

Court File No.: BK-22-02802344-0035
Estate No.: BK-22-02802344-0035

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, C. B-3, as amended

AND IN THE MATTER OF THE BANKRUPTCY OF AYANDA
CANNABIS CORPORATION OF THE COUNTY OF NORFOLK,
IN THE PROVINCE OF ONTARIO

MOTION RECORD
(Returnable December 19, 2023)

December 12, 2023

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

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CANNABIS CORPORATION OF THE COUNTY OF NORFOLK,
IN THE PROVINCE OF ONTARIO

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(Returnable December 19, 2023)

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Appendix "C"	Advisory and Success Fee Agreement (redacted)
Appendix "D"	Resolution of the Estate Inspectors (redacted)
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS
AMENDED

IN THE MATTER OF THE BANKRUPTCY OF **AYANDA CANNABIS CORPORATION**
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO

NOTICE OF MOTION
(returnable December 19, 2023)

Richter Inc., in its capacity as the bankruptcy trustee (in such capacity, the “**Trustee**”) of Ayanda Cannabis Corporation (the “**Company**”) will make a motion before Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) on Tuesday December 19, 2023 at 12:30 p.m., or as soon after that time as the motion can be heard, by judicial teleconference via Zoom at Toronto, Ontario.

THE MOTION IS FOR:

1. An order, in substantially the form attached at Tab 3 of the Motion Record dated December 12, 2023 (the “**Motion Record**”) that, among other things:
 - a) approves the Supplementary Third Report of Richter Inc. dated August 23, 2023, including its activities as the proposal trustee of the Company (the “**Proposal Trustee**”) as set out therein;
 - b) approves the First Report of the Trustee dated December 12, 2023 (the “**First Report**”), including the activities of the Trustee as set out therein;
 - c) approves the fees and disbursements of the Trustee and its legal counsel, as set out in the First Report;

- d) approves the Asset Purchase Agreement dated December 12, 2023 (the “**APA**”) and the associated transaction (the “**Transaction**”) among the Trustee, First Class Extracts Corporation (the “**Purchaser**”), and Luke & Blanche Sioen Farms Ltd (the “**Land Owner**”);
- e) vests all rights, title, and interest in and to the Purchased Assets (as defined in the APA) to the Purchaser, free from all claims, interests, liens, charges, and encumbrances upon the closing of the APA;
- f) seals Confidential Appendices “1”, “2” and “3” of the First Report;
- g) abridges the time for service of this notice of motion and the motion record so that the motion is properly returnable on December 19, 2023; and
- h) other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE

Background

2. The Company carried on business as a cultivator of cannabis and cannabis products. It struggled with challenges such as intense industry competition, licensing delays exacerbated by the pandemic, cost overruns, difficulties securing capital, and internal conflicts among its founders, investors, and senior management, leading the Company to seek recourse under the *Bankruptcy and Insolvency Act* (the “**BIA**”) amid the aforementioned financial and operational distress.
3. On February 4, 2022, the Company filed a Notice of Intention to Make a Proposal (the “**NOI**”) under the BIA. Subsequently, the Company submitted a proposal under Part III of the BIA (the “**Proposal**”), that, after amendment, was approved by the Company’s

creditors. The Proposal was approved by the Ontario Superior Court of Justice on June 3, 2022.

4. Performance of the Proposal was contingent on the completion of the transaction contemplated by the share purchase agreement dated February 22, 2022 (the “SPA”). The transaction was initially expected to close by June 30, 2022. However, the initial purchaser failed to close the transaction despite multiple extensions, increased deposits, and repeated amendments to the SPA. The Company eventually terminated the SPA due to the initial purchaser’s inability to close the transaction.
5. On July 18, 2023, a material adverse change report was filed by the Proposal Trustee, detailing, among other things, the failure by the initial purchaser to close the transaction and the Company’s insufficient liquidity for remarketing its assets. On August 25, 2023, the Proposal Trustee sought and obtained an order from the Court to annul the Proposal and assign the Company into bankruptcy.
6. The Trustee was confirmed as the trustee-in-bankruptcy on September 14, 2023 at the first meeting of the creditors. Five estate inspectors were appointed at the meeting.
7. Since the bankruptcy, the Trustee's primary focus has been marketing and selling the Company's remaining assets, with an aim of maximizing recoveries for the stakeholders.

The Transaction

8. The Trustee's marketing efforts resulted in the execution of the APA, which, subject to the approval of the Court and satisfaction of other closing conditions, will enable the Purchaser to acquire substantially all of the remaining assets of the Company vested in the Bankruptcy Trustee, including the Ground Lease (as defined in the APA), the building, fixtures and all associated equipment in exchange for the Purchase Price (as

defined in the APA). The APA requires the Purchaser to provide the Bankruptcy Trustee with a cash deposit.

9. The Trustee requests the Court to approve the APA, which is supported by the sale process described in the First Report. This process engaged over 4,300 prospects, yet no superior alternative offers have emerged. The urgency, driven by limited prospects of external funding to the Company, underscores the critical need for swift and prompt closing of this Transaction.
10. Accordingly, this Transaction stands as the optimal avenue for maximizing returns for the Company's stakeholders. It presents a superior option compared to alternatives within the sale process or even potential liquidation if the Purchased Assets are not acquired. Consequently, the APA terms have unanimously received approval from the inspectors, creditors, and stakeholders alike.
11. Richter Inc., in its capacity as the Trustee of the Company in bankruptcy remains supportive of the proposed APA and the associated Transaction.

General

12. The three Confidential Appendices to the First Report, which includes Offer Summary (as defined in the First Report), an unredacted resolution of the estate inspectors, and an unredacted copy of the APA that the Trustee believes should not be made publicly available.
13. The provisions of the BIA, including sections 30(1), 65.13 and the inherent and equitable jurisdiction of this Honourable Court.

14. The provisions of the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368; - 6 - 28.
15. Section 97 and 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended; 29. Rules 1.04, 1.05, 2.01, 2.03, 3.01, 3.02, 14.05, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and 30.
16. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The First Report of the Trustee dated December 12, 2023 and the Appendices annexed thereto; and
2. Such further and other documentary evidence as the counsel may advise and this Court may permit.

December 12, 2023

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TO: SERVICE LIST

**IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO**

Estate/Court File No.: 35-2802344

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable December 19, 2023)**

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, C. B-3, as amended

AND IN THE MATTER OF THE BANKRUPTCY OF AYANDA
CANNABIS CORPORATION OF THE COUNTY OF NORFOLK,
IN THE PROVINCE OF ONTARIO

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(as at December 4, 2023)

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TAB 2

Court File No. BK-22-02802344-0035
Estate No. BK-22-02802344-0035

AYANDA CANNABIS CORPORATION

**FIRST REPORT OF RICHTER INC. (FORMERLY, RICHTER ADVISORY GROUP INC.)
IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY OF
AYANDA CANNABIS CORPORATION**

December 12, 2023

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APPENDIX “B” – Listing Agreement (redacted)

APPENDIX “C” – Advisory and Success Fee Agreement (redacted)

APPENDIX “D” – Resolution of the Estate Inspectors (redacted)

APPENDIX “E” – Asset Purchase Agreement (redacted)

APPENDIX “F” – PPSA Search Results with currency date December 7, 2023

APPENDIX “G” – Peter Sharma Statement of Claim

APPENDIX “H” – Notice of Stay of Proceedings re: Sharma Statement of Claim

APPENDIX “I” – Affidavit of Adam Sherman sworn December 12, 2023

APPENDIX “J” – Affidavit of Robert Thornton sworn December 12, 2023

CONFIDENTIAL APPENDICIES

CONFIDENTIAL APPENDIX “1” – Offer Summary

CONFIDENTIAL APPENDIX “2” – Unredacted Resolution of the Estate Inspectors

CONFIDENTIAL APPENDIX “3” – Unredacted Asset Purchase Agreement

Court File No. BK-22-02802344-0035
Estate No. BK-22-02802344-0035

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO

FIRST REPORT OF RICHTER INC. (FORMERLY, RICHTER ADVISORY GROUP INC.)
IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY
AYANDA CANNABIS CORPORATION

DECEMBER 12, 2023

I. INTRODUCTION

1. Ayanda Cannabis Corporation (“**Ayanda**” or the “**Company**”) was a privately held licenced producer of cannabis.
2. On February 4, 2022 (the “**NOI Filing Date**”), Ayanda filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the “**BIA**”). Richter Inc. (formerly, Richter Advisory Group Inc., “**Richter**”) consented to act as trustee under the Company’s NOI proceedings (in such capacity, the “**Proposal Trustee**”).
3. Prior to the NOI proceedings, the Company completed a sale and investment solicitation process (the “**SISP**”) that culminated in a transaction for the sale of all Ayanda’s issued and outstanding shares (the “**Initial Transaction**”) pursuant to a share purchase agreement dated February 2, 2022 (the “**SPA**”) between Ayanda, as vendor, and 12830353 Canada Inc., or its assignee (the “**Initial Purchaser**”), as purchaser.
4. Faced with a looming liquidity crisis and the threat of various contingent claims from certain former employees and shareholders (the “**Contingent Claims**”), the Company determined it appropriate to commence the NOI proceedings to, among other things: (i) provide a stabilized environment to allow the Company to complete the Initial Transaction, (ii) present a proposal to the Company’s creditors, and (iii) provide a forum to address the Contingent Claims in the context of a court-supervised insolvency process.
5. On March 1, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an Order (the “**Initial Approval and Vesting Order**”) that, among other things, approved the Initial Transaction that was to be completed by way of a “reverse” vesting order.
6. Also on March 1, 2022, the Court granted an Order (the “**DIP Facility and Stay Extension Order**”) that, among other things:
 - (a) authorized the Company to obtain interim financing up to the maximum principal amount of \$400,000 (the “**DIP Facility**”) pursuant to an interim facility term sheet dated February 16, 2022 between Ayanda and Cardinal Advisory Limited (the “**DIP Lender**”);
 - (b) approved the following super-priority charges over all of the Company’s property, assets and undertakings:
 - (i) a charge in the amount of \$300,000 to secure the fees and disbursements of the Proposal Trustee, legal counsel to the Proposal Trustee, and the Company’s legal counsel (the “**Administration Charge**”); and

- (ii) a charge in the amount of \$400,000 in favour of the DIP Lender to secure advances made to the Company under the DIP Facility (the “**DIP Charge**”, and together with the Administration Charge, the “**Charges**”); and
 - (c) extending the deadline by which Ayanda was required to file its proposal up to and including April 20, 2022.
7. In recognition of Ayanda’s liquidity crisis as at the NOI Filing Date, and with the expectation of closing the Initial Transaction with the Initial Purchaser, following the granting of the Initial Approval and Vesting Order, Ayanda and the Initial Purchaser entered into a services agreement dated March 1, 2022 (the “**Services Agreement**”), detailing the terms upon which, for the benefit and expense of the Initial Purchaser, Ayanda would continue operations during the interim period before the Initial Transaction closed. As the Company did not generate revenue, the Initial Purchaser’s financial support pursuant to the Services Agreement provided critical funding to the Company to meet its post-filing obligations and continue operations while the parties worked to close the Initial Transaction.
 8. On April 19, 2022, the Company filed a proposal pursuant to Part III of the BIA, which was amended (as amended, the “**Proposal**”) at the meeting of creditors held on May 9, 2022 (the “**Creditors’ Meeting**”). Subject to closing the Initial Transaction, it was expected that the Proposal would provide full recoveries (less any applicable levies payable to the Superintendent of Bankruptcy) to unsecured creditors with proven claims against the Company, plus a meaningful recovery to the Company’s Class B (non-voting) shareholders. The Proposal was unanimously approved by the Company’s creditors who voted at the Creditors’ Meeting.
 9. On June 3, 2022, the Court granted an Order (the “**Proposal Approval Order**”) approving, among other things, the Proposal.

Failure to Close the Initial Transaction

10. The SPA provided for a closing date that was the later of: (a) ten business days after the date that the Initial Approval and Vesting Order was granted, and (b) the date that Health Canada approved the change of control of Ayanda (the “**Closing Date**”), and an outside closing date to complete the Transaction on or before June 30, 2022, or such later date as Ayanda and the Initial Purchaser agreed in writing (the “**Outside Date**”). As the Outside Date approached, the Proposal Trustee understood that the only remaining condition to be satisfied prior to closing the Initial Transaction was Health Canada’s approval of the proposed change in control of Ayanda pursuant to the Initial Transaction.
11. On June 21, 2022, due to delays in Health Canada approving the proposed change of control, Ayanda and the Initial Purchaser executed an Acknowledgement Agreement (the “**June 2022 Acknowledgment Agreement**”) that extended the Outside Date from June 30, 2022 to August 31, 2022.

