued on June 2, 2020, the Court approved a transaction (the “JWC Transaction”) for the sale of substantially all of the JWC Group’s assets pursuant to an Asset Purchase Agreement dated March 31, 2020 between the JWC Group and Trichome, as amended (the “JWC APA”). In accordance with the JWC APA, Trichome directed that title to the assets be vested in TJAC.
3. Each of the Applicants is a direct or indirect subsidiary of IM Cannabis Corp. (“IMCC”). IMCC has operations in Israel, Canada and Germany. IMCC’s common shares are listed under the symbol “IMCC” on the NASDAQ Capital Market and the Canadian Securities Exchange. IMCC is not an Applicant in these CCAA proceedings.
4. In March 2021, IMCC acquired all of the issued and outstanding shares of Trichome (the “IMCC Transaction”).
5. Collectively, the Applicants cultivate, process and sell premium and ultra-premium cannabis for the adult-use market in Canada. There are six Applicants in these proceedings and the Applicants’ corporate chart is attached as Appendix “B”.

6. The Applicants' cannabis operations are conducted through TJAC and Highland. Their "WAGNERS" and "Highland Grow" brands are market leaders by sales in the premium and ultra-premium dried flower and pre-roll segments in Canada.
7. A description of the business of each of the Applicants is provided below:

Trichome

- a) Trichome manages all aspects of the business, including providing administrative support, cash management, and strategic decision-making.

TJAC

- b) TJAC's business is focused on the cultivation, processing and sale of premium cannabis. TJAC is a licensed producer of cannabis in accordance with the *Cannabis Act*, S.C. 2018, c. 16 and its associated regulations ("Cannabis Act") and operates from: (i) a 15,000 square foot processing and packaging facility located in Kitchener, Ontario (the "Trillium Facility"); and (ii) a 345,000 square foot cultivation facility located in Kitchener, Ontario (the "Manitou Facility"). As discussed below in Section 3.2, the Manitou Facility lease was disclaimed effective December 23, 2022.
- c) Since disclaiming the lease for the Manitou Facility, TJAC has ceased cultivating cannabis. TJAC continues to process, package and sell cannabis from the Trillium Facility using cannabis that was remaining at the Manitou Facility and cannabis purchased from other producers.

Highland

- d) Highland is a licensed producer of cannabis under the Cannabis Act, which operates from an owned 6,500 square foot facility located in Antigonish, Nova Scotia (the "Highland Facility"). Shortly prior to the commencement of these CCAA proceedings, the Applicants ceased cultivation activities in the Highland Facility and centralized all cultivation at the Manitou Facility. The Highland Facility is still used for processing and packaging.
- e) Highland was formerly a subsidiary of Biome Grow Inc. ("Biome") until it was acquired by MYM (the "Highland Acquisition"). As part of the Highland Acquisition, MYM provided Biome with a loan which totaled approximately \$2.7 million (the "Biome Loan"). On May 3, 2022, MYM filed an application in the Court for the appointment of a receiver over Biome and a Biome subsidiary. On September 9, 2022, MYM entered into a settlement with Biome pursuant to which the maturity date of the Biome Loan was extended to December 9, 2023. On September 12, 2022, the Court adjourned the receivership application to allow for the implementation of the settlement. As at the commencement of these CCAA proceedings, the balance of the Biome Loan was approximately \$2.9 million. No amounts have been repaid on the Biome Loan since the commencement of these proceedings.

MYMB, MYM and TRC

- f) Aside from the Highland Facility (which the Monitor understands is owned by MYMB), MYMB, MYM and TRC do not have any material assets or carry on any active operations.
8. The Affidavit of Michael Ruscetta, Chief Executive Officer of Trichome and a director of each of the Applicants, sworn November 7, 2022 in support of the CCAA application (the “Ruscetta Affidavit”), and the Pre-Filing Report, each provide further background information with respect to the Applicants’ business and operations, as well as the reasons the Applicants filed for CCAA protection. The Ruscetta Affidavit and the Pre-Filing Report are available on the Monitor’s website at the following link: <https://www.ksvadvisory.com/experience/case/trichome>.

3.0 Creditors

3.1 Secured Creditors

3.1.1 Cortland

1. Cortland is a secured lender to the Applicants through an asset-based lending agreement dated May 14, 2021, as amended by an amending agreement dated August 27, 2021, and an amending agreement dated March 31, 2022 (collectively, the ABL Agreement”). TJAC is the borrower under the ABL Agreement, and each of the other Applicants is a guarantor.
2. The ABL Agreement provides for a revolving credit facility (the “ABL Facility”) in the maximum principal amount of \$15 million (the “Maximum Amount”). The total advances under the revolving credit facility cannot exceed the lesser of: (i) the Borrowing Base Amount (as defined in the ABL Agreement); and (ii) the Maximum Amount.
3. Amounts advanced under the ABL Agreement bear interest at the greater of (i) 9.75% and (ii) the TD prime rate, plus 7.3%. The current TD prime rate is 6.1%. Accordingly, the current annual interest rate for the ABL Agreement is 13.4%.
4. As at November 1, 2022, the principal amount outstanding under the ABL Agreement was approximately \$4.7 million (with interest and costs continuing to accrue).
5. Cortland is also the lender to the Applicants under the DIP Facility. As of January 2, 2023, the amount owing under the DIP Facility is approximately \$2.86 million.

3.1.2 Trichome

1. Upon closing the JWC Transaction, approximately \$7 million of the JWC DIP facility was assumed by TJAC in the form of a secured convertible debenture dated August 28, 2020, 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”).
2. As of September 30, 2022, approximately \$20.6 million (inclusive of accrued interest) and approximately \$7.1 million (inclusive of accrued interest) was owing to Trichome under the Secured Promissory Note and the Secured Debenture, respectively. Interest and fees continue to accrue on both facilities.

3.1.3 CRA

1. Based on the Applicants’ books and records, as of November 1, 2022, the Applicants owed approximately \$384,000 to the Canada Revenue Agency (“CRA”) in respect of GST/HST, a significant portion of which was in arrears. Since the commencement of the CCAA proceedings, the Applicants have paid approximately \$312,000 of the pre-filing GST/HST obligations.
2. The Applicants have advised that they intend to continue to remit post-filing GST/HST in the normal course, as shown in the Updated Cash Flow Forecast.
3. In addition to the above, Trichome has a liability in respect of unremitted source deductions in connection with shares of Trichome issued to Trichome employees pursuant to the IMCC Transaction of approximately \$5.3 million, as detailed in the Ruscetta Affidavit. Trichome’s only material assets are its shares of TJAC and MYM and its loans to TJAC, as discussed in Section 3.1.2 above. Trichome’s ability to repay the source deduction liability is subject to recoveries on these assets, which will be determined through the SISP.

3.2 Manitou Lease

1. In accordance with subsection 32(1) of the CCAA, on November 23, 2022, TJAC, with the approval of the Monitor, gave notice to Homer Land Corp. (“Homer”), the landlord of the Manitou Facility, that it intended to disclaim the Manitou lease effective December 23, 2022. Homer did not dispute the disclaimer and it became effective on December 23, 2022.
2. A dispute has arisen between Homer and TJAC regarding the payment of post-filing rent. TJAC has not made post-filing rent payments in cash to Homer, rather it has directed Homer, which is in possession of a \$600,000 security deposit (approximately two months’ rent), to apply the security deposit against post-filing rent. Homer is of the view that all post-filing rent should be paid in cash and the security deposit used to satisfy any losses incurred by Homer in connection with the disclaimer of the lease. Homer has advised it intends to bring a motion requiring TJAC to pay all post-filing rent if the issue is not resolved. If the issue is not resolved and a motion is brought to this Court, the Monitor will further report on this dispute.

3.3 Unsecured Creditors and Other Claims

1. The Applicants' unsecured obligations as of November 1, 2022 totalled approximately \$30.3 million and are summarized in the table below. The unsecured obligations¹ consist primarily of the following:

(\$000s; unaudited)					
Applicant	CRA, Excise Taxes	Intercompany	Trade and other vendors	IMCC Promissory Note	Total
Trichome	-	-	894	12,500	13,394
TJAC	-	4,149	5,130	-	9,279
MYM	1,260	-	593	-	1,853
Highland	801	4,152	823	-	5,776
Total	2,061	8,301	7,440	12,500	30,302

2. Neither TRC nor MYMB had any material unsecured obligations as of November 1, 2022.
3. Of the amounts reflected above, virtually all trade payables and excise taxes were in significant arrears as of the date of the Initial Order. Since the commencement of the CCAA proceedings, the Applicants have paid approximately \$1 million of the excise tax arrears (in addition to the approximately \$312,000 of pre-filing GST/HST obligations described above) to maintain the Applicants' cannabis licenses in good standing. The Applicants have also paid approximately \$242,000 in respect of pre-filing obligations owing to certain essential suppliers, in accordance with provisions included in the ARIO. Consistent with the terms of the ARIO, payment of all pre-filing expenses has been approved by the Monitor and the DIP Lender.
4. Following commencement of the CCAA proceedings, the Applicants, with the approval of the Monitor, have disclaimed, among other agreements, the Manitou lease described in Section 3.2 above and one equipment lease. In addition, the Applicants have terminated 88 employees, most of whom worked at the Manitou Facility.

4.0 Sale Advisor

4.1 Stoic

1. As described earlier in the Report, the Applicants are seeking the Court's approval to retain Stoic as their advisor to assist in running the proposed SISP.
2. Stoic is an experienced financial advisor to companies in the cannabis industry. Stoic has completed 12 cannabis transactions valued at over \$2.5 billion.
3. Stoic has knowledge of the Applicants' business as it marketed for sale JWC Group's business and assets during those CCAA proceedings.

¹ Excludes accrued professional fees and potential litigation.

4. Stoic, under the supervision of the Monitor, will be responsible for marketing and selling the Applicants' business and assets pursuant to the SISP, if approved.
5. A copy of the Stoic Engagement Letter is attached as Appendix "C".
6. Stoic has prepared marketing materials in connection with its proposed mandate and, as discussed in Section 5.1 below, has taken certain preliminary steps to advance the SISP. Stoic is ready to launch the remainder of the process if approved by the Court.
7. Pursuant to the Stoic Engagement Letter, Stoic 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 Stoic Engagement Letter up to a maximum of \$300,000 (or 6 months) (the "Maximum Fee").² If a transaction other than the stalking horse transaction is completed, Stoic will earn the Maximum Fee regardless of the duration of the process, otherwise its fee will be limited to \$50,000 per month multiplied by the number of months to complete the stalking horse transaction.
8. The Monitor recommends that the Court approve the Stoic Engagement Letter for the following reasons:
 - a) Stoic has significant experience in the cannabis sector, which is the focus of its business;
 - b) Stoic has deep knowledge of the Applicants' business and assets as a result of its mandate on JWC;
 - c) Stoic is ready to launch all of the material steps in the SISP immediately, which will help reduce the cash burn associated with the CCAA proceedings;
 - d) the DIP Lender supports the retention of Stoic on the terms proposed; and
 - e) Stoic's fee is reasonable in the circumstances.

5.0 SISP and Bidding Procedures³

5.1 SISP

1. The purpose of the stalking horse SISP is to market the Applicants' business and assets for sale, while providing a degree of certainty to the Applicants and their stakeholders of a going concern transaction.
2. Subject to Court approval, Stoic, under the supervision of the Applicants and the Monitor, will be responsible for the marketing and sale of the Applicants' assets.
3. The key aspects of the proposed SISP are summarized below; however, interested parties are strongly encouraged to review the full terms of the SISP.

² The Monitor understands that Stoic has agreed to only start charging its fee from December 1, 2022, even though its engagement letter was executed on November 7, 2022.

³ Capitalized terms in this section have the meaning provided to them in the Stalking Horse Agreement or the SISP unless otherwise defined herein.

4. A summary of the key dates in the proposed SISP are as follows:

Milestone	Key Dates
Distribution of Teaser Letter	January 3, 2023
Confidential data side to be established	January 3, 2023
Bid Deadline	February 6, 2023
Auction (if any)	February 17, 2023
Approval and Vesting Order hearing (no auction required) ⁴	February 21, 2023
Approval and Vesting Order hearing (auction required)	March 3, 2023

5. In accordance with the above timeline, Stoic has commenced the SISP to complete the process expediently and to minimize the costs of the CCAA process. The marketing materials advise all prospective purchasers that the SISP, including the Stalking Horse Agreement, remains subject to Court approval.

5.2 Marketing Process

1. In connection with the SISP's commencement:
 - a) Stoic, with the assistance of the Applicants and the Monitor, prepared (i) a list of potential bidders who it believed may be interested in acquiring the Applicants' assets (each a "Known Potential Bidder"), and (ii) a Teaser Letter describing the Applicants' business and 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 Stoic and the Monitor, prepared an NDA that bidders are required to sign in order to obtain confidential information regarding the Applicants.
2. In accordance with the SISP timeline, Stoic sent the Teaser Letter and an NDA to each Known Potential Bidder on January 3, 2023. The Teaser Letter and an NDA will also be made available to any other party (i) upon their request or (ii) who is subsequently 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 and (ii) a letter setting out the identity of the Potential Bidder, and the contact information for such Potential Bidder.
3. A Potential Bidder that wishes to make a bid must deliver a written copy of its bid by no later than 5:00 p.m. (Eastern Time) on February 6, 2023.

5.3 Qualified Bids

1. To be a "Qualified Bid", a bid must, among other things, meet the following requirements:
 - a) bids must provide the identity of each entity or person and representatives who act on behalf of the Potential Bidder for all purposes regarding the transaction;

⁴ The Court dates are subject to Court availability.

- 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 (i) the amount payable under the Stalking Horse Bid (\$5,000,000), plus (ii) the Expense Reimbursement (\$200,000) and (iii) a \$100,000 minimum bid increment;
 - c) bids must provide for a deposit equal to at least 5% of the consideration provided for in the bid;
 - d) bids must provide a description of the Applicants' assets to be included in the transaction, and an allocation of the purchase price to such Applicants' assets;
 - e) 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 Applicants' assets have been sold pursuant to the closing of the transaction(s) approved by the Court, and (ii) the Outside Date;
 - f) 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;
 - g) bids must include an 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 site⁵ (the "Modified Purchase Agreement");
 - h) 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;
 - i) bids must provide evidence of a commitment for financing or other evidence of ability to consummate the proposed transaction; and
 - j) 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).
2. L5 is deemed to be a Qualified Bidder and the Stalking Horse Bid is deemed to be a Qualified Bid.

⁵ The form of purchase agreement uploaded to the data site will be the Stalking Horse Agreement.

3. Although the Applicants are seeking bids to purchase some or all of the Applicants' assets, the Applicants will also consider a bid that contemplates a plan of restructuring for the Applicants (a "Plan Bid") provided that such Plan Bid will only be a Qualified Bid if it: (i) provides for payment in full of the Expense Reimbursement and all the secured indebtedness owing to Cortland, including the amounts owing under the DIP Facility Agreement, on or before the Outside Date; (ii) has conditions that, in the reasonable opinion of the Applicants and the Monitor, are likely to be satisfied; and (iii) includes a fully-funded commitment to provide any additional interim financing required by the Applicants to complete all steps required to implement such Plan Bid, such financing to be subordinate to the existing Charges.
4. The Applicants will also consider separate bids to acquire some or all of the Applicants' assets, provided that they cumulatively meet the criteria of a Qualified Bid.

5.4 Auction

1. If no Qualified Bids are submitted by the Bid Deadline, L5 will be the Successful Bidder.
2. If one or more Qualified Bids are received by the Bid Deadline:
 - a) the Monitor will notify the Qualified Bidders who made a Qualified Bid (including L5) of the Lead Bid and invite them to participate at an Auction that will be conducted either by video conference or in person at the Monitor's office (at the discretion of the Monitor) at 10:00 a.m. (Eastern Time) on February 17, 2023 or such other time and place that the Monitor may advise;
 - b) only a Qualified Bidder is eligible to participate in the Auction. The Monitor shall disclose to all Qualified Bidders the amount of the Lead Bid by 5:00 p.m. (Eastern Time) three 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;
 - c) the bidding shall be conducted in rounds. The Lead Bid shall constitute the "Opening Bid" for the first round and the higher Overbid at the end of each round shall constitute the Opening Bid for the following round;
 - d) any Overbid shall be made in minimum cash purchase price increments of \$100,000 above the Opening Bid, or in such increments the Monitor, in consultation with the Applicants, 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;
 - e) 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 and the obligations proposed to be assumed, and the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria;

- f) 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;
- g) the Auction shall be closed once the Applicants, after considering the Monitor's recommendation have: (i) reviewed the final Overbid of each Qualified Bidder taking into consideration the Bid Assessment Criteria; and (ii) identified the Successful Bid and the Back-Up Bid and the Monitor advised the Qualified Bidders participating in the Auction of such determination; and
- h) 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 agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid. For greater certainty, every bid made at the Auction is deemed to be a signed and binding bid based on the terms and conditions of the bidder's original Qualified Bid (other than purchase price).

5.5 The Stalking Horse Agreement

1. A copy of the Stalking Horse Agreement is attached as Appendix "D". The Monitor understands that L5 is controlled by Marc Lustig, a director of Trichome and the Chair of IMCC.
2. The Stalking Horse Agreement contemplates a reverse vesting transaction, pursuant to which L5 will acquire all of the shares of TJAC and MYM owned by Trichome as part of the transaction, and all Excluded Assets and Excluded Liabilities will be transferred to newly incorporated corporations (i.e., Residual Cos). The reason for using the reverse vesting structure is to preserve the cannabis licenses held by TJAC and Highland.
3. The key terms and conditions of the Stalking Horse Agreement are provided below.
 - **Vendor:** Trichome.
 - **Purchaser:** L5.
 - **Purchased Shares:** L5 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.
 - **Purchased Entities:** TJAC, MYM, TRC, MYMB and Highland.
 - **Excluded Liabilities:** include:
 - a) all debts, obligations and liabilities 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;
 - b) liabilities for Employees whose employment with any Purchased Entity or its Affiliates is terminated on or before Closing; and

- c) those Excluded Liabilities specifically detailed in Schedule “E” of the Stalking Horse Agreement, which include, for each of the Purchased Entities:
 - i. Professional Costs;
 - ii. any amounts owing in respect of the DIP Facility;
 - iii. any intercompany debt; and
 - iv. any further or additional Liability under any Excluded Promissory Note to the extent not fully funded.
- **Purchase Price (before Deferred Consideration):** the purchase price for the Purchased Shares is \$5 million, to be paid as follows:
 - a) a Deposit of \$250,000 (5% of the Purchase Price), which was received by the Monitor on December 30, 2022; and
 - b) the balance of \$4,750,000 payable on the Closing Date.
- **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”) pursuant to a secured limited recourse promissory note in an amount equal to 100% of:
 - a) all 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 Agreement; however, 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”).
- **Assumed Liabilities:** include:
 - a) for 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;
 - 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 Liabilities Promissory Notes (provided that such Liabilities shall be paid in accordance with the Stalking Horse Agreement, 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.
- **Retained Assets:** includes all of the assets owned by each Purchased Entity immediately prior to Closing, including their Contracts, Permits, Goodwill, Intellectual Property, Licences, Subsidiary Shares and Books and Records, except for inventory sold in the ordinary course of business in the Interim Period, and the Excluded Assets and Excluded Contracts.
 - **Transfers to Residual Cos.:** on the Closing Date, prior to the sale of the Purchased Shares, each Purchased Entity shall transfer to its applicable Residual Co.:
 - a) the Excluded Assets and Excluded Contracts; and
 - b) the Excluded Liabilities.
 - **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
 - **Target Closing Date:** 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 Trichome (with the consent of the Monitor) and L5 may agree to in writing.
 - **Outside Date:** April 30, 2023.
 - **Material Conditions:** includes, among other things:
 - a) the Stalking Horse and SISF Approval Order and the Approval and Vesting Order shall have been issued by the Court and shall not have been stayed, varied, or vacated (or any such appeal shall have been dismissed with no further appeal therefrom);
 - b) upon Closing, the CCAA Proceedings will have been terminated in respect of each Purchased Entity;
 - c) the Cannabis Licenses shall be valid and in good standing at the Closing Time;
 - d) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and

- e) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction.
- **Termination:** the Stalking Horse Agreement can be terminated:
 - a) upon mutual written agreement of the Applicants and L5;
 - b) if any of the conditions in favour of L5 or the Applicants (as described above) are not waived or satisfied;
 - c) automatically and immediately:
 - upon the selection by the Applicants, in consultation with the Monitor, of a Successful Bid, if the Stalking Horse Agreement is neither the Successful Bid nor the Back-Up Bid; and
 - upon the Closing of the Successful Bid(s) if the Stalking Horse Agreement is the Back-Up Bid; or
 - d) Closing has not taken place by the Outside Date, being April 30, 2023, or such other date as the Applicants (with the consent of the Monitor) and L5 may agree to in writing.

5.6 Bid Protections

1. The Stalking Horse Agreement includes an Expense Reimbursement of up to \$200,000 in respect of actual legal, diligence and other costs incurred by L5 in respect of the SISF, including drafting and negotiating the Stalking Horse Agreement.
2. The purpose of the Expense Reimbursement is to provide L5 with a means to recover its costs and expenses incurred in connection with the Stalking Horse Agreement if it is not the successful bidder or upon certain events of termination of the Stalking Horse Agreement.
3. The Stalking Horse Agreement does not include a break fee.
4. The maximum amount of the Expense Reimbursement represents approximately 3.2% of the aggregate consideration provided under the Stalking Horse SPA, being \$6,300,000 (exclusive of any amounts payable for the Closing Date Purchased Entity Receivables and the Closing Date Purchased Entity Inventory). Accordingly, the Monitor is of the view that the Expense Reimbursement falls within a range of reasonable bid protections appearing in comparable restructuring proceedings.