12. On July 14, 2022, Health Canada informed Ayanda that it had completed its assessment of the change of control contemplated by the Initial Transaction. Health Canada further advised that, based on its assessment, Health Canada did not have concerns with respect to the proposed change in control as it relates to the *Cannabis Regulations* and informed Ayanda of the required actions necessary to give effect to the change in control.
13. Following receipt of Health Canada's approval of the change in control of Ayanda contemplated by the Transaction, the Company moved to quickly close the Initial Transaction. Notwithstanding that all conditions to closing were satisfied, the Initial Purchaser requested further time as the Initial Purchaser did not have the funds necessary to satisfy the purchase price and close the Initial Transaction.
14. In an effort to preserve the Initial Transaction that, if completed, provided for full recovery to Ayanda's proven unsecured creditors (less any levies payable to the Superintendent of Bankruptcy) and a meaningful recovery to the Company's Class B shareholders, following correspondence between Ayanda and the Initial Purchaser (and their respective counsel), at the request of the Initial Purchaser, the parties entered into successive extension agreements (collectively, the "**Amending Agreements**"), summarized below, amending the SPA such that the Outside Date was extended to March 15, 2023:
 - (a) an Acknowledgement Agreement dated July 25, 2022 (the "**July 2022 Acknowledgement Agreement**") that, among other things, extended the Closing Date to August 31, 2022;
 - (b) an Amendment to the SPA dated August 30, 2022 (the "**August 2022 Amendment**") that, among other things: (i) extended the Outside Date to September 15, 2022, (ii) increased the deposit under the SPA (the "**Deposit**") by \$240,000 (total Deposit of \$440,000), and (iii) provided the Initial Purchaser with an option to further extend the Outside Date to September 30, 2022 upon the payment of an additional \$100,000 towards the Deposit (total Deposit of \$540,000). The Purchaser elected to further extend the Outside Date to September 30, 2022;
 - (c) an Amendment to the SPA dated September 29, 2022 (the "**September 2022 Amendment**") that, among other things: (i) extended the Outside Date to October 14, 2022, and (ii) increased the Deposit by a further \$100,000 (total Deposit of \$640,000);
 - (d) an Amendment to the SPA dated October 14, 2022 (the "**October 2022 Amendment**") that, among other things: (i) extended the Outside Date to November 15, 2022, and (ii) increased the Deposit by a further \$160,000 (total Deposit of \$800,000). The October 2022 Amendment also provided the Purchaser with an option to extend the Outside Date to November 30, 2022, and subsequently to December 15, 2022, upon further increases to the Deposit of \$100,000 in each instance (total Deposit of \$1,000,000). The Purchaser elected to extend the Outside Date to December 15, 2022.

The October 2022 Amendment also confirmed the parties' agreement to a minimum amount of the closing adjustments under the SPA, resulting in an increase to the purchase price of no less than \$300,000 (the "**Closing Adjustments**"). In addition, the Initial Purchaser further agreed that the Deposit was non-refundable, it abandons its interest in the Deposit, and the Deposit may be used by the Company for working capital and other expenses, including the permanent repayment of amounts outstanding that are subject to the DIP Lender's Charge;

- (e) an Amendment to the SPA dated December 15, 2022 (the "**December 2022 Amendment**") that, among other things: (i) extended the Outside Date to January 10, 2023, (ii) increased the Deposit by \$50,000 (total Deposit of \$1,050,000), and (iii) provided the Initial Purchaser with an option to extend the Outside Date to January 31, 2023, provided that the Initial Purchaser satisfied certain commitments as set out in the December 2022 Amendment. The Initial Purchaser elected to extend the Outside Date to January 31, 2023.

The December 2022 Amendment also confirmed the Initial Purchaser's agreement to pay for all costs and expenses incurred by the Company from and after December 1, 2022, including legal fees of the Company incurred in connection with any further extension of the Outside Date (the "**Company Expense Payments**"), and required the Initial Purchaser to make an initial payment of \$25,000 on account of such fees and expenses. The Initial Purchaser also agreed to make an initial payment of \$50,000 in respect of the Closing Adjustments (the "**Closing Adjustment Payment**");

- (f) an Amendment to the SPA dated January 30, 2023 (the "**January 2023 Amendment**") that, among other things: (i) extended the Outside Date to February 15, 2023, and (ii) increased the Deposit by \$100,000 (total Deposit of \$1,150,000). The January 2023 Amendment confirmed in writing, among other things, the payment by the Initial Purchaser of \$63,000 towards the Company Expense Payments and the Closing Adjustment Payment as provided for in the December 2022 Amendment; and
- (g) an Amendment to the SPA dated February 15, 2023 (the "**February 2023 Amendment**") that, among other things: (i) extended the Outside Date to March 15, 2023, and (ii) increased the Deposit by \$500,000 (total Deposit of \$1,650,000).

15. The Initial Purchaser failed to close the transaction on March 15, 2023. The Company's legal counsel emailed the Initial Purchaser's legal counsel on March 15, 2023, acknowledging that certain representatives of the Initial Purchaser encountered familial issues and, in these circumstances, the Company was willing to offer an extension of the Outside Date to March 24, 2023, subject to confirmation that the Initial Purchaser would be in a position to close on that date. The next day, the Initial Purchaser's counsel advised he would communicate the message and respond if the extension offer was acceptable to the Initial Purchaser. The Proposal Trustee is not aware of any response from the Initial Purchaser's counsel.

16. On March 25, 2023, Ayanda's CEO advised its legal counsel that representatives of the Initial Purchaser requested another extension without specifying the terms of such extension. Over the subsequent weeks, negotiations on extension and deal terms continued among the Company, the Initial Purchaser and their respective counsel. On April 22, 2023, the Company's counsel advised the Proposal Trustee that the parties agreed to extend the Outside Date to May 5, 2023, along with a revised transaction structure.
17. On May 5, 2023, the Initial Purchaser, again, failed to close the Initial Transaction. On May 10, 2023, the Company's legal counsel advised the Initial Purchaser's legal counsel that Ayanda would agree to one final extension of the Outside Date to May 19, 2023, and if the Initial Transaction did not close by that date, Ayanda would not provide any further extensions.
18. The Outside Date under the SPA (as amended) lapsed and it became clear that the Initial Purchaser did not have the required funding to close the Initial Transaction. In addition, following the expiration of the SPA (as amended from time to time), the Initial Purchaser ceased making payments pursuant to the Services Agreement, which resulted in the resignation of the Company's last remaining employee – Ayanda's master grower.
19. The Proposal Trustee further understood that the Company's insurance policy expired on June 5, 2023. Not only did the incumbent insurer decline to extend the then existing coverage, but the Company was unable to secure suitable alternative replacement coverage given the status of both the Company and the failure to close the Initial Transaction.
20. On July 20, 2023, Ayanda's legal counsel wrote to the Initial Purchaser (the "**July 2023 Letter**") to, among other things, advise that Ayanda was unable to fund continuing operations and that the Company was non-compliant with its cannabis licenses issued by Health Canada. In the circumstances and given the Company's understanding that its cannabis licenses held limited value, the July 2023 Letter also provided written notice to the Initial Purchaser that Ayanda will take immediate steps to surrender all cannabis licenses issued by Health Canada and destroy all cannabis product located at the Company's leased premises, a 55,000 square foot single story cultivation and processing facility (the "**Facility**").

Material Adverse Change

21. In the Proposal Trustee's view, failure to close the Initial Transaction and the effective termination of the Services Agreement represented a material adverse change to the Company's financial circumstances and its ability to implement its Proposal (which was conditional on, among other things, closing the Initial Transaction).

22. Although the Proposal provided for the possibility that, in the event the Initial Transaction did not close, the Company could present an amended proposal for consideration by its creditors, the Proposal Trustee was of the view that the Company was not in a position to present a viable amended proposal to its creditors for a variety of reasons, including:
- (a) the Company had no business activities, no employees and was no longer operating as a going concern;
 - (b) the Company was unable to obtain insurance coverage for ongoing business activities;
 - (c) the Initial Purchaser, Ayanda and other interested parties (i.e., Class B shareholders) attempted to negotiate and agree to material amendments to the SPA (and the Proposal), which would permit the Initial Transaction to close, without success;
 - (d) the Company had destroyed all cannabis-related product and plant material located at the Company's premises and taken steps to surrender its cannabis licenses that the Company understood had limited, if any, value due to, among other things, the estimated costs to bring Ayanda's cannabis licenses into compliance and the simplified process for new federal cannabis license applications; and
 - (e) the Company did not have sufficient liquidity to remarket the Company's business or assets as a going concern, and it appeared that the Company's only remaining assets were the Ground Lease (as hereinafter defined) and Ayanda's building/equipment, the values of which did not appear to be materially impacted by the legal status of the Company.
23. For these reasons, the Proposal Trustee was of the view that the Proposal (in its then current or an amended form) could not continue without injustice or undue delay to the creditors of Ayanda.
24. On July 18, 2023, the Proposal Trustee issued a material adverse change report pursuant to section 50(1) of the BIA (the "**MAC Report**") and brought a motion to the Court for an order, among other things, annulling the Proposal and deeming the Company bankrupt.
25. On August 25, 2023 (the "**Date of Bankruptcy**"), the Court granted an Order (the "**Proposal Annulment Order**") that, among other things:
- (a) annulled the Proposal pursuant to section 63(1) of the BIA;
 - (b) deemed Ayanda bankrupt, and appointed Richter as trustee of Ayanda's bankrupt estate (in such capacity, the "**Bankruptcy Trustee**"), subject to affirmation by the Company's creditors;

- (c) amended the DIP Facility and Stay Extension Order to remove Miller Thomson LLP as a beneficiary of the Administration Charge and add Aird & Berlis LLP as a beneficiary to the Administration Charge;
- (d) terminated the DIP Charge;
- (e) approved the Proposal Trustee's third report to Court dated August 4, 2023 (the "**Third Report**") and the actions, activities and conduct of the Proposal Trustee described therein, and
- (f) approved the fees and disbursements of the Proposal Trustee and its counsel, Thornton Grout Finnigan LLP ("**TGF**"), in the amounts set out in the Third Report.

Bankruptcy Proceedings

- 26. In accordance with the BIA, the first meeting of the Company's creditors was held on September 14, 2023 (the "**First Meeting of Creditors**"). At the First Meeting of Creditors, among other things, Ayanda's creditors affirmed the appointment of Richter as Bankruptcy Trustee and appointed five estate inspectors (the "**Inspectors**"), and one non-voting inspector to participate as an observer. The Inspectors subsequently authorized the addition of a second non-voting inspector to participate as an observer.
- 27. Richter has established a website (the "**Case Website**") for the purposes of these proceedings at: <https://www.richter.ca/insolvency/ayanda-cannabis-corporation/>. Copies of the Court and other materials filed in the NOI and bankruptcy proceedings, including Orders of the Court and other relevant documents, are posted to and available for review at the Case Website.

II. PURPOSE OF REPORT

- 28. This report (the "**First Report**") is filed by Richter in its capacity as Bankruptcy Trustee of the Company to provide the Court with information in respect of the following:
 - (a) the actions and activities of the Bankruptcy Trustee since the Date of Bankruptcy;
 - (b) the results of a sale process undertaken by the Bankruptcy Trustee for the Company's remaining realizable assets (the "**Sale Process**") and, ultimately, the proposed sale by the Bankruptcy Trustee of the Purchased Assets (as defined below) to First Class Extracts Corporation, or its assignee (the "**New Purchaser**"), subject to the approval of this Court;

- (c) the terms of an asset purchase agreement dated December 12, 2023 (the “**APA**”) among the Bankruptcy Trustee, the New Purchaser and Luke & Blanche Sioen Farms Ltd. (the “**Land Owner**”)¹ in respect of the sale of Ayanda’s remaining assets (the “**New Transaction**”), including the reasons why the Bankruptcy Trustee recommends the approval of the New Transaction by the Court;
- (d) the known and potential claims against Ayanda as at the date of this First Report;
- (e) the Bankruptcy Trustee’s interim statement of receipts and disbursements for the period from the Date of Bankruptcy to November 30, 2023 (the “**November 30 Interim R&D**”);
- (f) the fees and disbursements of the Bankruptcy Trustee and its counsel; and
- (g) the Bankruptcy Trustee’s request that this Court grant an order (the “**Bankruptcy Approval and Vesting Order**”), *inter alia*:
 - (i) approving the APA and the New Transaction and directing the Bankruptcy Trustee to take any and all steps necessary to complete the APA and the New Transaction;
 - (ii) upon filing of a certificate, substantially in the form included at Schedule “A” of the Bankruptcy Approval and Vesting Order, certifying that the New Transaction has closed, and vesting all respective right, title and interest of the Bankruptcy Trustee in and to the Purchased Assets to the New Purchaser free and clear of all liens, charges, security interests and other encumbrances;
 - (iii) sealing the Offer Summary (as defined below), the Inspector Resolution (as defined below) and the unredacted version of the APA, until the closing of the New Transaction;
 - (iv) approving the fees and disbursements of the Bankruptcy Trustee and its counsel; and
 - (v) approving the Proposal Trustee’s supplement to the Third Report dated August 23, 2023 (the “**Supplementary Third Report**”), filed with the Court in support of the Proposal Trustee’s motion seeking the Proposal Annulment Order, and this First Report, and the actions, activities and conduct of the Proposal Trustee and Bankruptcy Trustee, respectively, set out therein. A copy of the Supplementary Third Report, without appendices, is attached hereto as **Appendix “A”**.

¹ The Land Owner is the counterparty to the Company’s lease dated June 1, 2022 with respect to the approximately 2 acres of land where the Facility resides (the “**Ground Lease**”).

III. TERMS OF REFERENCE

29. In preparing the First Report, the Bankruptcy Trustee has relied upon certain unaudited, draft, and/or internal financial information prepared by representatives of the Company, the Company's books and records, and discussions with representatives of the Company and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this First Report, the Bankruptcy Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Bankruptcy Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, as such, the Bankruptcy Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
30. Parties using this First Report other than for the purposes outlined herein are cautioned that it may not be appropriate for such purposes, and, consequently, should not use the First Report for any other purpose.
31. Unless otherwise noted, all monetary amounts contained in the First Report are expressed in Canadian dollars.
32. Capitalized terms not otherwise defined in this First Report have the meanings given to them in the APA.

IV. ACTIVITIES OF THE BANKRUPTCY TRUSTEE SINCE THE DATE OF BANKRUPTCY

33. The primary objective of Ayanda's bankruptcy proceedings is to maximize recoveries from Ayanda's remaining realizable assets for the benefit of Ayanda's stakeholders. As noted in the Third Report, following the destruction of the cannabis products/plant material at the Facility, it appeared that Ayanda's only remaining realizable assets are the Ground Lease, which includes the Facility, and the Company's equipment (together with the Facility, the "**Ayanda Assets**").
34. Since the Date of Bankruptcy, in addition to statutory work in accordance with the BIA, the Bankruptcy Trustee's actions and activities have primarily consisted of safeguarding and preserving the Facility while undertaking a process to solicit third-party interest in the Ayanda Assets. The Bankruptcy Trustee's activities since the Date of Bankruptcy include, *inter alia*:
 - (a) assisting the Company with the preparation of the Statement of Affairs sworn August 30, 2023 and the review of same;
 - (b) maintaining the Case Website;
 - (c) safeguarding and preserving the Company's assets, including (i) restricting and controlling access to the Facility by deactivating all electronic key fobs except for one, which is in the possession of Mr. Sioen, Ayanda's former Chief Executive Officer and former director of the Company, (ii) ensuring the alarm system for the Facility is

- functioning and appropriately monitored, (iii) arranging for the transfer of Ayanda's cash held in financial institutions and in trust with Ayanda's former counsel to the estate bank account, (iv) sourcing and obtaining new property and liability insurance coverage, and (v) backing-up the Company's key electronic records and other data;
- (d) issuing the prescribed notices to the Company's creditors advising of the bankruptcy and the date, time and place for the First Meeting of Creditors;
 - (e) chairing the First Meeting of Creditors and preparing the Trustee's Report to the First Meeting of Creditors on Preliminary Administration dated September 14, 2023, and tabled at the meeting;
 - (f) reviewing proofs of claim filed in the bankruptcy proceedings;
 - (g) organizing and chairing eight Inspector meetings: September 14, 2023 (the "**First Inspectors' Meeting**"), September 20, 2023 (the "**Second Inspectors' Meeting**"), October 6, 2023, October 11, 2023, November 17, 2023 (the "**Fifth Inspectors' Meeting**"), November 22, 2023, November 24, 2023 and December 1, 2023 (the "**Eighth Inspectors' Meeting**"), communicating and consulting with the Inspectors regarding the safeguarding and preservation of the Ayanda Assets, the Sale Process, the Property Claims (defined below), the Sharma Statement of Claim (defined below), the CRA Regulatory Review (defined below) and other matters in connection with the Company's bankruptcy proceedings;
 - (h) carrying out the Sale Process, including (i) soliciting and reviewing proposals from realtors to select a listing agent, (ii) retaining Avison Young Commercial Real Estate Services, LP ("**AY**") as listing agent and Hyde Advisory & Investments Inc. ("**Hyde Advisory**"), a cannabis focused business brokerage and advisory firm, to market the Ayanda Assets, (iii) corresponding and communicating with AY and Hyde Advisory, (iv) reviewing marketing materials, preparing and compiling information to be made available in virtual data rooms, including a form of agreement of purchase and sale (the "**Template APA**"), (v) coordinating due diligence requests, including arranging site visits, (vi) corresponding and communicating with prospective buyers, (vii) reviewing offers submitted, and (viii) negotiating and finalizing the APA with the New Purchaser;
 - (i) attending a tour of the Facility on October 3, 2023, with representatives of AY and certain Inspectors;
 - (j) corresponding and communicating extensively with Michael Sioen Farms Ltd. ("**MSFL**"), the Company's secured creditor, regarding its alleged secured claim against the Company, the Sale Process, the APA, and other matters in connection with the bankruptcy proceedings;

- (k) reviewing and assessing a property claim filed by ES Farming Inc. (the “**ES Farming Property Claim**”), including corresponding and communicating with ES Farming and arranging, following Inspector authorization, for the property subject to the ES Farming Property Claim to be returned to ES Farming;
- (l) reviewing and assessing a property claim filed by the Initial Purchaser (the “**Initial Purchaser Property Claim**” and together with the ES Farming Property Claim, the “**Property Claims**”), including corresponding and communicating with Mr. Peter Sharma, a director of the Initial Purchaser, and former representatives of the Company with knowledge of the circumstances giving rise to the Initial Purchaser Property Claim, and, following Inspector authorization, issuing a notice of disallowance to the Initial Purchaser disallowing, in full, the Initial Purchaser Property Claim;
- (m) preparing and updating the Bankruptcy Trustee’s interim statement of receipts and disbursements;
- (n) retaining, with Inspector approval, CannaNavigators Inc. (“**CannaNavigators**”), a cannabis regulatory consultant, to assist with preparing and compiling information and documentation in connection with a Canada Revenue Agency (“**CRA**”) regulatory review of Ayanda (the “**CRA Regulatory Review**”), including corresponding and communicating with CannaNavigators and CRA regarding same;
- (o) reviewing a letter dated November 14, 2023 from CRA summarizing the results of the CRA Regulatory Review, including CRA’s proposed assessment against Ayanda in connection with the destruction of all cannabis related product at the Facility by the Company prior to these bankruptcy proceedings (the “**CRA Proposed Assessment**”). Among other things, CRA alleges that the method of destruction employed by the Company was not approved by the requisite authorities. The Bankruptcy Trustee continues to review and investigate the CRA Proposed Assessment and will respond, as appropriate, upon confirmation of the particulars regarding the cannabis destruction;
- (p) communicating with representatives of Health Canada, Hyde Advisory and certain Inspectors who are familiar with Ayanda’s former cannabis licenses and standard operating procedures in connection with the CRA Regulatory Review and the CRA Proposed Assessment;
- (q) reviewing a statement of claim issued by Mr. P. Sharma, in his personal capacity (the “**Sharma Statement of Claim**”), against Ayanda and certain of its former directors;
- (r) on November 16, 2023, issuing a notice (the “**Stay Notice**”) to Mr. Sharma, among other parties, of the stay of proceedings pursuant to section 69.3(1) of the BIA and, among other things, advising that the Sharma Statement of Claim is subject to the stay of proceedings as it relates to the estate of Ayanda;

- (s) communicating with the Land Owner in respect of the Sale Process, Ground Lease and related matters, including the Bankruptcy Trustee's intention to continue occupation of the real property subject to the Ground Lease until the date that the New Transaction closes;
- (t) making payments to suppliers for goods and services provided after the Date of Bankruptcy;
- (u) responding to enquiries from creditors, shareholders and other interested parties in respect of Ayanda's bankruptcy proceedings;
- (v) communicating and corresponding with Ayanda's former directors;
- (w) corresponding and communicating with TGF regarding all matters in the bankruptcy proceedings; and
- (x) preparing this First Report.

V. THE SALE PROCESS

The Ayanda Assets

35. Pursuant to the Ground Lease, the approximately two acres of land (the "**Facility Land**") upon which the Facility resides is leased by the Land Owner, a corporation controlled by Mr. Sioen, to Ayanda. The term of the Ground Lease commenced in June 2022 and includes a ten-year term with an option to extend for two additional five-year terms. Annual rent payable is \$400 (plus HST), and the tenant is responsible for the payment of utilities, property taxes, and all other costs and expenses associated with the Facility. When the term of the Ground Lease expires, the Building and Improvements (each as defined in the Ground Lease) become the property of the tenant.
36. Notwithstanding any standalone value associated with the Ground Lease, the Bankruptcy Trustee is of the view that realizations would be maximized by the inclusion of the Facility Land as part of any sale process undertaken in respect of the Ground Lease. As noted in the Supplementary Third Report, prior to the Date of Bankruptcy, the Land Owner provided its consent and authorization to market the Facility Land as available for sale to a *bona fide* third party interested in acquiring the Facility.

Retention of Listing Agent and Sales Agent

37. As at the Date of Bankruptcy, Ayanda's bankrupt estate did not have any funds after taking into consideration the unpaid professional fees owing to the Proposal Trustee and its counsel, as further described in the Third Report. For this reason, it was imperative that the Bankruptcy Trustee take immediate steps to realize on the Ayanda Assets.

38. Shortly after the Date of Bankruptcy, in an effort to expedite the process of realizing on the Ayanda Assets, the Bankruptcy Trustee requested proposals from four experienced real estate brokerage firms to act as listing agent to solicit offers for the Ayanda Assets, including the Facility Land. Two firms submitted proposals, which were received prior to the First Inspector Meeting.
39. At the First Inspector Meeting, the Bankruptcy Trustee provided an overview of the key terms, strategies and other pertinent information included in each of the proposals, including indications of value, proposed commission and cost structures, timeline, marketing and pricing strategy, and relevant experience. In addition, the Bankruptcy Trustee provided its view that the AY proposal was superior to the alternative in all respects except for the proposed commission rate.
40. In addition to soliciting listing agents proposals for the Ayanda Assets, the Bankruptcy Trustee also communicated with representatives of Hyde Advisory to discuss the potential for Hyde Advisory to re-market the Ayanda Assets as a turnkey cannabis facility to its network of global contacts in the cannabis industry. In the Bankruptcy Trustee's view, pursuing a sale of the Ayanda Assets through both a realtor and Hyde Advisory would ensure that the opportunity was exposed to a broad spectrum of potential interested parties.
41. Following discussions among the Bankruptcy Trustee and the Inspectors at the First Inspectors' Meeting, the Inspectors unanimously authorized the Bankruptcy Trustee to pursue a sale of the Ayanda Assets through the joint sale efforts of both Hyde Advisory and AY, subject to the negotiation of certain terms with the proposed listing agent. In this regard, the Bankruptcy Trustee: (a) negotiated more favourable economic terms with AY, and (b) contacted Hyde Advisory to request a draft form of agreement setting out the terms of its proposed engagement by the Bankruptcy Trustee.
42. The Second Inspectors' Meeting was held to discuss and consider the terms upon which each of AY and Hyde Advisory would agree to co-operatively market the Ayanda Assets. At this meeting, the Inspectors unanimously authorized the Bankruptcy Trustee finalize agreements with each of AY and Hyde Advisory, and provided the Bankruptcy Trustee with instructions regarding acceptable parameters for such agreements. In accordance with the Inspectors' instructions, the Bankruptcy Trustee entered into agreements with each of AY and Hyde Advisory, which included the following terms:
 - (a) AY: Pursuant to a Listing Agreement dated October 2, 2023 (the "**Listing Agreement**"), AY would receive a commission at a competitive market rate for any transaction completed through AY's listing efforts. Alternatively, AY agreed to a work fee should a transaction be completed that was introduced by Hyde Advisory; and
 - (b) Hyde Advisory: Pursuant to an Advisory and Success Fee Agreement dated September 25, 2023 (the "**Advisory and Success Fee Agreement**"), Hyde Advisory agreed to a success fee equal to a percentage of the purchase price if the purchaser was introduced by Hyde Advisory.