5.7 Considerations Regarding the Stalking Horse Agreement

1. The Monitor considered whether L5's offer warrants it being a stalking horse bid, as opposed to L5 simply being a bidder in the SISF. The Monitor's considerations included that the Stalking Horse Agreement provides certainty to the Applicants' customers, employees and other stakeholders that a going concern transaction will be completed. Moreover, the Stalking Horse Agreement is only being approved as the stalking horse, and not as the Successful Bidder. Additionally, the Stalking Horse Agreement does not contain a break fee.

5.8 SISP Recommendation

1. The Monitor recommends that this Court issue an order approving the SISP and the Stalking Horse Agreement in connection therewith, for the following reasons:
 - a) the SISP provides for a wide marketing of the Applicants' business by Stoic, which has extensive experience in the sector and knowledge of the Applicants;
 - b) Stoic has reviewed the proposed SISP and Stalking Horse Agreement and recommends that they be approved as they will assist the Applicants in maximizing value;
 - c) stalking horse sale processes are a recognized mechanism in restructuring processes to maximize recoveries, while creating stability for the business;
 - d) the Bidding Procedures provide an opportunity to complete a transaction with greater value than the Stalking Horse Agreement, which benefits all stakeholders;
 - e) it is in the best interests of the Applicants' stakeholders that the Stalking Horse Agreement be preserved in order to have the opportunity to maximize value and to protect downside risk in the event that a superior offer is not submitted;
 - f) the duration of the SISP is sufficient in the Monitor's view to allow interested parties to perform diligence and submit offers;
 - g) the DIP Lender is supportive of the SISP, the Stalking Horse Agreement and the Expense Reimbursement;
 - h) the Monitor is of the view that the Expense Reimbursement is reasonable in the circumstances and reflects the costs of L5 to prepare the Stalking Horse Bid and to negotiate the SISP and other related motion materials. The Monitor is of the view that the Expense Reimbursement will not discourage interested parties from submitting offers in the SISP; and
 - i) as at the date of this Report, the Monitor is not aware of any objections to the SISP or the sale of the Applicants' assets.

6.0 DIP Amendments⁶

1. A copy of the First DIP Amendment is attached as Appendix "E".
2. The maximum principal amount under the DIP Facility is the lesser of (i) \$4,875,000; 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. Section 3.1 of the DIP Facility Agreement provides a table that contains the weekly Over-Advance Amount that was agreed to between the Applicants and the DIP Lender.

⁶ Capitalized terms not defined in this section have the meanings ascribed to them in the DIP Facility Agreement.

3. The primary purpose of the First DIP Amendment is to revise the Over-Advance Amount to account for certain timing differences that have arisen in the Applicants' cash flow.
4. The Borrowing Base Amount changes based on the amount of receivables and inventory of the Applicants at a point in time. In certain weeks, the Borrowing Base Amount was less than projected by the Applicants due to timing differences resulting from delays in sales in cannabis. To account for these timing variances, the First DIP Amendment provided the Applicants with additional liquidity by increasing the weekly Over-Advance Amount. Absent the First DIP Amendment, the Applicants would not have had sufficient borrowing availability under the DIP Facility to meet their working capital requirements which would have been detrimental to their operations. The First DIP Amendment does not alter the maximum principal amount of borrowings permitted under the DIP Facility (i.e. \$4.875 million).
5. A summary of the differences in the Over-Advance Amounts between the DIP Facility Agreement and the First DIP Amendment is provided below.

Week Ended	DIP Facility Agreement – Over-Advance Amount (Original) ⁷	First DIP Amendment Over-Advance Amount (Amended)	Increase / (Decrease)
9-Dec-2022	(1,517,754)	(2,399,069)	881,315
16-Dec-2022	(1,008,541)	(2,628,918)	1,620,377
23-Dec-2022	(1,353,210)	(2,582,595)	1,229,385
30-Dec-2022	(1,380,176)	(2,554,643)	1,174,467
6-Jan-2023	(2,007,971)	(2,257,967)	249,996
13-Jan-2023	(1,409,616)	(2,577,025)	1,167,409
20-Jan-2023	(2,224,297)	(1,813,624)	(410,673)
27-Jan-2023	(1,913,120)	(2,488,156)	575,036
3-Feb-2023	(1,843,505)	(2,464,093)	620,588
10-Feb-2023	N/A	(982,479)	N/A
17-Feb-2023	N/A	(1,967,628)	N/A
24-Feb-2023	N/A	(1,331,183)	N/A
03-Mar-2023	N/A	(1,430,446)	N/A

6. The First DIP Amendment was executed on December 14, 2022. Since that time, the DIP Lender has been advancing amounts to the Applicants consistent with the terms of the First DIP Amendment. The Applicants are seeking to have the First DIP Amendment approved *nunc pro tunc*.
7. The Monitor recommends the Court approve the First DIP Amendment as no stakeholder is prejudiced by the First DIP Amendment, including the retroactive approval of the amounts funded in excess of the Over-Advance Amount.

⁷ The DIP Facility Agreement only provided an Over-Advance Amount up to the week ending February 3, 2023.

8. Pursuant to paragraph 3.18 of the DIP Facility Agreement, the maturity date of the DIP Facility Agreement is 16 weeks from the date of the Initial Order. Accordingly, the DIP Facility Agreement is set to expire on February 27, 2023, unless extended. The Monitor understands that the Applicants and the DIP Lender did not address the Maturity Date in the First DIP Agreement.
9. The Monitor understands that the Applicants are working with the DIP Lender to prepare a second amendment to the DIP Facility Agreement which will extend the term of the DIP Facility Agreement to March 10, 2023 in order to bring it consistent with the proposed Stay Period. The Monitor is advised that, once the terms of the second amendment are agreed to by the Applicants and the DIP Lender, the Applicants intend to serve a supplemental affidavit including the second amendment to the DIP Facility. The Monitor recommends the Court approve the extension of the DIP Facility to March 10, 2023, provided that the DIP Lender has agreed to provide the extension, to provide the Applicants with liquidity for the Stay Period and to enable the Applicants to complete the SISF and bring a motion to approve a transaction.

7.0 Cash Flow

1. The Applicants prepared the Updated Cash Flow Forecast to and including March 10, 2023 (the “Period”). The Updated Cash Flow Forecast and the Applicants’ statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA are attached as Appendix “F”.
2. Pursuant to the terms of the ARIO, the DIP Lender was granted the DIP Lender’s Charge up to a maximum amount of \$4.875 million to secure initial advances made by the DIP Lender. As at the date of this Report, the DIP Lender has advanced approximately \$2.86 million to the Applicants, which is the maximum that the Applicants project that they will draw during the Period.
3. Pursuant to the Applicants’ original cash flow forecast, a copy of which was included in the Pre-Filing Report, for the 8-week period from November 7, 2022 to December 30, 2022, the Applicants had projected to draw approximately \$4.68 million under the DIP Facility, whereas they have only withdrawn approximately \$2.86 million (a positive variance of approximately \$1.82 million).
4. Notwithstanding that the Applicants have collected approximately \$2.2 million less of receivables than initially projected for the 8-week period, which is primarily due to timing variances from shipment delays, the Applicants’ net cash flow has been approximately \$627,000 better than projected.
5. Based on the Monitor’s review of the Updated Cash Flow Forecast, the assumptions appear reasonable. The Monitor’s statutory report on the Updated Cash Flow Forecast is attached as Appendix “G”.

8.0 Stay Extension

1. The Stay Period currently expires on February 3, 2023. The Applicants are requesting an extension of the Stay Period until March 10, 2023 to align the expiry of the Stay Period with the key dates under the SISP.
2. Subject to the Monitor's review of the proposed DIP extension to March 10, 2023 described above, the Monitor is supportive of this request for the following reasons:
 - a) in the Monitor's view, the Applicants are acting in good faith and with due diligence;
 - b) it will allow the Applicants, with the assistance of Stoic and the oversight of the Monitor, time to conduct the SISP (which is expected to be completed prior to the end of the proposed Stay Period), and, if a transaction superior to the stalking horse bid is identified to complete that transaction;
 - c) the Updated Cash Flow Forecast reflects that the Applicants are projected to have sufficient liquidity to fund their business during the extended Stay Period;
 - d) no creditor will be materially prejudiced if the extension is granted; and
 - e) as of the date of this Report, the Monitor is not aware of any party opposed to an extension of the Stay Period.

9.0 Applicants' Activities

1. The Applicants' activities since the granting of the ARIO have included:
 - a) operating their business in the ordinary course;
 - b) maintaining a rolling thirteen-week cashflow forecast;
 - c) communicating with suppliers to secure goods and services during these proceedings and to address payment terms for same during these proceedings;
 - d) corresponding regularly with representatives of the Monitor regarding operating and restructuring issues;
 - e) addressing employee-related matters, including dealing with employee terminations;
 - f) reviewing and disclaiming various agreements, including the lease for the Manitou Facility;
 - g) corresponding with certain of the Applicants' utilities providers to make arrangements for continued supply of service;
 - h) corresponding with the DIP Lender and providing the required reporting under the DIP Facility Agreement;

- i) corresponding with Stoic and the Monitor to develop the proposed SISP; and
- j) corresponding with L5, its counsel and the Monitor to negotiate the proposed Stalking Horse Agreement.

10.0 Monitor's Activities

1. The Monitor's activities since its First Report include:
 - a) corresponding regularly with the Applicants and Bennett Jones LLP, the Applicants' counsel, regarding various matters in these proceedings;
 - b) monitoring the Applicants' business and operations;
 - c) assisting the Applicants to procure goods and services, and corresponding with certain of the Applicants' suppliers;
 - d) corresponding with certain of the Applicants' utilities providers to make arrangements for continued supply of service;
 - e) assisting the Applicants to prepare the reporting required under the DIP Facility Agreement;
 - f) attending weekly status meetings with the DIP Lender;
 - g) supporting the Applicants' operational matters, including employee and related matters;
 - h) reviewing and considering proposed contract disclaimers and dealings with the Applicants' landlords and other contractual counterparties;
 - i) assisting the Applicants in their dealings with CRA;
 - j) assisting the Applicants and Stoic to prepare SISP material;
 - k) assisting the Applicants and L5 to negotiate and structure the Stalking Horse Agreement, including reviewing transaction documents and corresponding extensively with the purchaser and its counsel; and
 - l) preparing this Report.

11.0 Professional Fees

1. The fees (excluding disbursements and HST) (i) of the Monitor from the commencement of the CCAA proceedings to November 30, 2022 total approximately \$116,154.75, and (ii) of Cassels from the commencement of the CCAA proceedings to November 30, 2022 total approximately \$156,035.50.
2. The average hourly rates for KSV and Cassels for the referenced billing periods were \$577.88 and \$748.75, respectively.

3. Redacted invoices in respect of the fees and disbursements of the Monitor and Cassels are provided in appendices to the affidavits (together, the "Fee Affidavits") filed by KSV and Cassels attached as Appendices "H" and "I", respectively.
4. As set out in the invoices attached to the Fee Affidavits, the fees of the Monitor and Cassels for the referenced billing periods include those incurred to perform the aforementioned activities.
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by large corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market, that Cassels' billings reflect work performed consistent with the Monitor's instructions, and that the overall fees charged by Cassels and the Monitor are reasonable and appropriate in the circumstances.