Redacted copies of the Listing Agreement and Advisory and Success Fee Agreement are attached hereto as **Appendix “B”** and **Appendix “C”**, respectively.

Overview of the Marketing Process

43. As noted above, given the state of the bankrupt estate’s finances, it was critical to advance the Sale Process as quickly as possible. Following the Bankruptcy Trustee’s consultation with AY, Hyde Advisory and the Inspectors, the Inspectors agreed that the Sale Process should commence as soon as possible and run for a six-week period. The Bankruptcy Trustee, as authorized by the Inspectors, set a bid deadline of November 13, 2023, at 5:00 p.m. (Toronto time) (the “**Bid Deadline**”).
44. The Sale Process is summarized as follows:
 - (a) AY listed the opportunity on the Multiple Listing Service (MLS) for the Toronto and Waterloo regions on October 2, 2023. On October 10, 2023, AY issued a marketing brochure and other materials summarizing the opportunity to approximately 4,300 unique email addresses. The opportunity was also posted to the LinkedIn pages of the AY brokers of record;
 - (b) Hyde Advisory identified and actively canvassed 33 groups with respect to the opportunity within its network of domestic and international contacts who are involved in the cannabis industry, cannabis licence holders looking to expand operations, foreign corporations looking to enter the market or expand their existing operations, private investors, executives of cannabis companies, well-known entrepreneurs, insurance professionals who have relationships with cannabis companies, partner consultants, family offices and high net worth individuals. In addition, Hyde Advisory published a listing of the opportunity on its website, prepared and published a marketing post on its social media platforms, and published the opportunity in Hyde Advisory’s October 2023 monthly newsletter, which was sent to more than 3,000 subscribers;
 - (c) Interested parties were required to execute a non-disclosure agreement (“**NDA**”) in order to receive additional information, including access to electronic data rooms (one managed by AY and one managed by Hyde Advisory) that contained other information relevant to the Ayanda Assets. A total of thirteen parties (five from AY; eight from Hyde Advisory) executed an NDA and were granted data room access to assist in their due diligence. A copy of the Template APA was made available in the data rooms;
 - (d) AY and Hyde Advisory, with the assistance of the Bankruptcy Trustee, facilitated due diligence by, among other things, coordinating site visits to view and inspect the Facility. In total, four parties attended the Facility for a site tour;

- (e) On November 13, 2023, two parties submitted offers by the Bid Deadline. Both offers involved the acquisition of the Ayanda Assets, including the Facility Land. One offer was submitted through AY and was made in the form of the Template APA (the “**Alternative Offer**”). The other was submitted through Hyde Advisory by the New Purchaser and was in the form of a letter of intent (the “**New Purchaser Offer**”);
- (f) Although the New Purchaser Offer proposed a superior purchase price when compared to the Alternative Offer, the New Purchaser Offer included a 21-day diligence condition and was not submitted in the form of the Template APA. Following instructions from the Inspectors at the Fifth Inspectors’ Meeting, the Bankruptcy Trustee contacted Hyde Advisory to request that the New Purchaser re-submit its offer using the Template APA and consider removing its diligence condition. The Bankruptcy Trustee, through AY, also provided the Alternative Offer with an opportunity to increase its proposed purchase price. AY subsequently confirmed that the party that submitted the Alternative Offer was not willing to move on value;
- (g) On November 20, 2023, the New Purchaser submitted a revised offer (the “**New Purchaser Revised Offer**”) using the Template APA and removed its diligence condition (all other deal terms, including the purchase price, remained unchanged);
- (h) The Bankruptcy Trustee has prepared a schedule summarizing and comparing the New Purchaser Revised Offer and the Alternative Offer (the “**Offer Summary**”). The Offer Summary is appended to the First Report as **Confidential Appendix “1”**;
- (i) Following further meetings, communications and correspondence among the Bankruptcy Trustee and the Inspectors in respect of the above, at the Eighth Inspectors’ Meeting, the Inspectors unanimously authorized the Bankruptcy Trustee to take all necessary steps to finalize the APA with the New Purchaser, based on the terms set out in the New Purchaser Revised Offer. The Inspectors also unanimously agreed upon a purchase price allocation as between the Ayanda Assets and the Facility Land. A redacted copy of an Inspectors’ resolution (the “**Inspectors’ Resolution**”) authorizing the above is attached hereto as **Appendix “D”**. An unredacted version of the Inspectors’ Resolution is attached hereto as **Confidential Appendix “2”**.

VI. THE NEW TRANSACTION AND APA

45. The key terms and conditions of the APA are as follows:

- (a) **Purchaser:** First Class Extracts Corporation, or its assignee;
- (b) **Purchased Assets:**
 - (i) the Ground Lease;

- (ii) the Facility and all fixtures existing on the Facility Land; and
- (iii) all of the equipment located within the Facility, excluding any property that is finally determined by the Bankruptcy Trustee or the Court to be property that is subject to a valid property claim under section 81 of the BIA;

(collectively, the “**Purchased Assets**”);

- (c) **Deposit:** Equal to 10% of the aggregate of: (i) the Cash Purchase Price (as defined in the APA) and (ii) the Facility Land Cash Payment (as defined below);
- (d) **Closing Date:** January 19, 2024, or such other date as the Bankruptcy Trustee and the New Purchaser may agree to in writing;
- (e) **Material Conditions:** The New Transaction Approval and Vesting Order; and
- (f) **Conveyance of Facility Land to Purchaser:** Following execution of the APA, the New Purchaser and the Land Owner will work co-operatively to sever the Facility Land. If severance is granted, the Land Owner will convey the Facility Land to the New Purchaser in exchange for a cash payment (the “**Facility Land Cash Payment**”). The Bankruptcy Trustee is of the view that the Facility Land Cash Payment, which was approved by the Inspectors, is fair and reasonable.

46. A redacted version of the APA is attached hereto as **Appendix “E”**. The redactions include commercially sensitive information that, if publicly available and the transaction with the New Purchaser does not close, could impose an upper limit on the value of any subsequent sale process. An unredacted version of the APA has been filed with the Court as **Confidential Appendix “3”**.

Bankruptcy Trustee Recommendation

47. The Bankruptcy Trustee recommends that this Court approve the New Transaction for the following reasons:
- (a) the Bankruptcy Trustee is of the view that the Sale Process was conducted in a commercially reasonable manner in the circumstances, including the amount of time to solicit bids, the breadth of the Bankruptcy Trustee’s canvassing of the market, the information made available to interested parties (including the information in the data rooms), and the availability of the Bankruptcy Trustee, with the assistance of the Company’s former directors, for due diligence requests, meetings and site tours;

- (b) no alternative offers superior to that which is contemplated under the New Transaction were received despite the Bankruptcy Trustee, through its advisors, reaching out to over 4,300 prospective parties (not including any parties who were made aware of the Sale Process through other social media from which the opportunity was marketed);
- (c) no funding is available to further market the opportunity. Even if there was, the Bankruptcy Trustee is of the view that the ongoing professional and other costs would erode recoveries with no certainty that a superior transaction would be completed;
- (d) given the Company's liquidity, there is urgency to complete a transaction;
- (e) Hyde Advisory is highly qualified and has extensive experience in the cannabis sector, and AY is an experienced realtor with experience selling distressed real estate assets;
- (f) the terms of the APA are fair and reasonable in the circumstances;
- (g) the Inspectors and the material creditors of the Company have been kept apprised of the Sale Process, and have approved the Sale Process;
- (h) in the Bankruptcy Trustee's view, the New Transaction provides for superior overall recoveries than the alternative offer received in the Sale Process, or that would otherwise be recovered through a liquidation of the Ayanda Assets (without the inclusion of the Facility Land);
- (i) the Inspectors, the Land Owner and the Company's secured creditor (MSFL) support the New Transaction; and
- (j) the New Transaction is the best opportunity to maximize recoveries for Ayanda's stakeholders.

48. Based on the foregoing, the Trustee is of the view that the Sale Process was conducted appropriately, and the New Transaction is fair and reasonable in the circumstances.

Sealing

49. In the event that the New Transaction does not close, the Bankruptcy Trustee is of the view that efforts to remarket the Ayanda Assets and the Facility Land may be impaired if the Offer Summary, the Inspector Resolution, and the unredacted APA are made public at this time because this information could place an upper limit on the value of the assets in any additional sale efforts. If this occurred, the creditors of the Ayanda would be materially prejudiced. In the circumstances, the Bankruptcy Trustee believes that it is appropriate for the Offer Summary, the Inspector Resolution, and unredacted APA to be filed with the Court on a confidential basis and sealed until the closing of the New Transaction or upon further order of the Court.

VII. CREDITORS

Secured Creditors

50. According to Ayanda's books and records, the Bankruptcy Trustee understands that MSFL is the sole secured creditor with outstanding indebtedness of approximately \$500,000 as of the Date of Bankruptcy. This indebtedness arises from certain loan agreements, including an initial \$550,000 loan advanced on or about November 4, 2019 pursuant to a letter agreement dated November 4, 2019.
51. MSFL provided the Company with an additional loan of \$1 million pursuant to a letter agreement dated March 9, 2021, and evidenced by a demand promissory note dated March 10, 2021. Pursuant to a General Security Agreement dated March 2021 ("**MSFL GSA**"), Ayanda granted a security interest to MSFL in respect of all amounts owing to MSFL.
52. Prior to Ayanda's NOI proceeding, MSFL agreed to reduce the indebtedness outstanding under the promissory note by \$500,000 pursuant to an Acknowledgment Agreement dated May 27, 2021 (the "**May 2021 Acknowledgement Agreement**"). As part of the May 2021 Acknowledgment Agreement, Rene Huyge ("**Huyge**") agreed to reduce the indebtedness owed by MSFL to Huyge by \$500,000, and the Company provided shares to Huyge.
53. The results of a search of the Personal Property Security Registration System (Ontario) for Ayanda with a currency date of December 7, 2023 (the "**PPSA Search Results**") confirm that MSFL is the only secured creditor of Ayanda. A copy of the PPSA Search Results is attached hereto as **Appendix "F"**.

Other Potential Claims Against Ayanda

54. The table below sets out known potential claims against Ayanda, as at the date of this First Report. As of today's date, no claims have been proven or admitted for purposes of distribution in Ayanda's bankruptcy proceedings.

Ayanda Cannabis Corporation Summary of Potential Claims As At December 12, 2023 (in CAD; unaudited)	
	Amount
Proofs of Claim Filed ¹	1,202,853
Other Potential Claims	10,445,621
Total Potential Claims Against Ayanda	11,648,475

(1) None of the proofs of claim filed with the Bankruptcy Trustee to date have been admitted or approved for the purposes of a distribution in Ayanda's bankruptcy proceedings.

55. The Bankruptcy Trustee notes the following with respect to certain of the claims referenced in the table on the previous page:

- (a) One of the Proofs of Claim filed represents a contingent claim totaling \$1,148,618.20 filed by a former director, officer and founder of Ayanda (the “**Filed Contingent Claim**”). The Filed Contingent Claim was filed in the NOI proceedings, and alleges the claimant is owed approximately \$180,000 on account of an alleged share redemption and approximately \$965,000 for services provided to the Company pursuant to an alleged oral contract.

Following a comprehensive review of the Filed Contingent Claim, the Proposal Trustee issued a notice of revision that disallowed most of the Filed Contingent Claim. Based on its review, the Proposal Trustee was of the view that the claimant was entitled to a portion of the claimant’s share redemption claim (\$646.14). The remaining portion of the claimant’s share redemption claim and the entire claim pursuant to the alleged oral contract was disallowed by the Proposal Trustee because the Proposal Trustee was not satisfied that the claimant proved its claim on a balance of probabilities (the “**Disallowance**”).

The claimant has appealed the Disallowance by filing a Notice of Motion within the time period prescribed by the BIA (the “**Appeal**”) but has otherwise not filed any additional information/documentation in support of the Appeal;

- (b) One of the “other potential claims” relates to the Sharma Statement of Claim, which makes serious allegations against the Company, certain of its former directors, and certain representatives of the Bankruptcy Trustee. As noted above, the Bankruptcy Trustee issued the Stay Notice to the plaintiff advising that the action advanced under the Statement of Claim is stayed as against Ayanda’s bankrupt estate. Copies of the Sharma Statement of Claim and Stay Notice are attached hereto as **Appendix “G”** and **Appendix “H”**, respectively; and
- (c) Another one of the “other potential claims” represents the CRA Proposed Assessment. As noted above, the Bankruptcy Trustee is reviewing/investigating the assessment and will respond upon satisfying itself as to the particulars of such assessment.

56. In addition to the foregoing, certain Class B shareholders of Ayanda filed claims in these bankruptcy proceedings in respect of their equity contribution to the Company, which have been excluded from the table above.

VIII. INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

57. The November 30 Interim R&D is summarized as follows:

Ayanda Cannabis Corporation	
Interim Statement of Receipts and Disbursements	
For the Period August 25, 2023 to November 30, 2023	
(in CAD; unaudited)	
<i>Receipts</i>	Amount
Transfer of funds held in financial institution	5,822
Transfer of funds held in trust	155,254
Refund of Enbridge deposit	21,662
Interest	685
Total Receipts	183,423
<i>Disbursements</i>	
Newspaper advertisement of first meeting of creditors	1,245
IT recovery/backup	931
Insurance	35,008
Security	1,935
Telecommunication services	802
Consulting - CannaNavigators	2,250
Sales tax	927
Bank charges	42
Total disbursements	43,140
Estate cash balance (Note 1)	140,283
<i>Note 1 - Excludes accrued and unpaid costs, including insurance, security, telecommunications and professional fees of the Bankruptcy Trustee and its counsel.</i>	

58. As set out above, as at November 30, 2023, there was approximately \$140,283 in the estate account. The November 30 Interim R&D does not, however, include certain accrued and unpaid costs as of the date of the First Report, including approximately \$359,000 in professional fees and disbursements (excluding HST) due to the Proposal Trustee/Bankruptcy Trustee and TGF, and approximately \$12,756 in expenses incurred to safeguard the Ayanda Assets, including insurance, security and telecommunication services (telecommunication services are required to maintain the security systems at the Facility).

IX. PROFESSIONAL FEES

59. The fees and disbursements of the Proposal Trustee and TGF for the period from February 1, 2022 to May 20, 2022 were approved by the Court pursuant to the Proposal Approval Order.

60. The fees and disbursements of the Proposal Trustee and TGF for the period from May 21, 2022 to July 31, 2023 were approved by the Court pursuant to the Proposal Annulment Order.

61. The Proposal Trustee/Bankruptcy Trustee and TGF have maintained detailed records of their professional time and costs. The Bankruptcy Trustee is seeking the approval of (i) the Proposal Trustee fees and disbursements and those of

TGF for the period from August 1, 2023 to August 25, 2023 (the “**Proposal Fee Period**”) in connection with the performance of their duties during Ayanda’s NOI proceedings, and (ii) the Bankruptcy Trustee fees and disbursements and those of TGF for the period from August 25, 2023 to November 30, 2023 (the “**Bankruptcy Fee Period**” and together with the Proposal Fee Period, the “**Total Fee Period**”) in connection with the performance of their duties during Ayanda’s bankruptcy proceedings.

62. The total fees of the Proposal Trustee during the Proposal Fee Period amount to \$42,965.00 (excluding applicable sales taxes) (collectively, the “**Proposal Trustee Fees**”). The total fees, net of discounts, of the Bankruptcy Trustee during the Bankruptcy Fee Period amount to \$96,221.50 (excluding applicable sales taxes) (collectively, the “**Bankruptcy Trustee Fees**” and together with the Proposal Trustee Fees, the “**Proposal/Bankruptcy Trustee Fees**”). The time spent by the Proposal Trustee’s and Bankruptcy Trustee’s personnel during the Total Fee Period is more particularly described in the affidavit of Adam Sherman, sworn December 12, 2023 (the “**Sherman Affidavit**”), attached hereto as **Appendix “I”**. The Sherman Affidavit includes a summary of the personnel, hours, and hourly rates charged by the Proposal Trustee and Bankruptcy Trustee during the Total Fee Period.
63. The total fees for services provided by TGF during the Total Fee Period amount to \$72,155.00, together with disbursements in the amount of \$2,164.65, plus Harmonized Sales Tax of \$9,661.55, for a total amount of \$83,981.20 (collectively, the “**TGF Fees and Disbursements**”). The time spent by TGF’s personnel during the Total Fee Period is more particularly described in the affidavit of Robert Thornton, sworn December 12, 2023 (the “**Thornton Affidavit**”), attached hereto as **Appendix “J”**. Included in the Thornton Affidavit is a summary of the personnel, hours and hourly rates charged by TGF during the Total Fee Period.
64. The Bankruptcy Trustee respectfully submits that the Proposal/Bankruptcy Trustee Fees and the TGF Fees and Disbursements are fair and reasonable in the circumstances and have been properly incurred. Accordingly, the Bankruptcy Trustee is seeking approval of the Proposal/Bankruptcy Trustee Fees and the TGF Fees and Disbursements.

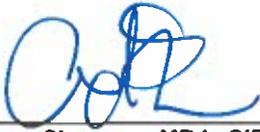
X. CONCLUSION

65. Based on all the foregoing, the Bankruptcy Trustee respectfully recommends that this Court grant the relief requested in paragraph 28(g) above.

All of which is respectfully submitted this 12th day of December, 2023.

**Richter Inc. (formerly, Richter Advisory Group Inc.)
in its capacity as Trustee in Bankruptcy of
Ayanda Cannabis Corporation
and not in its personal capacity**

Per:



**Adam Sherman, MBA, CIRP, LIT
Senior Vice President**



**Adam Zeldin, CPA, CA, CIRP, LIT
Vice President**

Appendix “A”

Court File No. BK-22-02802344-0035
Estate No. BK-22-02802344-0035

AYANDA CANNABIS CORPORATION

**SUPPLEMENTARY THIRD REPORT OF RICHTER INC. (FORMERLY, RICHTER ADVISORY GROUP INC.)
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF
AYANDA CANNABIS CORPORATION**

August 23, 2023

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APPENDICIES

APPENDIX "A" – Health Canada Letter dated August 15, 2023

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APPENDIX "D" – Corporate Profile Report of 12830353 Canada Inc.

APPENDIX "E" – Land Owner Consent

Court File No. BK-22-02802344-0035
Estate No. BK-22-02802344-0035

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF
AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO

SUPPLEMENTARY THIRD REPORT OF RICHTER INC. (FORMERLY, RICHTER ADVISORY GROUP INC.)
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF
AYANDA CANNABIS CORPORATION

AUGUST 23, 2023

I. INTRODUCTION

1. On February 4, 2022 (the “**NOI Filing Date**”), Ayanda Cannabis Corporation (“**Ayanda**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the “**BIA**”). Richter Inc. (formerly, Richter Advisory Group Inc., “**Richter**”) consented to act as trustee under the Company’s NOI (the “**Proposal Trustee**”).
2. Prior to the NOI proceedings, the Company completed a sale and investment solicitation process (the “**SISP**”) that culminated in a transaction (the “**Transaction**”) for the sale of all of Ayanda’s issued and outstanding shares pursuant to a share purchase agreement dated February 2, 2022 (the “**SPA**”) between Ayanda, as vendor, and 12830353 Canada Inc., or its assignee (the “**Purchaser**”), as purchaser. The Transaction was approved by Ayanda’s Class A (voting) shareholders.
3. Faced with a looming liquidity crisis and the threat of various contingent claims from certain former employees and shareholders (the “**Contingent Claims**”), the Class A (voting) shareholders of the Company determined it was appropriate to commence the NOI proceedings to, among other things: (i) create a stabilized environment to allow the Company to complete the Transaction, (ii) present a proposal to the Company’s creditors, and (iii) provide a forum to address the Contingent Claims in the context of a court-supervised insolvency process.
4. On March 1, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted two Orders, including an Order (the “**Approval and Vesting Order**”) that, among other things, approved the Transaction that was to be completed by way of a “reverse” vesting order.
5. Also on March 1, 2022, the Court granted an Order (the “**DIP Facility and Stay Extension Order**”) that, among other things:
 - (a) authorized the Company to obtain interim financing up to the maximum principal amount of \$400,000 (the “**DIP Facility**”) pursuant to an interim facility term sheet dated February 16, 2022 between Ayanda and Cardinal Advisory Limited (the “**DIP Lender**”);
 - (b) approved the following super-priority charges over all of the Company’s property, assets and undertakings:
 - (i) a charge in the amount of \$300,000 to secure the fees and disbursements of the Proposal Trustee, legal counsel to the Proposal Trustee, and the Company’s legal counsel (the “**Administration Charge**”); and

- (ii) a charge in the amount of \$400,000 in favour of the DIP Lender to secure advances made to the Company under the DIP Facility (the “**DIP Charge**”, and together with the Administration Charge, the “**Charges**”);
and
 - (c) extending the deadline by which Ayanda was required to file its proposal up to and including April 20, 2022.
- 6. On April 19, 2022, the Company filed a proposal pursuant to Part III of the BIA, which was amended (as amended, the “**Proposal**”) at the meeting of creditors held on May 9, 2022 (the “**Creditors’ Meeting**”). Subject to closing the Transaction, it was expected that the Proposal would provide full recoveries (less any levies payable to the Superintendent) to unsecured creditors with proven claims against the Company, and to provide a meaningful recovery to the Company’s Class B (non-voting) shareholders. The Proposal was unanimously approved by the Company’s creditors who voted at the Creditors’ Meeting.
- 7. On June 3, 2022, the Court granted an Order (the “**Proposal Approval Order**”) approving, among other things, the Proposal.
- 8. The SPA provided a Transaction closing date of on or before June 30, 2022, or such later date as Ayanda and the Purchaser agreed in writing. Following a series of correspondence among the Company, the Purchaser and their respective counsel, at the request of the Purchaser, the parties entered into successive extension agreements amending the SPA such that the closing date/outside date (the “**Closing Date**”) for the Transaction was extended to May 19, 2023 in exchange for, among other things, an increase to the non-refundable deposit paid by the Purchaser.
- 9. Unfortunately, the Closing Date under the SPA (as amended) has lapsed and it has become clear that the Purchaser does not have the necessary funds to close the Transaction. In addition, following the expiration of the SPA (as amended), the Purchaser ceased making payments pursuant to an agreement dated March 1, 2022 (the “**Services Agreement**”) setting out the terms upon which Ayanda would continue operations, pending closing of the Transaction, for the benefit and expense of the Purchaser. This, in turn, led to the resignation of the Company’s last remaining employee.
- 10. In the Trustee’s view, failure to close the Transaction and the effective termination of the Services Agreement represented a material adverse change in the Company’s financial circumstances and its ability to implement its Proposal (which was conditional on, among other things, closing the Transaction).
- 11. On July 18, 2023, the Proposal Trustee issued a material adverse change report pursuant to section 50(1) of the BIA (the “**MAC Report**”).

12. On August 4, 2023, the Proposal Trustee filed its third report (the “**Third Report**”) in support of the Proposal Trustee’s motion returnable on August 14, 2023 (the “**August 14 Motion**”), and adjourned to August 25, 2023 (the “**August 25 Hearing**”), for an Order (the “**Proposal Annulment Order**”) that, among other things:
 - (a) annuls the Proposal pursuant to section 63(1) of the BIA;
 - (b) deems Ayanda bankrupt and appoints Richter as trustee of Ayanda’s bankrupt estate, subject to affirmation by the Company’s creditors;
 - (c) amends the DIP Facility and Stay Extension Order to remove Miller Thomson LLP as a beneficiary of the Administration Charge and add Aird & Berlis LLP (“**Aird & Berlis**”) as a beneficiary to the Administration Charge;
 - (d) terminates the DIP Charge;
 - (e) approves the Third Report and the actions, activities and conduct of the Proposal Trustee described therein, and
 - (f) approves the fees and disbursements of the Proposal Trustee and its counsel, Thornton Grout Finnigan LLP (“**TGF**”), in the amounts set out in the Third Report.
13. The Proposal Trustee has established a website (the “**Proposal Trustee’s Website**”) for the purposes of these proceedings at: <https://www.richter.ca/insolvencycase/ayanda-cannabis-corporation/>. Copies of the court materials filed in the NOI proceedings, the Orders made by the Court, the Proposal, and other relevant documents are posted to and available for review at the Proposal Trustee’s Website.

II. PURPOSE OF REPORT

14. This supplementary report (the “**Supplementary Third Report**”) is filed by the Proposal Trustee to provide Ayanda’s various stakeholders and the Court with an update on various matters, including (i) the Company and the Proposal Trustee’s actions/activities after the issuance of the Third Report and, in particular, following the adjournment of the August 14 Motion, including communications with interested parties, (ii) the availability for recourse against the Purchaser for breach of the SPA, and (iii) the proposed realization strategy for the Company’s assets should the Court grant the relief requested by the Proposal Trustee.