12.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief detailed in Section 1.1(1)(i) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS MONITOR OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS
INC., AND HIGHLAND GROW INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 7 TH
)	
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.

A handwritten signature in blue ink is written over a horizontal line. The signature is cursive and appears to read "Conway J.".

**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

INITIAL ORDER

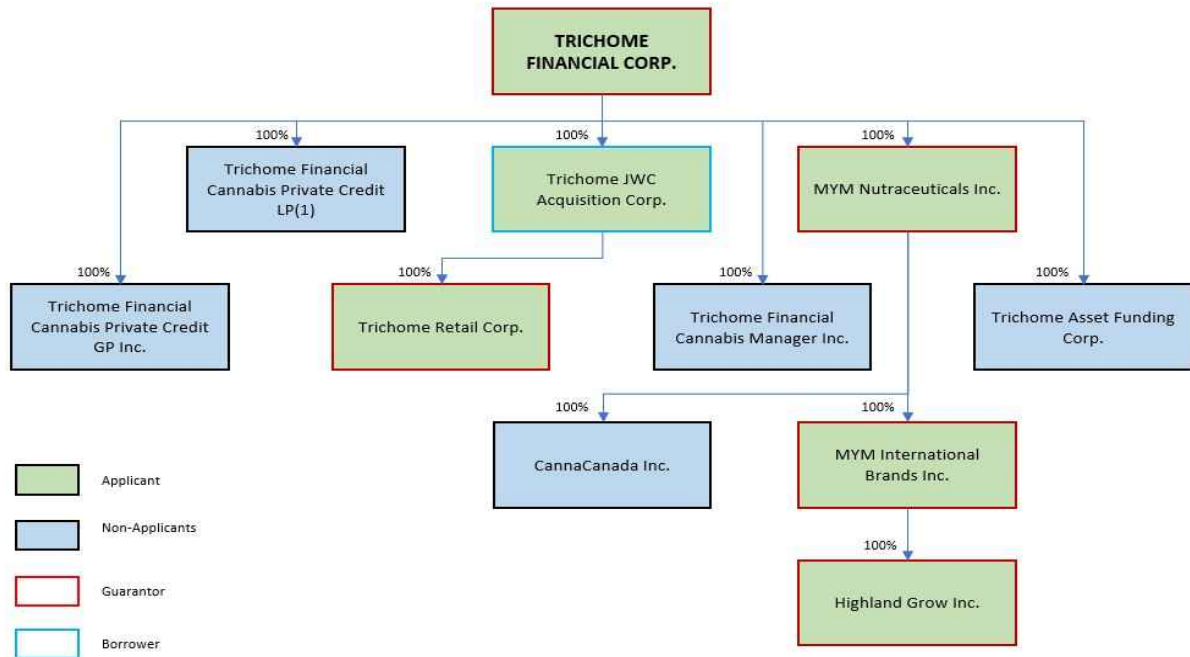
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Joshua Foster (LSO# 79447K)
Tel: (416) 777-7906
Email: fosterj@bennettjones.com

Lawyers for the Applicants

Appendix “B”



(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.

Appendix “C”

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 Ruscetta:

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 Ruschetta
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.

Appendix “D”

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" - SISP
- Schedule "B" - Stalking Horse and SISP 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.

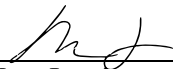
10.22 Counterparts

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.

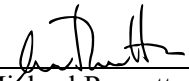
L5 CAPITAL INC.

By: 
Name: Marc Lustig
Title: President

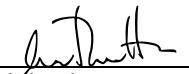
TRICHOME FINANCIAL CORP.

By: 
Name: Michael Ruscetta
Title: Director

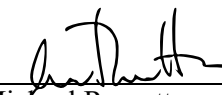
TRICHOME JWC ACQUISITION CORP.

By: 
Name: Michael Ruscetta
Title: Director

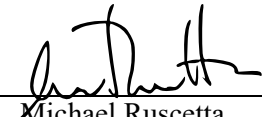
TRICHOME RETAIL CORP.

By: 
Name: Michael Ruscetta
Title: Director

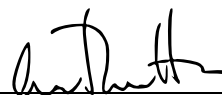
MYM NUTRACEUTICALS INC.

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 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 [●], 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 SISF, the Bidding Process and these Bidding Procedures are solely for the benefit of the Vendors and nothing contained in the Stalking Horse and SISF 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 SISF Approval Order. The Expense Reimbursement incorporated in these Bidding Procedures is solely for the benefit of the Stalking Horse Bidder.

Participants in the SISF 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 SISF 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 SISF Approval Order, the SISF, the Bidding Process and these Bidding Procedures.

The Monitor may provide general updates and information in respect of the SISF to the Agent and the DIP Lender throughout the SISF on a confidential basis, upon irrevocable confirmation in writing from Cortland, that it will not submit any bid in the SISF, 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 SISP at any time.

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

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

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

SCHEDULE "A"

SISP

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**STALKING HORSE AND SISP APPROVAL
ORDER**

BENNETT JONES LLP
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

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

Appendix “E”

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:

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)

Appendix “F”

Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc. and Highland Grow Inc. (collectively, the "Companies")

Projected Statement of Cash Flow

For the Period Ending March 10, 2023

(Unaudited; \$CAD)

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
	Notes	6-Jan	13-Jan	20-Jan	27-Jan	3-Feb	10-Feb	17-Feb	24-Feb	3-Mar	10-Mar	Total
Receipts												
Cannabis sales	1	839,416	1,451,935	1,196,414	724,480	1,199,509	505,906	1,767,635	910,521	881,728	1,056,667	10,534,210
Disbursements												
<i>Operating Disbursements</i>												
Inventory Purchases	2	139,662	141,768	-	210,513	182,475	-	166,761	220,194	207,669	239,268	1,508,310
Payroll and benefits	3	280,840	18,500	300,490	31,400	269,840	18,500	275,490	41,400	269,840	223,124	1,729,424
Rent	4	-	15,227	-	-	15,227	-	-	-	-	15,227	45,681
Excise taxes	5	-	450,000	-	730,000	513,981	-	501,905	-	580,000	-	2,775,886
HST	6	-	-	-	192,370	-	-	-	253,957	-	-	446,327
Other	7	14,457	109,644	134,211	323,960	195,565	81,338	67,841	236,931	140,490	366,072	1,670,511
Contingency		-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	120,000
Total Operating Disbursements		434,959	735,140	449,701	1,503,243	1,192,088	114,838	1,026,997	767,482	1,212,999	858,692	8,296,140
Net Cash Flow Before the Undernoted		404,457	716,795	746,712	(778,764)	7,421	391,068	740,638	143,038	(331,271)	197,975	2,238,070
Restructuring Costs	8	85,000	95,000	150,000	78,000	60,000	-	95,500	95,500	-	270,000	929,000
DIP Interest and Fees	9	19,839	37,472	-	-	-	29,588	-	-	27,069	-	113,968
Net Cash Flow		299,618	584,323	596,712	(856,764)	(52,579)	361,480	645,138	47,538	(358,340)	(72,025)	1,195,102
Opening Cash Balance		6,143	13,354	55,742	6,041	24,797	172,709	28,283	55,785	107,803	12,736	6,143
Net Cash Flow		299,618	584,323	596,712	(856,764)	(52,579)	361,480	645,138	47,538	(358,340)	(72,025)	1,195,102
DIP Draw/(Repayment)	10	(292,407)	(541,935)	(646,414)	875,520	200,491	(505,906)	(617,635)	4,479	263,272	63,333	(1,197,201)
Closing Cash Balance		13,354	55,742	6,041	24,797	172,709	28,283	55,785	107,803	12,736	4,044	4,044
Opening DIP Loan Balance		2,857,604	2,565,197	2,023,263	1,376,849	2,252,369	2,452,861	1,946,955	1,329,319	1,333,799	1,597,071	2,857,604
Draw/(Repayment)		(292,407)	(541,935)	(646,414)	875,520	200,491	(505,906)	(617,635)	4,479	263,272	63,333	-
Closing DIP Loan Balance		2,565,197	2,023,263	1,376,849	2,252,369	2,452,861	1,946,955	1,329,319	1,333,799	1,597,071	1,660,404	1,660,404

Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc. and Highland Grow Inc. (collectively, the "Companies")

Notes to Projected Statement of Cash Flow

For the Period Ending March 10, 2023

(Unaudited; \$CAD)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the Companies for the period January 2, 2023 to March 10, 2023 (the "Period") in respect of their proceedings under the Companies' Creditors Arrangement Act ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Represents collections from retail and wholesale sales of all cannabis related-products.

Probable Assumptions

3. Represents payroll and benefits for the Companies' employees.
4. Represents monthly rent for the Companies premises located on Trillium Drive in Kitchener Ontario.
5. The amounts up to and including the week ending January 27, 2023 represent payment of pre-filing excise taxes owing by the Companies. The amounts in the weeks following represent payment of post-filing excise taxes in the normal course.
6. Represents the payments of post-filing GST/HST in the normal course.
7. Represents general operating costs, including sales and marketing, administrative costs, overhead costs and other sundry items.
8. Includes the estimated payments to the Monitor, its counsel, the Companies' counsel and the DIP Lender's counsel.
9. Represents the interest and fees payable on the debtor-in-possession ("DIP") facility.
10. Represents projected DIP funding or repayments, in respect of the DIP facility to be provided by Cortland Credit Lending Corporation pursuant to the terms of the DIP Facility Agreement.

COURT FILE NO.: CV-22-00689857-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management 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") have developed the assumptions and prepared the attached statement of projected cash flow as of the 4th day of January, 2023, for the period January 2, 2023 to March 10, 2023 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 4th day of January, 2023.

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

Per: Michael Ruscetta



Appendix “G”

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.

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow 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") as of the 4th day January, 2023, consisting of a weekly projected cash flow statement for the period January 2, 2023 to March 10, 2023 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using hypothetical and probable assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. We have reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 4th day of January, 2023.

A handwritten signature in blue ink that reads "KSV Restructuring Inc." with a stylized, cursive script.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR OF
TRICHOME FINANCIAL CORP., TRICHOME JWC ACQUISITION CORP., MYM
NUTRACEUTICALS INC., TRICHOME RETAIL CORP., MYM INTERNATIONAL BRANDS
INC., AND HIGHLAND GROW INC.**

Appendix “H”

**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.**

**AFFIDAVIT OF NOAH GOLDSTEIN
(sworn January 4, 2023)**

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
AS FOLLOWS:**

1. I am a Managing Director of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "Monitor") 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 as such I have knowledge of the matters deposed to herein.
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") made on November 7, 2022, the Applicants were granted protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and KSV was appointed as the Monitor in these proceedings.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period October 1, 2022 to November 30, 2022 (the "Period").
4. The Monitor's invoices for the Period disclose in detail: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. Copies of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".
5. The Monitor spent a total of 201 hours on this matter during the Period, resulting in fees totalling \$116,154.75, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$577.88.

7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 4th day of January, 2023



A commissioner, etc.