III. TERMS OF REFERENCE

15. In preparing this Supplementary Third Report, the Proposal Trustee has relied upon certain unaudited, draft, and / or internal financial information prepared by representatives of the Company, the Company's books and records, and discussions with representatives of the Company and the Company's current legal counsel (collectively, the "Information"). In accordance with industry practice, except as otherwise described in this Supplementary Third Report, the Proposal Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards ("CAS") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
16. Parties using this Supplementary Third Report other than for the purposes outlined herein are cautioned that it may not be appropriate for such purposes, and, consequently, should not use this Supplementary Third Report for any other purpose.
17. Unless otherwise noted, all monetary amounts contained in this Supplementary Third Report are expressed in Canadian dollars.
18. Capitalized terms not otherwise defined in this Supplementary Third Report have the meanings given to them in the Proposal.

IV. THE AUGUST 14 MOTION

19. At the August 14 Motion, certain self-represented interested stakeholders expressed concerns that they were not provided sufficient information to properly consider the relief sought by the Proposal Trustee. In the circumstances and given the irreversible nature of the bankruptcy of the Company, the Court adjourned the August 14 Motion to August 25, 2023, to provide interested parties with additional time to review the materials filed in support of the motion and an opportunity to request additional information from the Proposal Trustee related to the relief sought by the Proposal Trustee and other related matters.

V. COMPANY STATUS

20. As noted in the Third Report, Ayanda has no remaining employees or business operations. The Company has limited, if any, liquidity, and no prospect of generating or borrowing funds. Further, as the Company was non-compliant with the *Cannabis Act*, Ayanda took steps to destroy all cannabis-related product located at the Facility (as defined below) and surrender its cannabis licenses. Accordingly, the business is no longer operating as a going concern.

21. On August 15, 2023, Health Canada wrote to Ayanda to confirm the Company's request to surrender its cannabis licenses and Health Canada's corresponding intention to revoke the Company's cannabis licenses (the "**Health Canada Letter**"). A copy of the Health Canada Letter is attached hereto as **Appendix "A"**.
22. Given the Company's current financial circumstances, including the failed Transaction and the effective termination of the Services Agreement, the Proposal Trustee remains of the view that Ayanda is unable to implement the Proposal or present a viable amended Proposal to its creditors without injustice or undue delay to the creditors of Ayanda.

VI. ACTIVITIES OF THE PROPOSAL TRUSTEE

23. The Proposal Trustee's activities since the Third Report and, in particular, following the hearing/adjournment of the August 14 Motion include, *inter alia*:
 - (a) communicating and corresponding with the two remaining directors of Ayanda (the only remaining representatives of Ayanda) and its legal counsel;
 - (b) through the Proposal Trustee's counsel, corresponding with two Class B shareholders, one of whom attended the August 14 Motion. The Proposal Trustee provided both shareholders with a link to the Proposal Trustee's Website and invited both shareholders to contact the Proposal Trustee should they have any questions in respect of the relief sought following a review of the materials posted on the Proposal Trustee's Website. Copies of the email correspondence are attached hereto at **Appendix "B"**. As at the date of this Supplemental Third Report, the Proposal Trustee and its counsel have not received any further questions or information requests from the Class B shareholders;
 - (c) corresponding extensively with a former employee and creditor of Ayanda, Natalie Cain. Attached hereto as **Appendix "C"** is a series of email correspondence between the creditor and the Proposal Trustee following the August 14 Motion (the "**Cain Emails**"). Ms. Cain sought a variety of information regarding Ayanda's prior business activities including, among other things, historical financial information and Cannabis Tracking and Licensing System ("**CTLS**") reports detailing the Company's cannabis-related activities. Ms. Cain also expressed her concerns that the bankruptcy of Ayanda "should be the last resort". In response to the information requests in the Cain Emails, the Proposal Trustee provided Ms. Cain with, among other things: (i) profit and loss statements for the period from January 1, 2019 to July 31, 2023, and (ii) CTLS reports for the period from February 2022 to July 2023 (including destruction reports for the period from January 2022 to July 2023). The Proposal Trustee also reiterated to Ms. Cain that it shares her desire to maximize recoveries from Ayanda's assets and that the Proposal Trustee has been considering various means to achieve that objective should the Court grant the relief requested by the Proposal Trustee, including the possibility of including the land underlying the lease for Ayanda's premises in any future potential sale process (discussed further below);

- (d) corresponding with representatives of Hyde Advisory & Investments Ltd. in connection with certain information requested by Ms. Cain and other matters in respect of Ayanda;
- (e) corresponding with representatives of CannaNavigators Inc. in connection with certain information requested by Ms. Cain and other matters in respect of Ayanda;
- (f) corresponding with the Company's former Chief Financial Officer in connection with certain information requested by Ms. Cain and other matters in respect of Ayanda;
- (g) communicating with representatives of Health Canada who are familiar with Ayanda's cannabis licenses in respect of certain information requested by Ms. Cain and other matters in respect of Ayanda, including the surrendered cannabis licenses. Unfortunately, as at the date of this Supplementary Third Report, the Proposal Trustee has not received a response from Health Canada to its enquiries;
- (h) responding to calls and enquiries from creditors and other stakeholders;
- (i) communicating with insurance brokers to assist the Company in securing new insurance coverage;
- (j) communicating with the Land Owner (as defined below) in respect of the Ground Lease (as defined below), the real property on which Ayanda's facility sits, and related matters;
- (k) corresponding extensively with its legal counsel;
- (l) considering any potential action that Ayanda may commence against the Purchaser related to the failure by the Purchaser to close the Transaction; and
- (m) preparing this Supplementary Third Report.

VII. RECOURSE AGAINST THE PURCHASER

24. The Proposal Trustee commenced preliminary investigations regarding possible recourse that Ayanda or its stakeholders may have against the Purchaser for the failure to close the Transaction. Pursuant to the SPA, the SPA may be terminated by the Corporation with written notice to the Purchaser if: (a) there has been a material breach of a covenant by the Purchaser that is not cured by the Outside Date (as defined in the SPA), or (b) any of the closing conditions set out in the SPA have not been fulfilled by the Outside Date. The Proposal Trustee notes that the failure to pay the cash purchase price under the SPA is a material breach of a covenant and is one of the closing deliverables under the SPA.
25. Although the Proposal Trustee is not aware of any written notice of termination of the SPA from Ayanda to the Purchaser, Ayanda appears to be within its rights to terminate the SPA. Section 9.2 of the SPA governs the effect of such termination.

The SPA provides that all obligations of the parties under the SPA will terminate and no party will have liability or further obligation except, among other things: (a) parties are not relieved of any liability for an intentional breach of the provisions of the SPA, and (b) if the SPA is validly terminated by Ayanda, it is entitled to keep the Deposit (as defined in the SPA).

26. The Proposal Trustee does not have sufficient information at this time to determine if the Purchaser intentionally breached the SPA, which may result in liability of the Purchaser. However, the Proposal Trustee notes that Ayanda is permitted under the SPA to retain the Deposit, which it has done.
27. If Ayanda or its stakeholders decide to pursue litigation against the Purchaser, it is not clear if the Purchaser has any assets that may be used to satisfy a judgment. The Proposal Trustee notes that the Purchaser was incorporated on March 15, 2021, which may have been for the sole purpose of pursuing the Transaction with Ayanda. Attached hereto as **Appendix “D”** is a copy of the Federal Corporate Profile Report of the Purchaser.
28. The Proposal Trustee notes that should the Court grant the relief sought by the Proposal Trustee, the property that vests in the bankruptcy trustee includes “things in action”, and that the assignment of Ayanda into bankruptcy does not preclude pursuing a potential claim against the Purchaser should any estate inspectors appointed request that the bankruptcy trustee take such steps.

VIII. UPDATE ON PROPOSED REALIZATION STRATEGY FOR AYANDA’S ASSETS

29. As noted in the Third Report, following the destruction of the cannabis products/plant material at the Company’s premises (the “**Facility**”), it appears that Ayanda’s only remaining realizable assets are the Company’s lease for the Facility (the “**Ground Lease**”), the Facility itself, and the Company’s equipment.
30. The Facility, and the approximately two acres of land upon which the Facility is situated, is leased from Luke & Blanche Sioen Farms Ltd. (the “**Land Owner**”), a company controlled by Mike Sioen, a director and the Chief Executive Officer of Ayanda. The Ground Lease dated June 1, 2022, has a ten-year term with an option to extend for two additional five-year terms. Annual rent payable is \$400 (plus HST). The tenant is also responsible for payment of utilities and property taxes, and all other costs and expenses associated with the Facility. When the term of the Ground Lease expires, the Building and Improvements (each as defined in the Ground Lease) become the property of the tenant.
31. The Proposal Trustee has communicated with representatives of Richter’s real estate team and other real estate professionals in respect of the Ground Lease. These parties have provided a preliminary view that the rent payable under the Ground Lease is less than market. Further, the acquisition of the Building and Improvements at the expiration or termination of the Ground Lease is an additional attractive feature of the Ground Lease.

32. Notwithstanding any standalone value to the Ground Lease, the Proposal Trustee (and other interested parties) are of the view that the value of the Ground Lease, including the Building and Improvements, would be maximized by the inclusion of the approximately two acres of land upon which the Facility is situated as part of any sale process undertaken in respect of the Ground Lease. In this regard, and as verbally submitted by counsel to the Proposal Trustee during the August 14 Motion, the Proposal Trustee has corresponded with the Land Owner in an effort to gain the Land Owner's consent to include the lands underlying the Ground Lease in any sales process for the Ground Lease.
33. The Land Owner has provided its consent and authorization to marketing the real property underlying the Ground Lease as available for sale to a *bona fide* third party interested in purchasing the Facility (the "**Land Owner Consent**"). A copy of the Land Owner Consent is attached hereto as **Appendix "E"**.
34. In the view of the Proposal Trustee, inclusion of the underlying lands in any sale process for the Ground Lease (i.e., the Facility) will provide the best opportunity to maximize recoveries from Ayanda's remaining assets for the benefit of the stakeholders of Ayanda.

All of which is respectfully submitted this 23rd day of August, 2023.

Richter Inc. (formerly, Richter Advisory Group Inc.)
in its capacity as Trustee *in re* the Proposal of
Ayanda Cannabis Corporation
and not in its personal capacity

Per:



Adam Sherman, MBA, CIRP, LIT
Senior Vice President



Adam Zeldin, CPA, CA, CIRP, LIT
Vice President

Appendix “B”



Form 520

for use in the Province of Ontario

Listing Agreement - Commercial
Seller Representation Agreement
Authority to Offer for Sale

This is a Multiple Listing Service Agreement



OR

This Listing is Exclusive

EXCLUSIVE



BETWEEN:

BROKERAGE:

Avison Young Commercial Real Estate Services, LP, Brokerage

(the "Listing Brokerage") Tel. No. 416 955 0000

SELLER: Richter Inc., the trustee-in-bankruptcy of Ayanda Cannabis Corporation (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 372 Burford-Delhi TL, Windham Centre, (as further described in Schedule A) (the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent,

commencing at 12:01 a.m. on the 26th day of September, 2023

until 11:59 p.m. on the 26th day of March, 2024 (the "Listing Period"),

Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act, 2002, (REBBA), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials.



to offer the Property for sale at a price of:

See Schedule "A" Dollars (\$CDN)

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the property.



1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Real Estate and Business Brokers Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property for sale, the Seller agrees to pay the Listing Brokerage a commission of % of the sale price of the Property or See Schedule "A" for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller.

INITIALS OF LISTING BROKERAGE: JA

INITIALS OF SELLER(S): AS

The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage), and to offer to pay the co-operating brokerage a commission of % of the sale price of the Property or See Schedule "A" out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on

the Seller's behalf within 120 days after the expiration of the Listing Period (**Holdover Period**), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

- 3. **REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage acting as an agent for more than one seller without any claim by the Seller of conflict of interest. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practical opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understand and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the Property will be disclosed to both Seller and buyer to assist them to come to their own conclusions.

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

INITIALS OF LISTING BROKERAGE:

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INITIALS OF SELLER(S):

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4. **REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller's accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
5. **MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
6. **WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
7. **INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
8. **ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
9. **FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
10. **FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
11. **VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.
12. **USE AND DISTRIBUTION OF INFORMATION:** The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet, disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and

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INITIALS OF SELLER(S):

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selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

(Does)

(Does Not)

- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.
- 17. SCHEDULE(S)** "A" and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

Joe Almeida 09/27/2023 Joe Almeida
 (Authorized to bind the Listing Brokerage) (Date) (Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

in its capacity as
Richter Inc. Trustee in Bankruptcy of Ayuda Cannabis Corporation
 (Name of Seller) *+ not in its personal or corporate capacity*
per: [Signature] Sept 27, 2023 416.646.7390
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)
 (Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

..... (Spouse) (Seal) (Date) (Tel. No.)