)
)
)
)
)
)
)



NOAH GOLDSTEIN

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 4th day of January, 2023



Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024



INVOICE

Trichome Financial Corporation
150 King Street West, Suite 214,
Toronto, Ontario M5H 1J9

December 23, 2022

Invoice No: 2901
HST #: 818808768RT0001

Re: Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc., and Highland Grow Inc. (collectively, the "Applicants")

For professional services rendered from October 1, 2022 to November 30, 2022 by KSV Restructuring Inc. ("KSV") in connection with the Applicants' proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), including:

General

- Corresponding extensively during the month of October, 2022 with representatives of the Applicants and Bennett Jones LLP ("Bennett Jones") regarding strategic issues relating to a CCAA filing, including attending calls on October 3, 19, 20, 21, 28 and 29, 2022;
- Reviewing several drafts of the Applicants' 13-week cash flow projection (the "Projection") and discussing same with the Applicants;
- Corresponding with Cassels Brock & Blackwell LLP ("Cassels"), the Monitor's legal counsel, and Bennett Jones, counsel to the Applicants, concerning all matters in the CCAA proceedings, including regular calls and emails as more specifically outlined below;
- Corresponding extensively with Cortland Credit Lending Corporation (the "DIP Lender"), the Applicants' senior secured creditor, and their counsel, Dentons Canada LLP ("Dentons"), concerning all matters in the CCAA proceedings;
- Reviewing the Applicants' corporate chart;
- Preparing a CCAA checklist and discussing same with Cassels and Bennett Jones;
- Preparing a professional fee estimate and discussing same with Bennett Jones and Cassels;

CCAA Filing and Comeback Motion

- Reviewing and commenting extensively on all draft court-materials filed in connection with the Applicants' CCAA filing on November 7, 2022 (the "CCAA Application Materials"), including;
 - the Affidavit of Michael Ruscetta sworn November 7, 2022 (the "Initial Affidavit");
 - the Initial Order;
 - the Factum of the Applicants; and
 - a Debtor-in-Possession Facility Agreement (the "DIP Term Sheet");
- Corresponding extensively with Cassels, Bennett Jones and Dentons regarding the draft CCAA Application Materials, including attending calls with Cassels and Bennett Jones on November 2, 3 and 4, 2022, to discuss the Initial Affidavit and DIP Term Sheet;
- Preparing KSV's Pre-Filing Report to Court dated November 7, 2022 in its capacity as proposed CCAA monitor (the "Monitor") of the Applicants (the "Pre-filing Report");
- Preparing appendices to the Pre-filing Report;
- Calculating the various Court ordered charges in connection with the Initial Order;
- Corresponding extensively with Cassels and Bennett Jones regarding the Pre-filing Report;
- Attending Court (virtually) on November 7, 2022 regarding the initial application;
- Reviewing and commenting on all Court materials prepared in connection with the Applicants' comeback hearing scheduled on November 17, 2022 (the "Comeback Motion"), including:
 - the motion record of the Applicants returnable November 17, 2022;
 - the Affidavit of Michael Ruscetta sworn November 11, 2022;
 - the Amended and Restated Initial Order; and
 - the Factum of the Applicants;
- Preparing the Monitor's First Report to Court dated November 14, 2022 (the "First Report") in connection with the Comeback Motion;
- Corresponding extensively with Cassels and Bennett Jones regarding the First Report;
- Preparing and filing Form 1, Information Pertaining to the Initial Order, with the Office of the Superintendent of Bankruptcy Canada ("OSB");
- Preparing and filing Form 2, Debtor Company Information Summary, with the OSB;
- Maintaining the Service List in these proceedings on the Monitor's website;

Operational Matters

- Preparing and finalizing a communication plan and other notices (the “Communications Plan”) for the Applicants’ stakeholders in connection with the CCAA Proceedings, including:
 - customer scripts;
 - supplier scripts;
 - employee letters;
 - a notice posted national edition of *The Globe and Mail* newspaper in accordance with the Initial Order; and
 - a statutory notice dated November 8, 2022 to all known creditors of the Applicants advising of the CCAA proceedings (the “Notice to Creditors”);
- Discussing the Communications Plan with Cassels, Bennett Jones and the Applicants;
- Reviewing and corresponding with the Applicants regarding their creditor listing in connection with the Notice to Creditors;
- Corresponding on a daily basis with management of the Applicants to discuss operational, suppliers and customer issues;
- Corresponding with various creditors and suppliers to provide an update on the status of the CCAA proceedings;
- Preparing a letter to Enova Power (“Enova”) dated November 7, 2022 to arrange continued supply of hydro service at certain of the Applicants’ premises and attending a call with Enova on November 7, 2022;
- Reviewing a draft letter prepared by Applicants to Health Canada dated November 7, 2022 advising of the CCAA filing;
- Reviewing correspondence between the Bennett Jones and Miller Thomson LLP, counsel to the landlord of the Applicants’ facility in Kitchener, Ontario;
- Reviewing a Notice of Disclaimer dated November 23, 2022, issued in respect of the Applicants’ leased premises in Kitchener, Ontario and discussing the same with Bennett Jones and Cassels;
- Attending update calls with Cassels regarding the status of the CCAA proceedings, including on November 18, 21 and 25, 2022;

Cash Flow & DIP Financing

- Assisting the Applicants in preparing a projected 13-week Statement of Cash Flow for the Applicants and corresponding extensively with the Applicants and the DIP Lender in connection with the same;
- Corresponding with the Applicants regarding its reporting requirements under the DIP Term Sheet, including attending calls on November 22 and 28, 2022;

- Attending weekly status update calls with the DIP Lender, including on November 16, 23 and 30, 2022;

SISP Development

- Corresponding with the Applicants and their financial broker to develop a proposed sale and investment solicitation process ("SISP");
- Corresponding with Blake Cassels & Graydon LLP ("Blakes"), counsel to a potential stalking horse bidder in connection with the SISP;
- Corresponding extensively with the Applicants and Bennett Jones to assist in negotiating the terms of the stalking horse bid;
- Assisting the Applicants prepare a waterfall allocation of proceeds from a sale process, including considering various scenarios and discussing extensively with the Applicants and Bennett Jones;

Other

- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements	\$ 116,350.78
HST	<u>15,125.60</u>
Total due	<u><u>\$ 131,476.38</u></u>

KSV Restructuring Inc.

Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp., MYM International Brands Inc., and Highland Grow Inc.

Time Summary

For the period October 1, 2022 to November 30, 2022

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	775	21.50	16,662.50
Noah Goldstein	675	87.50	59,062.50
Murtaza Tallat	495	69.85	34,575.75
Nisan Thurairatnam	425	7.00	2,975.00
Other Staff and administration		15.15	2,879.00
Total fees		201.00	116,154.75
Add: Out of Pocket Disbursements			
Postage			154.78
Photocopies			41.25
Out-of-pocket disbursements			196.03
Total fees and disbursements			116,350.78

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF NOAH GOLDSTEIN

Sworn before me

this 4th day of January, 2023



Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024

Exhibit "B"

Trichome Financial Corp., Trichome JWC Acquisition Corp., MYM Nutraceuticals Inc., Trichome Retail Corp.,
MYM International Brands Inc., and Highland Grow Inc. (collectively, the "Applicants")
Schedule of Professionals' Time and Rates
For the Period of October 1, 2022 to November 30, 2022

Name	Role	Hours	Billing Rate (Per Hour)	Total Fees by Professional (\$)
Bobby Kofman	Overall Responsibility	21.50	\$ 775	16,663
Noah Goldstein	Overall Responsibility	87.50	\$ 675	59,063
Murtaza Tallat	All aspects of mandate	69.85	\$ 495	34,576
Nisan Thurairatnam	Mandate Assistance	7.00	\$ 425	2,975
Other staff and administrative		15.15	\$ 160 - 195	2,879
Total hours				201.00
Total fees				\$ 116,154.75
Average hourly rate				577.88

Appendix “I”

**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.

(collectively, the "**Applicants**")

**AFFIDAVIT OF RYAN JACOBS
(sworn January 2, 2023)**

I, **RYAN JACOBS**, of the Village of Bal Harbour, in the State of Florida, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Partner with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc. ("**KSV**") in its capacity as Monitor (the "**Monitor**") of the Applicants, as appointed pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 7, 2022, as amended and restated from time to time (the "**Initial Order**"). As such, I have knowledge of the following matters.

2. On September 23, 2022, Cassels was engaged as counsel for KSV in its capacity as proposed Monitor and began assisting it with preparation for the Applicants' application for the Initial Order. Since the Initial Order was granted, Cassels has provided legal services to the Monitor regarding the exercise of its duties and powers.

3. During the period from September 23, 2022 to November 30, 2022, Cassels incurred fees and disbursements, including HST, in the amount of \$181,723.54. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto as **Exhibit "A"**.

4. Attached hereto as **Exhibit "B"** is a summary of the respective years of call and billing rates of each individual at Cassels who acted for the proposed Monitor or Monitor, as the case may be.

5. Attached hereto as **Exhibit "C"** is a summary of each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels for this period is \$761.89.

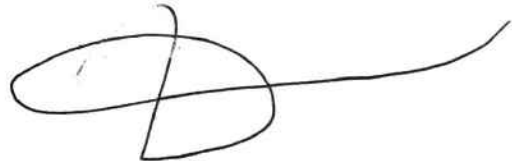
6. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

7. This affidavit is sworn in support of a motion to, among other things, seek approval of the fees and disbursements of counsel of the proposed Monitor or Monitor, as applicable.

SWORN BEFORE ME)
by videoconference on January 2,)
2023 in accordance with O. Reg.)
431/20: Administering Oath or)
Declaration Remotely. The deponent)
was located in the Village of Bal)
Harbour in the State of Florida and I)
was located in the City of Toronto in)
the Province of Ontario)



Commissioner for Taking Oaths



Ryan Jacobs

Commissioner: Stephanie Fernandes
LSO#: 85819M

This is **Exhibit “A”** referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on January 2, 2023 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent was located in the Village of Bal Harbour in the State of Florida and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner For Taking Affidavits

Commissioner: Stephanie Fernandes
LSO#: 85819M



Trichome Financial Corp
1027 Yonge Street
Suite 300 - 3rd Floor
Toronto, ON M4W 2K9

Invoice No: 2179952
Date: October 04, 2022
Matter No.: 057984-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Project Blunt

Fees for professional services rendered up to and including October 03, 2022

Our Fees	57,519.50
Disbursements	2,234.38
Total Fees and Disbursements	59,753.88
HST @ 13.00%	7,725.61
TOTAL DUE (CAD)	67,479.49

We are committed to protecting the environment.