DECLARATION OF INSURANCE

The Salesperson/Broker/Broker of Record Nick Yanovski, Mike Brouwer, John Bar
 (Name of Salesperson/Broker/Broker of Record)
 hereby declares that he/she is insured as required by REBBA.
 (Signature[s] of Salesperson/Broker/Broker of Record)

ACKNOWLEDGEMENT

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of

this Agreement on the 27 day of September 20 23
Richter Inc. in its capacity as Trustee in Bankruptcy of
 (Signature of Seller) *Ayuda Cannabis Corporation + not in its personal* Sept 27, 2023
 (Signature of Seller) *or corporate capacity. per: [Signature]* (Date)

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Appendix “C”

ADVISORY AND SUCCESS FEE AGREEMENT

THIS Advisory and Success Fee Agreement (this “**Agreement**”) is made as of the 25th day of September, 2023 (the “**Effective Date**”).

BETWEEN:

HYDE ADVISORY & INVESTMENTS INC.

(the “**Consultant**”)

- and-

Richter Inc., in its capacity as bankruptcy trustee of Ayanda Cannabis Corporation, and not in its personal or corporate capacity

WHEREAS the Consultant is in the business of providing, directly or through a third party, a range of strategic support, regulatory compliance, licensing advisory, corporate due diligence and transaction facilitation services within the global cannabis industry (the “**Services**”);

AND WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 25, 2023, Ayanda Cannabis Corporation (the “**Debtor**”) was deemed to be bankrupt;

AND WHEREAS at a meeting of inspectors held on September 20, 2023, the Inspectors (as hereinafter defined) have authorized the Trustee to enter into this Agreement with the Consultant;

AND WHEREAS Luke & Blanche Sioen Farms Ltd. (the “**Land Owner**”) is the owner of approximately 100 acres of real property in Norfolk County, Ontario. Pursuant to a Consent dated August 21, 2023, Luke & Blanche Sioen Farms Ltd. agreed to permit the Debtor to market the approximately two acres of real property upon which the Debtor’s approximately 55,000 square foot facility (the “**Facility**”) is located (the “**Facility Land**”);

AND WHEREAS the Trustee wishes to retain the Consultant to provide the Services in connection with a potential Transaction (as defined below) involving the remaining assets of the Debtor, including the Facility Land, to a list of potentially interested parties (individually, each a “**Candidate**” and, collectively, “**Candidates**”).

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Definitions

For purposes of this Agreement,

- a) “**Agreement**” means this Advisory and Success Fee Agreement;
- b) “**Candidate**” or “**Candidates**” has the meaning given to it in the Recitals;
- c) “**Court**” has the meaning given to it in the Recitals;
- d) “**Debtor**” has the meaning given to it in the Recitals;
- e) “**Facility**” has the meaning given to it in the Recitals;
- f) “**Facility Land**” has the meaning given to it in the Recitals;
- g) “**Ground Lease**” the lease dated June 1, 2022 between the Debtor and the Land Owner;
- h) “**Inspectors**” means the estate inspectors appointed in respect of the

Debtor's bankrupt estate;

- i) **"Land Owner"** has the meaning given to it in the Recitals;
- j) **"Protected List"** means the list of parties identified by the Trustee in Schedule "A" to this Agreement;
- k) **"Qualified Lead"** means, without limitation, one or more Candidates introduced to the Trustee by the Consultant that is not on the Protected List;
- l) **"Success Fee"** has the meaning set out in paragraph 2(c) of this Agreement;
- m) **"Transaction"** means, without limitation: (i) any transaction or series of transactions in which the Trustee sells, transfers or conveys a sale or acquisition of all or substantially all of the assets of the Debtor, including the Facility Land, to a Candidate, or (ii) any other type of transaction involving the exchange of consideration or value between the Trustee and a Candidate. For greater certainty, a Transaction excludes any transaction to a person introduced to the Trustee by Avison & Young Capital Markets Group (**"Avison Young"**);
- n) **"Transaction Facilitation Services"** means, without limitation, activities undertaken by the Consultant aimed at identifying and engaging in discussions with potential Candidates and other stakeholders in relation to a Transaction.
- o) **"Transaction Value"** means, without limitation, an amount equal to the sum of the gross dollar amount received by the Trustee by any party involved in a Transaction; and
- p) **"Trustee"** means Richter Inc., in its capacity as bankruptcy trustee of the Debtor, and not in its personal or corporate capacity.

2. Remuneration

- (a) *The Trustee Discretion re. Deal Terms.* Subject to Inspector

authorization or Court order, any Transaction must be approved by the Trustee and the Trustee shall only be required to enter into a Transaction which is on terms and conditions wholly satisfactory to the Trustee in its sole discretion.

- (b) *Remuneration Trigger.* The Trustee's obligation to remunerate the Consultant under this Agreement is triggered when the Consultant introduces the Trustee to a Candidate who enters into and closes a Transaction with the Trustee.
- (c) *Success Fee.* If during the Initial Term or a Further Term, a Transaction is entered into and closed, or the Trustee enters into an agreement in respect of a Transaction which is subsequently closed after the Initial Term or a Further Term, as the case may be, the Trustee shall pay the Consultant a fee (the "**Success Fee**"), equal to [REDACTED] of the Transaction Value. The Success Fee is payable to the Consultant (or as it may otherwise direct), in Canadian dollars.
- (d) *Success Fee During Holdover.* Save and except in the event of the termination of this Agreement on account of the Consultant's fraud or willful misconduct (in which case this paragraph shall not apply) if, within three (3) months following the expiry or earlier termination of the Initial Term or a Further Term, as the case may be, the Trustee enters into (and, if applicable, closes) a Transaction with a Candidate, the Success Fee shall still be payable to the Consultant on completion of such Transaction.
- (e) *Timing of Payments.* Payment shall be made by the Trustee to the Consultant within 30 calendar days following the closing of a Transaction.
- (f) *Sales Taxes.* The Trustee will be responsible for HST and any other sales taxes applicable in respect of the Success Fee payable under this Agreement, payable in cash.
- (g) *Verification of Amount of Remuneration.* The Trustee acknowledges

and agrees that, upon closing of a Transaction, within five (5) business days of a written request made by the Consultant, the Trustee shall provide the Consultant with any and all Transaction documents requested in order to permit the Consultant to accurately verify the Transaction Value. The Trustee agrees to provide the Consultant or the Consultant's representative with access to such Transaction documents via electronic transmission of pdf files or, at the option of the Consultant, in person at the Trustee's offices during regular business hours.

- (h) *Success Fee in Definitive Agreement.* The Trustee acknowledges and warrants that the payment obligation in respect of the Success Fee created by this Agreement will be specifically referenced in the terms of the definitive agreement for the Transaction. To this end, the definitive agreement will include a provision specifying that the Success Fee shall be paid to the Consultant (or at its direction) directly out of the proceeds of the Transaction.

3. Access to Information, and Disclosure and Use

- a) *Access to Information.* The Trustee will arrange for the Consultant to have timely access to the Trustee and its legal counsel, and to information regarding the Debtor as the Consultant may reasonably request in carrying out this engagement. Upon receipt of such information, the Consultant shall keep all information strictly confidential and shall not disclose any such information except to the Consultant's representatives on a need-to-know basis, without the Trustee's prior written consent. In addition, the Trustee will use its best efforts to keep the Consultant informed with respect to all information and circumstances regarding the Transaction as may be relevant to the Consultant properly performing its duties under this Agreement. More specifically, the Trustee will provide the Consultant with all material disclosures, and will not omit, fail to disclose, or otherwise withhold, any

material information in its possession or otherwise known pertaining to the Debtor (i.e., an omission), and will provide copies of all material documents in its possession relating to the Debtor and any potential Transaction. The Trustee agrees to provide, or arrange to have provided to Consultant such information. The Trustee acknowledges that the Consultant will be entitled to rely upon such information, and the Consultant is entitled to assume, and is under no obligation to verify independently, the accuracy, completeness or reasonableness of such information. Further, the Consultant is under no obligation to investigate any changes which may occur in such information after the date upon which it is provided to it. Notwithstanding the foregoing, the Trustee will advise the Consultant of any material change or change in a material fact, actual or contemplated, and of any material information of which the Trustee becomes aware which might reasonably be considered relevant to the Consultant's engagement.

- b) *Disclosure and Use.* All opinions, advice and other materials provided by the Consultant hereunder, are to be used solely by the Trustee's representatives in considering a Transaction and shall not be quoted from, summarized or otherwise disclosed, nor will any reference to the Consultant or to this engagement be made, without the Consultant's prior written consent, not to be unreasonably withheld. Notwithstanding the foregoing, the Trustee shall be permitted to disclose such information if required by applicable law.
- c) *Confidential Information.* The parties acknowledge and agree that during the course of this engagement, they will be exposed to Confidential Information (as hereinafter defined) and such Confidential Information may only be used by the Consultant or the Trustee, as the case may be, for purposes of evaluating a proposed Transaction. For purposes of this Agreement, "**Confidential Information**" shall include, but not be limited to: (i) all information or knowledge pertaining to the Debtor's or Consultant's business, affairs or operations including any

financial information, technical information, personnel, intellectual property, data, designs, business plans, documents, materials, records, customers, counterparties and/or legal agreements; and (ii) the existence or identity of any Qualified Lead provided by Consultant to the Trustee, each of which is not otherwise generally known, or available, to the public.

4. Scope of Consultant's Services

- a) *Not Trading In, or Advising On, Securities.* Consultant is not trading in, or advising on, securities or commodities and is therefore not required to register with the Ontario Securities Commission. More broadly, the Consultant is not in the business of providing investment advice and the Trustee is encouraged to retain trained and certified financial and/or investment professionals to provide this type of support and advice on any Transaction.
- b) *Sourcing of Qualified Leads.* The Consultant will make best efforts to source Qualified Leads who may wish to enter into a Transaction with the Trustee. The Consultant has an extensive database of cannabis industry business contacts who collectively afford the Consultant a unique and significant opportunity to identify Qualified Leads for the Trustee.

5. Term, Termination and Survival.

- a) *Term.* The initial term of this Agreement shall be for a period of three (3) months (the “**Initial Term**”), commencing on the Effective Date. Thereafter, the Agreement shall automatically renew for one (1) month terms (each a “**Further Term**”) unless otherwise terminated by written notice from one party to the other at least five (5) calendar days in advance of the end of the Initial Term or a Further Term, as the case may be.
- b) *Termination.* This Agreement may be terminated: (i) immediately by

either party upon written notice to the other party if the other party commits a material breach of this Agreement; (ii) immediately by either party upon written notice to the other party in the event the other party commits an act of fraud, dishonesty, gross misconduct or gross negligence in connection with this Agreement; or (iii) by written notice in accordance with paragraph 5(a) above. In all cases of termination, the Holdover period paragraph 2(d) above shall be binding on the Trustee.

- c) *Survival.* The provisions of section 2 (Remuneration), section 3(c) (Confidentiality), section 5 (Term, Termination and Survival), section 6 (Non-Circumvention and No Other Fees), section 7 (Nature of Relationship and Exclusivity), and section 8 (General Matters) shall survive such termination.

6. Non-Circumvention and No Other Fees

- a) *Non-Circumvention.* It is recognized that the Consultant will expend time, specialized knowledge and resources in pursuit of a Transaction for the Trustee. The Trustee therefore agrees it shall not take any action, or fail to take any action, intended to circumvent or defeat, or having the effect of circumventing or defeating the Consultant's right to receive a Success Fee under this Agreement. For greater certainty, the Consultant acknowledges that the Trustee has also engaged the services of Avison Young to list certain property of the Debtor, including the Ground Lease, the Facility and the Facility Land, and that such listing and potential transaction is not in breach of this provision.
- b) *No Other Fees.* The Consultant represents that it is the sole party entitled to the Success Fee for any Transaction facilitated by the Consultant and further agrees that no other party will look to the Trustee in connection with any other like fee in relation to a Transaction. Moreover, the Consultant will not look to any other party to the Transaction for any additional fee in connection with such Transaction without the prior written consent of the Trustee.

- c) *Assignment.* The Consultant will not assign this Agreement without the prior written consent of the Trustee.

7. Nature of Relationship and Exclusivity

- a) *Independent Contractors.* The Trustee and the Consultant agree that the relationship created by this Agreement shall be that of independent contractors. The parties further agree that they have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any party the partner, agent or legal representative of any other party, nor create any fiduciary relationship between them for any purpose whatsoever.
- b) *Exclusivity.* The parties agrees that this is a non-exclusive engagement for the Initial Term or a Further Term.