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Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: *Email payment details to payments@cassels.com*

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Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and
you are required to enter the first six digits of the
matter #

Invoice No: 2179952
Matter No.: 057984-00001
Amount: **CAD 67,479.49**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP

Suite 2100, Scotia Plaza, 40 King Street West, Toronto, ON M5H 3C2 Canada | t: 416 869 5300 | f: 416 360 8877 | cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Sep-23-22	J. Bornstein	Call with KSV and Cassels team regarding potential CCAA; Email and call with M Wunder re same; Emails with Bennett Jones team re Cortland ABL documents re security review; Instructions regarding searches; Initial review of security documents and begin to draft security opinion;	5.00
Sep-23-22	M. Sam	Attending to and obtaining various searches for Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM Nutraceuticals Inc., Trichome Retail Corp., SublimeCulture Inc.; Reviewing search results and preparing report with respect to same;	2.60
Sep-23-22	J. Dietrich	Discussion with KSV regarding potential CCAA and prep;	0.60
Sep-23-22	R. Jacobs	Attend meeting with KSV. Discussions with J. Bornstein and M. Wunder re security review. Correspondence with S. Zweig re case strategy and timing considerations. Diligence for CCAA preparation.	1.90
Sep-23-22	M. Wunder	Emails with Bennett Jones re security review. Confer with J. Bornstein regarding searches and document review. Initial review of documents and request additional documents for guarantee and security joinders, supporting documents, and IP lien filings.	0.90
Sep-24-22	J. Bornstein	Review Cortland ABL security documents; Email to Bennett Jones team re document requests; Call with M Wunder re security review; Emails to clerks re searches;	4.90
Sep-24-22	M. Wunder	Review security documents and loan closing checklist and consider additional items for review. Call with J Bornstein to discuss security review process, required searches and items for review and reporting.	1.20
Sep-25-22	J. Bornstein	Analyze searches and Cortland loan and security documents; Draft security opinion; Emails with Cassels team re same; Emails with Bennett Jones team re same;	1.70
Sep-26-22	M. Wunder	Confer with Cassels team regarding security review matters. Review summary.	0.30
Sep-26-22	M. Sam	Review searches for Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM Nutraceuticals Inc., Trichome Retail Corp., SublimeCulture Inc.; Preparing report for client;	1.80
Sep-26-22	S. Aftab	Conducting due diligence searches for repot to KSV;	3.60
Sep-27-22	M. Sam	Attending searches for Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM Nutraceuticals Inc., Trichome Retail Corp., SublimeCulture Inc.; Reviewing search results and preparing report;	1.90
Sep-27-22	M. Wunder	Confer with J Bornstein regarding security review analysis. Review documents.	1.20
Sep-27-22	R. Jacobs	Work on security review. Correspondence with M. Wunder	1.00

Date	Name	Description	Hours
Sep-27-22	J. Bornstein	and J. Bornstein re same. Emails and call with M Wunder re security review; Analyze Cortland loan and security documents; Emails with Bennett Jones team re same; Draft opinion; Analyze IP and other searches; Emails with S Fernandes regarding schedules to security opinion;	5.30
Sep-28-22	M. Sam	Conduct further searches; Reviewing search results and preparing report;	1.00
Sep-28-22	M. Wunder	Confer with J Bornstein regarding security review matters and review certain documents.	0.80
Sep-28-22	S. Fernandes	Meet with J. Bornstein re Security Opinion; review searches; draft Summary of Searches;	6.90
Sep-28-22	J. Bornstein	Emails and call with Cassels team re security review; Analyze Cortland loan and security documents; Emails with Bennett Jones team re same; Draft and revise opinion; Analyze search results; Emails and call with S Fernandes regarding schedules to security opinion; Analyze and revise same;	8.40
Sep-28-22	R. Jacobs	Discuss security review with Cassels team. Advise KSV re same. Correspondence with S. Zweig re meeting with Courtland, DIP and CCAA timing.	1.10
Sep-29-22	M. Wunder	Confer with J Bornstein re security review. Due diligence re Nova Scotia owned real property and search result. Review draft security opinion.	1.30
Sep-29-22	M. Sam	Conduct additional searches and preparing report with respect to same;	0.40
Sep-29-22	J. Dietrich	Review of draft initial order and discussion regarding comments on same;	1.40
Sep-29-22	J. Bornstein	Analyze draft initial order; Call with J Dietrich and R Jacobs re same; Emails with KSV re same; Analyze Tors opinions re additional loan parties; Analyze credit agreement and draft cover note to KSV re use of cash; Analyze real property search results and security documents re same; Emails with M Sam regarding search results; Analyze same; Analyze security review;	3.30
Sep-29-22	R. Jacobs	Review and comment on draft initial order from Bennett Jones, and discuss with Cassels team. Correspondence with KSV team re same.	1.10
Sep-30-22	A. Nicholas	Reviewing Cannabis laws in Canada and proposing additions to initial CCAA order; Email to J. Bornstein regarding same;	2.30
Sep-30-22	R. Jacobs	Comment on draft initial order and correspondence with Cassels and KSV teams re same. Review and comment on draft initial affidavit. Meeting with Cassels team re same. Comment on draft security review opinion and address open issue. Correspondence with S. Zweig re same.	1.60
Sep-30-22	M. Sam	Attending to and obtaining various searches for Trichome JWC Acquisition Corp., Trichome Financial Corp., Highland Grow Inc., MYM International Brands Inc., MYM	1.00

Date	Name	Description	Hours
Sep-30-22	M. Wunder	Nutraceuticals Inc., Trichome Retail Corp., SublimeCulture Inc.; Reviewing search results and preparing report with respect to same; Prepare security report for KSV. Review documents and meetings with J Bornstein to discuss results of searches and terms of documents. Call with Bennett Jones. Detailed review of security documents and security supplements and terms relating to security in Cortland credit agreement, and analyze collateral charged by security. Email to KSV with draft security report and commentary. Emails with KSV re same. Review draft initial affidavit for CCAA application and meeting with Cassels team to discuss and provide comments.	5.80
Sep-30-22	J. Dietrich	Discussion regarding additional comments on draft order; review of draft affidavit and discussion regarding same;	2.40
Sep-30-22	J. Bornstein	Analyze and comment on initial affidavit; Analyze and comment initial order; Calls with Cassels team re same; Emails with KSV team re same; Emails with Bennett Jones team re same; Analyze loan and security documents and security review; Emails and calls with M Wunder re same; Call with J Foster at Bennett Jones; Revise security review; Emails with KSV team re same;	8.20
Oct-01-22	R. Jacobs	Review KSV comments on draft affidavit. Correspondence with KSV re security review and next steps. Correspondence with J. Bornstein re same. Update call with N. Goldstein.	1.00
Oct-01-22	J. Dietrich	Review of email regarding security opinion; review of email regarding comments on draft affidavit; review of email regarding comments on order;	0.80
Oct-01-22	M. Wunder	Emails with KSV and Bennett Jones re security review and search results. Review final draft security review and related documents.	1.20
Oct-01-22	J. Bornstein	Emails with KSV, Bennett Jones and Cassels team regarding initial order, affidavit and security review; Analyze KSV comments on affidavit;	0.30
Oct-02-22	R. Jacobs	Email correspondence with N. Goldstein re status update.	0.20
Oct-03-22	J. Dietrich	Review of emails regarding filing prep and status;	0.20
Oct-03-22	M. Wunder	Prepare for and attend call with Bennett Jones regarding results of security review and questions for Trichome regarding Cortland security.	0.40
Oct-03-22	J. Bornstein	Call with Bennett Jones team regarding security review; Emails with Cassels team re same; Analyze and revise security review; Emails with clerk regarding searches; Analyze search results;	1.10
Oct-03-22	M. Sam	Email correspondence and discussions with agent with respect to searches for MYM International Brands Inc. and Highland Grow Inc.; Reviewing search results and preparing report;	0.40
Oct-03-22	R. Jacobs	Email correspondence with M. Wunder re security review	0.40

Date	Name	Description	Hours
		discussion with BJs. Review email update from KSV.	

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Bornstein, Jeremy	Partner	38.20	640.00	24,448.00
Nicholas, A. Chandimal	Partner	2.30	660.00	1,518.00
Jacobs, Ryan	Partner	8.30	1,150.00	9,545.00
Wunder, Michael	Partner	13.10	960.00	12,576.00
Dietrich, Jane	Partner	5.40	900.00	4,860.00
Sam, Maggie	Law Clerk / Paralegal	9.10	230.00	2,093.00
Aftab, Sazia	Law Clerk / Paralegal	3.60	315.00	1,134.00
Fernandes, Stephanie	Law Student	6.90	195.00	1,345.50
Total (CAD)		86.90		57,519.50
Our Fees		57,519.50		
HST @ 13.00%		7,477.53		
TOTAL FEES & TAXES (CAD)				64,997.03

DISBURSEMENT SUMMARY	
Non-Taxable Disbursements	
Electronic Due Diligence	326.13
Total Non-Taxable Disbursements	326.13
Taxable Disbursements	
Copies	77.75
Electronic Due Diligence	1,473.00
Litigation Search	220.00
Insolvency/Bankruptcy Search	105.00
Delivery	32.50
Total Taxable Disbursements	1,908.25
HST @ 13.00%	248.08
Total Taxable Disbursements & Taxes	2,156.33
TOTAL DISBURSEMENTS & TAXES (CAD)	2,482.46

Cassels Brock & Blackwell LLP
KSV Advisory Group
Re: Project Blunt

Page 6 of 6
Invoice No: 2179952
Matter No. 057984-00001

TOTAL FEES	57,519.50
TOTAL DISBURSEMENTS	2,234.38
TOTAL TAXES	7,725.61
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	67,479.49



Trichome Financial Corp
1027 Yonge Street
Suite 300 - 3rd Floor
Toronto, ON M4W 2K9

Invoice No: 2185442
Date: December 06, 2022
Matter No.: 057984-00001
GST/HST No.: R121379572
Lawyer: Jacobs, Ryan
Tel.: (416) 860-6465
E-mail: RJacobs@cassels.com

Re: Project Blunt

Fees for professional services rendered up to and including November 30, 2022

Our Fees	98,516.00
Disbursements	2,639.16
Total Fees and Disbursements	101,155.16
HST @ 13.00%	13,088.89
TOTAL DUE (CAD)	114,244.05

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Toronto, Ontario, M5H 3C2 Canada

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matter #

Invoice No: 2185442
Matter No.: 057984-00001
Amount: **CAD 114,244.05**

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Suite 2100, Scotia Plaza, 40 King Street West, Toronto, ON M5H 3C2 Canada | t: 416 869 5300 | f: 416 360 8877 | cassels.com

FEE DETAIL			
Date	Name	Description	Hours
Oct-29-22	J. Dietrich	Exchange of email regarding status;	0.20
Nov-01-22	J. Bornstein	Analyze revised initial order; Call with R Jacobs re same; Emails with KSV team regarding same; Emails with Cassels and Bennett Jones team regarding same and security review issue follow-up;	0.70
Nov-01-22	J. Dietrich	Review of revised draft order and comments on same; review of email regarding status;	0.40
Nov-01-22	R. Jacobs	Review and comment on latest draft initial order. Meeting with J. Bornstein regarding same. Correspondence with KSV regarding same. Correspondence with N. Goldstein regarding DIP and CCAA filing.	1.50
Nov-01-22	M. Wunder	Work in connection with security review and updating information. Emails with Bennett Jones and prepare and send summary of unresolved questions for consideration. Emails re filing timetable and action items. Meet with Cassels team to discuss draft company affidavit and DIP loan structure.	2.20
Nov-02-22	J. Bornstein	Analyze security review and most recent correspondence re same; Emails with M Wunder re same; Instructions to clerk regarding searches; Emails with S Fernandes regarding review of same and revising security opinion;	0.50
Nov-02-22	M. Sam	Attending to and obtaining updated Bank Act, PPSA and execution searches for MYM International Brands Inc., MYM Nutraceuticals Inc., Highland Grow Inc., IM Cannabis Corp. and others; Reviewing search results and preparing report with respect to same;	1.50
Nov-02-22	R. Jacobs	Review update correspondence with N. Goldstein regarding initial order terms, DIP and filing timing. Correspondence with J. Bornstein and J. Dietrich regarding same.	0.70
Nov-03-22	J. Dietrich	Review of email regarding security issues and status; review of revised affidavit; discussion regarding revised affidavit and DIP term sheet;	1.50
Nov-03-22	R. Jacobs	Review and comment on latest draft affidavit and DIP agreement. Meet with Cassels team regarding same. Correspondence with KSV regarding application issues and timing.	1.40
Nov-03-22	M. Sam	Obtaining copies of Ontario certified PPSA and BC execution searches for MYM International Brands Inc., MYM Nutraceuticals Inc., Highland Grow Inc., IM Cannabis Corp. and others; Reviewing search results and preparing report with respect to same;	0.40
Nov-03-22	J. Bornstein	Analyze affidavit and DIP Term Sheet; Emails and call with Cassels team re same; Emails with KSV team and call N Goldstein re same; Emails with Bennett Jones team re same and comments on initial order; Emails with M Wunder and S Fernandes regarding security opinion; Analyze search results and emails with clerk team re same; Analyze and	3.30

Date	Name	Description	Hours
		comment on Globe notice and emails with KSV team re same;	
Nov-03-22	S. Fernandes	Review searches; revise security opinion;	1.80
Nov-03-22	M. Wunder	Prep work for CCAA filing and pre filing document review for KSV as proposed Monitor. Emails to and from KSV and Bennett Jones regarding security review and outstanding questions. Confer with J Bornstein regarding updating searches for security report. Review and comment on draft DIP loan document and work with Cassels team to prepare comments for KSV. Review drafts of company affidavit and CCAA initial order and discuss comments with Cassels team.	2.90
Nov-04-22	S. Fernandes	Receive instructions from J. Bornstein on research re classification of security deposits and whether such security can be set off against post-filing rent in the context of a CCAA; conduct research; summarize findings of research;	3.00
Nov-04-22	J. Bornstein	Analyze and comment on factum; Emails with Cassels, Bennett Jones and KSV teams re same; Analyze and comment on Monitor's report; Emails with Cassels and KSV teams re same; Revise security opinion; Call with J Dietrich re same; Calls with M Wunder re same; Calls with J Foster regarding service and confirming certain facts addressed in Monitor's report; Review lease; Review letter from Bennett Jones to landlord re same; Call with P Gill re same; Initial analysis of case law and commentary re same; Emails with S Fernandes re same; Call with J Dietrich re same;	5.90
Nov-04-22	R. Jacobs	Work on revisions to draft pre-filing report. Review draft factum, Correspondence with KSV, Cassels and BJs regarding filing comments and issues.	1.50
Nov-04-22	J. Dietrich	Review of draft factum and provide comments; review of email regarding status; review of draft report and provide comments on same; discussion with J. Bornstein regarding comments on draft report and status;	1.60
Nov-04-22	M. Wunder	Multiple correspondence with KSV, Bennett Jones and Cassels team. Review and comment on revised draft DIP term sheet. Review revised affidavit re summary of debt and security and DIP loan. Review Monitor's report. Prepare summary of security review for report and confer with Cassels team re same.	2.80
Nov-05-22	M. Wunder	Emails with KSV and Cassels teams regarding pre close report and revised DIP loan terms.	0.30
Nov-05-22	J. Bornstein	Analyze charge calculations and cash flow; Analyze revised Monitor's report; Emails with Cassels team and KSV team re same; Analyze revised DIP term sheet; Emails and call with S Fernandes regarding setting off post filing rent against security deposit for Manitou facility; Analyze legal research re same; Emails with Cassels team re same; Emails with Bennett Jones team regarding court materials and coordinating service and sending to Conway J;	1.70
Nov-05-22	R. Jacobs	Continue work on finalizing comments to report, initial	2.80

Date	Name	Description	Hours
		application materials. Correspondence with J. Bornstein, J. Dietrich and client regarding same. Review cash flow and correspondence regarding same and charges.	
Nov-05-22	J. Dietrich	Review of comments on pre-filing report; exchange of email regarding charge amounts and DIP loan; review and exchange of email regarding rent;	1.10
Nov-05-22	S. Fernandes	Review relevant case law; call with J. Bornstein re research findings; draft written summary of research findings; conduct additional research on whether security can be set off against post-filing rent;	3.50
Nov-06-22	M. Wunder	Finalize Monitor's report with Cassels team.	0.20
Nov-06-22	S. Fernandes	Conduct additional research on whether security can be set off against post-filing rent; summarize research findings;	0.60
Nov-06-22	R. Jacobs	Review and finalize all materials for CCAA filing. Correspondence through day with BJs, Cassels and KSV teams.	3.60
Nov-06-22	J. Dietrich	Exchange of email regarding security review and hearing status;	0.50
Nov-06-22	J. Bornstein	Analyze revised Monitor's report; Emails with KSV and Cassels team re same; Emails with Bennett Jones team regarding DIP and coordinating service and sending materials to Conway J; Emails with S Fernandes regarding legal research re setting off post filing rent against security deposit; Email to KSV team re same; Email to Conway J regarding Monitor's report; Emails with Cassels and KSV teams regarding final security opinion;	1.00
Nov-07-22	J. Bornstein	Emails with Bennett Jones team regarding coordinating service and sending materials to Conway J; Revise Monitor's Report; Instructions regarding service; Revise service letter re same; Email Monitor's report to Conway J; Serve Monitor's Report; Initial application hearing; Analyze court materials re same; Instructions regarding affidavit of service and revise same; Emails with J Dietrich and R Jacobs and call with R Jacobs regarding sealing;	2.80
Nov-07-22	J. Dietrich	Preparation for and attend at hearing; email regarding order and endorsement; discussion regarding next steps; review of sale advisor engagement letter and email exchange regarding comments;	2.40
Nov-07-22	R. Jacobs	Prep for and attend initial CCAA hearing. Attend to post hearing issues including letters to utility providers. Correspondence with N. Goldstein regarding same. Review and comment on Stoic EL. Correspondence with N. Goldstein and S. Zweig regarding same. Review emails regarding Courtland sealing issue. Discuss same and advise KSV. Consider comeback application matters.	3.10
Nov-08-22	J. Dietrich	Review and exchange of email regarding sealing issues; discussion with J. Foster; review of endorsement and further email exchange regarding same;	0.50

Date	Name	Description	Hours
Nov-08-22	R. Jacobs	Correspondence with KSV and J. Dietrich regarding 930 attendance by Cortland and sealing issue. Emails regarding same. Review draft amended and restated initial order.	1.20
Nov-08-22	J. Bornstein	Instructions regarding filing report: Swear affidavit of service; Analyze amended and restated initial order;	0.30
Nov-08-22	S. Fernandes	Commission affidavit of service;	0.20
Nov-09-22	J. Dietrich	Email exchange regarding endorsement and posting of information; review of revised initial order for comeback and email regarding same;	0.40
Nov-09-22	J. Bornstein	Emails regarding amended initial order; Call with J Dietrich re same; Call with J Foster re same; Upload pre-filing report to caselines; Emails with KSV and Cassels team regarding sealing; Emails with Cassels, KSV, Bennett Jones and Blakes teams regarding sales process and stalking horse;	0.50
Nov-09-22	R. Jacobs	Review draft amended and restated initial order. Correspondence with Cassels team regarding comments on same. Examine updates regarding stalking horse bid and terms. Correspondence with KSV regarding first report.	1.50
Nov-10-22	J. Dietrich	Review of draft report; review of draft affidavit; provide comments on draft motion material; email exchange regarding comments on material;	1.10
Nov-10-22	R. Jacobs	Review and comment on amended and restated initial order, draft affidavit in support and draft report of KSV. Correspondence with Cassels team regarding same. Emails regarding Health Canada. Emails regarding stalking horse bid and timing.	1.60
Nov-10-22	J. Bornstein	Analyze and comments on affidavit, notice of motion and monitor's report; Emails with Cassels team re same; Emails with KSV team re report; Emails with Bennett Jones team re courts materials;	1.30
Nov-11-22	J. Dietrich	Review of comments on draft materials;	0.30
Nov-11-22	R. Jacobs	Review and comment on draft report. Correspondence regarding case updates and issues for comeback.	0.80
Nov-11-22	J. Bornstein	Emails with KSV and Cassels team regarding affidavit and Monitor's report; Emails with Bennett Jones team re same; Analyze comments from Bennett Jones team on report;	0.30
Nov-13-22	R. Jacobs	Review draft Monitor's report. Correspondence with Cassels team regarding comeback hearing.	1.00
Nov-14-22	R. Jacobs	Review Company draft factum. Correspondence with Cassels team regarding same. Review letter from landlord and Company position, discuss updating report with J. Dietrich.	1.00
Nov-14-22	J. Dietrich	Review of draft factum and email regarding same; review of landlord correspondence and discussion with J. Bornstein;	0.60
Nov-14-22	J. Bornstein	Analyze factum; Emails with Bennett Jones, KSV and Cassels teams re same; Analyze responding letter from landlord; Call with N Goldstein regarding report and same; Revise	1.30

Date	Name	Description	Hours
		report and emails to Cassels team and KSV team re same; Emails with Bennett Jones team re same; Analyze and revise affidavit of service; Instructions re same; Serve Monitor's Report and upload to caselines;	
Nov-15-22	J. Bornstein	Instructions regarding affidavit of service and filing; Swear affidavit of service; Emails with KSV, Bennett Jones and Cassels teams regarding cancellation of bond by Western Surety; Analyze correspondence from Western Surety re same; Draft letter re same; Email to Western Surety re same; Instructions re delivery of letter same;	1.60
Nov-15-22	R. Jacobs	Review and comment on draft responding letter regarding CCAA stay. Correspondence with J. Bornstein and N. Goldstein regarding same.	1.00
Nov-15-22	J. Dietrich	Review of correspondence regarding bond issue and stay; comments on draft correspondence; review of email regarding status;	0.60
Nov-15-22	S. Fernandes	Commission affidavit of service;	0.20
Nov-15-22	S. Fernandes	Review and comment on report of the monitor; call with J. Bornstein re case next steps and action items;	1.00
Nov-16-22	J. Dietrich	Preparation for comeback motion;	0.60
Nov-16-22	J. Bornstein	Call with N Goldstein regarding letter to Amex; Emails regarding letter to Western Surety;	0.30
Nov-16-22	R. Jacobs	Prep for hearing. Correspondence with J. Dietrich regarding same. Begin review of stalking horse APA.	1.30
Nov-17-22	R. Jacobs	Attend comeback hearing. Review and comment on draft Stalking horse APA and meeting with Cassels team regarding same.	2.50
Nov-17-22	J. Dietrich	Discussion regarding comments on draft stalking horse APA;	2.20
Nov-17-22	M. Wunder	Review draft stalking horse purchase agreement. Meet with Cassels team to prepare revised draft agreement.	1.70
Nov-17-22	J. Bornstein	Attend comeback hearing; Emails to KSV team regarding order and endorsement; Analyze stalking horse purchase agreement; Call with Cassels team re same; Emails to KSV team re same; Emails with Bennett Jones team re service list and SISF;	4.00
Nov-18-22	J. Bornstein	Draft letter to Amex; Emails with Cassels team and N Goldstein re same; Call with KSV team re stalking horse; Analyze and revise purchase agreement re same; Emails with Bennett Jones team re same; Email from Kempenfelt; Emails with Cassels and Bennett Jones team re same;	2.20
Nov-18-22	J. Dietrich	Discussion regarding comments on stalking horse APA and exchange of messages regarding stay letter and status; review of correspondence from equipment lessor and email exchange regarding same; review of draft correspondence to Amex and email regarding same;	1.20
Nov-18-22	R. Jacobs	Attend meeting with KSV and Cassels teams regarding APA. Review BJs markup of APA. Correspondence with BJs	2.10

Date	Name	Description	Hours
		regarding SISP. Review and comment on draft letter to AMEX. Correspondence with J. Bornstein regarding same.	
Nov-19-22	R. Jacobs	Review draft SISP. Correspondence with KSV and Cassels team regarding same.	1.10
Nov-19-22	J. Bornstein	Analyze and comment on bid procedures; Emails with Bennett Jones and KSV team re same;	1.40
Nov-20-22	R. Jacobs	Correspondence regarding SISP.	0.30
Nov-20-22	J. Dietrich	Review of draft SISP;	0.40
Nov-21-22	M. Wunder	Review draft sale agreement and provide comments.	0.50
Nov-21-22	M. Sam	Email correspondence with agent with respect to update on Antigonish execution searches for MYM International Brands Inc. and Highland Grow Inc.;	0.20
Nov-21-22	J. Dietrich	Discussion regarding SISP and status; review of email regarding status; review of emails from N. Goldstein regarding SISP terms and lease issues;	1.70
Nov-21-22	R. Jacobs	Review and comment on SISP approval order. Correspondence with Cassels and KSV teams regarding same. Meeting with BJs and KSV teams regarding SISP terms and strategy. Review correspondence regarding milestones and key dates.	1.60
Nov-21-22	J. Bornstein	Analyze company comments on Amex letter; Call with Cassels team regarding SISP and revise same; Email to KSV team re same; Call with KSV and Bennett Jones team regarding lease, Kempenfelt, Amex and SISP; Analyze SISP process order;	1.80
Nov-22-22	J. Dietrich	Review of draft landlord correspondence and discussion with J. Bornstein;	0.20
Nov-22-22	R. Jacobs	Email correspondence regarding lease and security deposit. Examine case authority and email correspondence with J. Bornstein and KSV regarding same.	0.50
Nov-22-22	J. Bornstein	Emails with Bennett Jones and KSV team regarding lease disclaimer; Emails and call with Cassels team re same; Analyze case law re same; Emails regarding letter to Amex with KSV and Trichome team; Begin to draft letter to Kempenfelt;	0.80
Nov-23-22	J. Bornstein	Draft letter to Kempenfelt; Emails with Cassels team re same; Email to KSV team re same; Email from Bennett Jones team re lease disclaimer and correspondence from landlord's counsel; Email to Kempenfelt re letter response; Emails with KSV team regarding Manitou facility equipment liquidation and initial review of agreement and correspondence re same;	0.70
Nov-23-22	R. Jacobs	Review letters and reply correspondence regarding security deposit. Correspondence with J. Bornstein regarding Monitor response to correspondence. Correspondence regarding status of APA and bid procedures.	0.80
Nov-23-22	J. Dietrich	Review of correspondence; review of notices of disclaimer	0.40

Date	Name	Description	Hours
		and related correspondence;	
Nov-24-22	J. Bornstein	Analyze Manitou equipment liquidation agreement, initial order and DIP term sheet re same; Emails with Bennett Jones team regarding letters to and from Manitou landlord;	0.50
Nov-24-22	R. Jacobs	Review letter from Homer Realty regarding lease disclaimer and treatment of security deposit. Consider solutions and correspondence with Cassels and BJ teams regarding same. Review proposed response letter.	1.00
Nov-24-22	J. Dietrich	Review of landlord correspondence and consider same; review of correspondence with landlord and email regarding same;	0.40
Nov-24-22	M. Sam	Obtaining copies of Halifax and Antigonish executions searches for MYM International Brands Inc. and Highland Grow Inc.; Email correspondence and discussions with agent with respect to same; Reviewing search results and preparing report with respect to same;	0.30
Nov-25-22	R. Jacobs	Meeting with J. Dietrich and J. Bornstein regarding security deposit issue and position. Meet with N. Goldstein regarding same. Correspondence with S. Zweig regarding response letter.	1.30
Nov-25-22	J. Bornstein	Call with Cassels team regarding letters to and from landlord for Manitou facility; Emails and call with KSV team re same, sales process and letter to Amex; Emails with Bennett Jones team regarding update on sales process materials;	1.00
Nov-25-22	J. Dietrich	Discussion regarding lease and related matters; discussion regarding lease issues and sale process status;	0.90
Nov-26-22	R. Jacobs	Review correspondence regarding stalking horse bid. Correspondence with Cassels team regarding same.	0.40
Nov-28-22	R. Jacobs	Review proposed letter correspondence and Company position on security deposit. Review case authority. Correspondence with S. Zweig. Review update correspondence from KSV on process.	1.00
Nov-28-22	J. Dietrich	Review of messages regarding case status; review of email regarding landlord issues;	0.30
Nov-28-22	J. Bornstein	Emails with Bennett Jones team regarding letter to landlord; Emails with Cassels team re same; Emails and call with KSV team re same; Call with S Fernandes regarding legal research re security deposit and damages issue; Analyze case law re same;	0.60
Nov-29-22	J. Dietrich	Review of email re landlord position;	0.10
Nov-29-22	S. Fernandes	Research re set off deposit against damages; summarize research findings;	3.30
Nov-29-22	J. Bornstein	Letter from Kempenfelt regarding lease; Emails with Bennett Jones team re same;	0.10
Nov-29-22	R. Jacobs	Review and consider letter from Bennington.	0.20
Nov-30-22	J. Bornstein	Emails with Bennett Jones team regarding letter from	0.10

Date	Name	Description	Hours
Nov-30-22	J. Dietrich	landlord; Analyze letter re same; Review of email from S. Zweig;	0.20

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	19.80	900.00	17,820.00
Jacobs, Ryan	Partner	36.80	1,150.00	42,320.00
Bornstein, Jeremy	Partner	34.70	640.00	22,208.00
Wunder, Michael	Partner	10.60	960.00	10,176.00
Fernandes, Stephanie	Associate	13.60	400.00	5,440.00
Sam, Maggie	Law Clerk / Paralegal	2.40	230.00	552.00
Total (CAD)		117.90		98,516.00

Our Fees	98,516.00
HST @ 13.00%	12,807.08
TOTAL FEES & TAXES (CAD)	111,323.08

DISBURSEMENT SUMMARY	
Non-Taxable Disbursements	
Electronic Due Diligence	445.91
BC Registry Search	25.50
Total Non-Taxable Disbursements	471.41
Taxable Disbursements	
Copies	14.25
Electronic Due Diligence	1,506.00
Litigation Search	470.00
Delivery	128.28
Travel	25.98
Meals	23.24
Total Taxable Disbursements	2,167.75
HST @ 13.00%	281.81
Total Taxable Disbursements & Taxes	2,449.56
TOTAL DISBURSEMENTS & TAXES (CAD)	2,920.97

TOTAL FEES	98,516.00
TOTAL DISBURSEMENTS	2,639.16
TOTAL TAXES	13,088.89
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	114,244.05

OUTSTANDING INVOICES				
Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2179952	10/04/22	67,479.49	0.00	67,479.49
2185442	12/06/22	114,244.05	0.00	114,244.05
Total (CAD)		181,723.54	0.00	181,723.54

This is **Exhibit “B”** referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on January 2, 2023 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent was located in the Village of Bal Harbour in the State of Florida and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner For Taking Affidavits

Commissioner: Stephanie Fernandes
LSO#: 85819M

EXHIBIT “B”
Summary of Respective Years of Call and Billing Rates of
Cassels Brock & Blackwell LLP
for the period September 23, 2022 to November 30, 2022

Year of Call	Lawyer	Alternate Rate(s)	Rate (\$) (2022)	Total Hours Worked	Total Fees Billed (\$)
2011	Ryan Jacobs		1,150.00	45.10	\$51,865.00
2014	Jeremy Bornstein		640.00	72.90	\$46,656.00
1990	Michael Wunder		960.00	23.70	\$22,752.00
2004	Jane Dietrich		900.00	25.20	\$22,680.00
2022	Stephanie Fernandes	195.00	400.00	20.50	\$6,785.50
Law Clerk	Maggie Sam		230.00	11.50	\$2,645.00
2006	Nicholas A. Chandimal		660.00	2.30	\$1,518.00
Law Clerk	Sazia Aftab		315.00	3.60	\$1,134.00

This is **Exhibit “C”** referred to in the affidavit of Ryan Jacobs, sworn before me by videoconference on January 2, 2023 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent was located in the Village of Bal Harbour in the State of Florida and I was located in the City of Toronto in the Province of Ontario



.....
A Commissioner For Taking Affidavits

Commissioner: Stephanie Fernandes
LSO#: 85819M

Exhibit “C”
Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period September 23, 2022 to November 30, 2022

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursement s and HST (\$)	Hours Billed	Average Billed Rate (\$)
# 2179952	\$57,519.50	\$2,234.38	\$7,725.61	\$67,479.49	86.90	\$ 661.90
# 2185442	\$98,516.00	\$2,639.16	\$13,088.89	\$114,244.05	117.90	\$ 835.59
Total	\$156,035.50	\$4,873.54	\$20,814.50	\$181,723.54	204.8	\$748.75

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.: CV-22-00689857-00CL

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

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF RYAN JACOBS
(sworn January 2, 2023)**

Cassels Brock & Blackwell LLP

2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Ryan Jacobs LSO#: 59510J

Tel: 416.860.6465
rjacobs@cassels.com

Jane Dietrich LSO#: 49302U

Tel: 416.860.5223
jdietrich@cassels.com

Jeremy Bornstein LSO#: 65425C

Tel: 416.869.5386
jbornstein@cassels.com

Lawyers for the Monitor

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.: CV-22-00689857-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

**SECOND REPORT OF KSV RESTRUCTURING INC. IN
ITS CAPACITY AS COURT-APPOINTED MONITOR**

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