8. General Matters

- a) *Entire Agreement.* This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations and understandings, both written and oral, between the parties with respect to the subject matter hereof. This Agreement may not be modified unless done so in writing and signed by both parties.
- b) *Inurement.* This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
- c) *Applicable Law and Jurisdiction.* 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. The parties further agree that any dispute or question, either of fact or of law, which may arise under this Agreement shall be resolved by the courts of the Province of Ontario and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

- d) *Currency.* All dollar amounts expressed herein and payable as Success Fee are in Canadian dollars.
- e) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which, when taken together, will constitute one and the same Agreement. Each of the parties to this Agreement will be entitled to rely on delivery of an electronic copy of this Agreement and acceptance by each party of any such electronic copy will be legally effective to create a valid and binding agreement between the parties to this Agreement in accordance with the terms of this Agreement.
- f) *Severability.* The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision thereof. Each Party agrees that no failure or delay by the other Party in exercising any right, power or privilege hereunder will operate as a waiver thereof.
- g) *Legal Advice.* The Trustee and the Consultant confirm that they have been advised to obtain independent legal, tax and financial advice with respect to this Agreement (and the consequences related thereto) and have done so or have considered doing so and, in their sole judgment, have decided that it is not necessary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date set out above.

HYDE ADVISORY & INVESTMENTS INC.

Per:



Name: David Hyde

Title: Director

I have authority to bind the corporation

RICHTER INC., solely in its capacity as bankruptcy trustee of Ayanda Cannabis Corporation and not in its personal or corporate capacity

Per:



Name: Adam Zeldin

Title: Vice-President

SCHEDULE A - PROTECTED LIST

SCHEDULE B – SCOPE OF TRANSACTION FACILITATION SERVICES

While the precise scope of Transaction Facilitation Services will vary slightly based on the circumstances of each Transaction, the below list identifies those services which form part of this Agreement and are typically conducted by the Consultant as part of a Transaction:

- Initial discussions with stakeholders and review of a wide range of Debtor data in order to learn about the Debtor’s business, its key selling features and the type of buyer(s)/investor(s) best-suited to the opportunity.
- Gathering of key Debtor information and documentation/files to be shared with Qualified Leads.
- Review of corporate deck and other key Debtor presentation materials, providing feedback aimed at optimizing these materials.
- Ongoing discussions with representatives from the Trustee, Candidates, Qualified Leads and other relevant stakeholder groups in pursuit of facilitating a Transaction.
- Facilitating non-disclosure agreements between the Trustee and Qualified Leads who enter into discussions about a Transaction.
- Arranging and attending calls between the Trustee and Qualified Leads and acting as the Trustee’s advisor during Transaction-related discussions.
- Providing updates to the Trustee on the status of discussions with Qualified Leads.
- Discussing and accepting Letters of Intent (“LOI’s”) from Qualified Leads to be brought to the Trustee for discussion.
- Supporting the Trustee during Transaction-related negotiations with one or more Qualified Leads with a bid that has been accepted by the Trustee.
- Provision of strategic licensing advisory services pertaining to potential transactions between the Trustee and Qualified Leads.
- Review of comparable transactions (i.e., “comps”) in the legal cannabis sector which can be used to inform Transaction negotiations.
- Various sales and marketing activities (all of which are pre-approved by the Trustee) including some or all of:
 - reach-outs to pre-qualified buyers/investors on the Hyde Advisory & Investments Inc. Candidates list;
 - use of focused social media posts (e.g., LinkedIn, Twitter);
 - identification and solicitation of potential Candidates through the extensive HAI professional network (e.g., past and present clients, licence holders, licence applicants, industry consultants, investment groups, etc.); and
 - creation of an opportunity summary to be posted on the Hyde Advisory & Investments Inc. website listings page (pre-approved by the Trustee).

Appendix “D”

IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO

INSPECTORS' RESOLUTION

We, the Inspectors of the bankrupt estate of Ayanda Cannabis Corporation (the "Company"), resolve that Richter Inc., the Licensed Insolvency Trustee of the Company's bankrupt estate (the "Trustee"): (i) take all necessary steps to finalize and execute the draft asset purchase agreement (in its final and executed form, the "APA") among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the "Purchaser") for the aggregate purchase price of ██████████, of which, ██████████ of the purchase price is to be allocated to the two-acres of land upon which the Ayanda facility is situated, and (ii) make a motion to the Ontario Superior Court of Justice (Commercial List) seeking an order approving the transaction pursuant to the APA and vesting all right and title to the assets purchased pursuant to the APA to the Purchaser.

DATED at Tillsonburg, this 4 day of December, 2023.

APPROVED BY THE INSPECTORS:

John Couwenberg

Shanil Ramdhany

Natalie Cain



Collin Yarmle

Nadine Dmetriuc

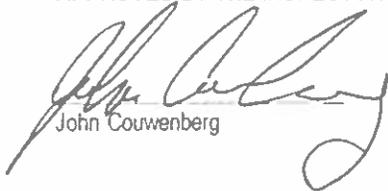
IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO

INSPECTORS' RESOLUTION

We, the Inspectors of the bankrupt estate of Ayanda Cannabis Corporation (the "**Company**"), resolve that Richter Inc., the Licensed Insolvency Trustee of the Company's bankrupt estate (the "**Trustee**"). (i) take all necessary steps to finalize and execute the draft asset purchase agreement (in its final and executed form, the "**APA**") among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the "**Purchaser**") for the aggregate purchase price of [REDACTED] of which, [REDACTED] of the purchase price is to be allocated to the two-acres of land upon which the Ayanda facility is situated, and (ii) make a motion to the Ontario Superior Court of Justice (Commercial List) seeking an order approving the transaction pursuant to the APA and vesting all right and title to the assets purchased pursuant to the APA to the Purchaser.

DATED at _____, this 5 day of December, 2023.

APPROVED BY THE INSPECTORS:


John Couwenberg

Shanil Ramdhany

Natalie Cain

Collin Yarmie

Nadine Dmetriuc

IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO

INSPECTORS' RESOLUTION

We, the Inspectors of the bankrupt estate of Ayanda Cannabis Corporation (the "Company"), resolve that Richter Inc., the Licensed Insolvency Trustee of the Company's bankrupt estate (the "Trustee") (i) take all necessary steps to finalize and execute the draft asset purchase agreement (in its final and executed form, the "APA") among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the "Purchaser") for the aggregate purchase price of ██████████ of which ██████████ of the purchase price is to be allocated to the two-acres of land upon which the Ayanda facility is situated, and (ii) make a motion to the Ontario Superior Court of Justice (Commercial List) seeking an order approving the transaction pursuant to the APA and vesting all right and title to the assets purchased pursuant to the APA to the Purchaser.

DATED at Toronto, Ontario, this 5th day of December, 2023.

APPROVED BY THE INSPECTORS:

John Couwenberg



Sharil Ramdhany

Natalie Cain

Collin Yarmie

Nadine Dmetriuc

**IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO**

INSPECTORS' RESOLUTION

We, the Inspectors of the bankrupt estate of Ayanda Cannabis Corporation (the "Company"), resolve that Richter Inc., the Licensed Insolvency Trustee of the Company's bankrupt estate (the "Trustee"): (i) take all necessary steps to finalize and execute the draft asset purchase agreement (in its final and executed form, the "APA") among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the "Purchaser") for the aggregate purchase price of ██████████ of which, ██████████ of the purchase price is to be allocated to the two-acres of land upon which the Ayanda facility is situated, and (ii) make a motion to the Ontario Superior Court of Justice (Commercial List) seeking an order approving the transaction pursuant to the APA and vesting all right and title to the assets purchased pursuant to the APA to the Purchaser.

DATED at Wilsonville, this 4 day of December, 2023.

APPROVED BY THE INSPECTORS:

John Couwenberg

Shanil Ramdhary

Natalie Cain

Collin Yarmie



Nadine Dmetruc

IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO

INSPECTORS' RESOLUTION

We, the Inspectors of the bankrupt estate of Ayanda Cannabis Corporation (the "**Company**"), resolve that Richter Inc., the Licensed Insolvency Trustee of the Company's bankrupt estate (the "**Trustee**"): (i) take all necessary steps to finalize and execute the draft asset purchase agreement (in its final and executed form, the "**APA**") among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the "**Purchaser**") for the aggregate purchase price of ██████████ of which, ██████████ of the purchase price is to be allocated to the two-acres of land upon which the Ayanda facility is situated, and (ii) make a motion to the Ontario Superior Court of Justice (Commercial List) seeking an order approving the transaction pursuant to the APA and vesting all right and title to the assets purchased pursuant to the APA to the Purchaser.

DATED at Toronto, ON, this 5 day of December, 2023.

APPROVED BY THE INSPECTORS:

John Couwenberg

Shanil Ramdhany



Natalie Cain

Collin Yarmie

Nadine Dmetriuc

Appendix “E”

ASSET PURCHASE AGREEMENT

This Agreement made this 12th day of December, 2023.

BETWEEN:

RICHTER INC., in its capacity as trustee-in-bankruptcy of Ayanda Cannabis Corporation and not in its personal or corporate capacity

(the “**Trustee**”)

- and -

First Class Extracts Corporation

(the “**Purchaser**”)

- and -

LUKE & BLANCHE SIOEN FARMS LTD.

(the “**Land Owner**”)

WHEREAS on February 4, 2022, Ayanda Cannabis Corporation (the “**Company**”) filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”);

AND WHEREAS on April 19, 2022, the Company filed a proposal pursuant to Part III of the BIA, which was amended (as amended, the “**Proposal**”) at the meeting of creditors held on May 9, 2022.

AND WHEREAS on June 3, 2022, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order approving, among other things, the Proposal.

AND WHEREAS on July 18, 2023, the Trustee issued a material adverse change report due to the failure by the purchaser to close the transaction contemplated in the Proposal and the Company’s financial situations;

AND WHEREAS on August 25, 2023, the Court granted an order that, among other things, annulled the Proposal and deemed the Company to have made an assignment into bankruptcy;

AND WHEREAS on September 14, 2023, the Trustee was confirmed as trustee-in-bankruptcy of the Company at the First Meeting of Creditors;

AND WHEREAS the Land Owner is the owner of approximately 97 acres of real property located in the County of Norfolk at 324-372 Burford-Delhi TL, Windham Centre, Ontario, as more particularly described in Schedule “B” of this Agreement (the “**Land**”);

AND WHEREAS the Company and the Land Owner entered into a Ground Lease dated June 1, 2022 (the “**Ground Lease**”) whereby the Company leased approximately 2 acres of the Real Property in order to construct a facility on the leased property (the “**Facility Land**”);

AND WHEREAS all of the assets, undertakings and properties of the Company, including the Ground Lease (collectively, the “**Property**”) have vested in the Trustee pursuant to the BIA;

AND WHEREAS the Land Owner provided its consent to the Trustee to market and sell the Facility Land (subject to severance of the Facility Land from the Land);

AND WHEREAS the Trustee is authorized to market and sell any or all of the Property of the Company and negotiate such terms and conditions of sale as the Trustee may deem appropriate;

AND WHEREAS the Purchaser offers and agrees to purchase the Purchased Assets and the Assumed Obligations (each as defined below) from the Trustee upon the terms and conditions set forth hereinafter;

AND WHEREAS following the closing of this transaction, the Purchaser and the Land Owner intend to work cooperatively to sever the Facility Land from the Land such that the Purchaser is the owner in fee simple of the Facility Land;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties) the parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement, the following terms shall have the meanings set out below, unless the context requires otherwise:

“**Adjustments**” has the meaning ascribed thereto in Section 2.2;

“**Agreement**” means this asset purchase agreement, including all written amendments and written restatements thereto from time to time;

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

“**Approval and Vesting Order**” has the meaning ascribed thereto in Section 4.1;

“**Article**” or “**Section**” means the specified Article, or Section to this Agreement and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;

“**Assumed Obligations**” has the meaning ascribed thereto in Section 2.7;

"**Business Day**" means a day on which banks are open for business in the City of Toronto, but does not include a Saturday, Sunday or statutory holiday recognized in the Province of Ontario;

"**Cash Purchase Price**" has the meaning ascribed thereto in Section 2.2;

"**Claims**" means any and all claims, demands, complaints, actions, applications, suits, causes of action, orders, or other similar processes, and "**Claim**" means any one of them;

"**Closing**" means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement;

"**Closing Date**" means, subject to the terms hereof, the later of: (i) ten (10) calendar days after the date on which the Approval and Vesting Order is granted by the Court, or (ii) January 19, 2024, or such other date as the Parties may agree to in writing;

"**Closing Time**" has the meaning ascribed thereto in Section 3.1;

“**Company**” has the meaning ascribed thereto in the Recitals;

"**Court**" has the meaning ascribed thereto in the Recitals;

“**Deposit**” has the meaning ascribed thereto in Section 2.3;

"**Encumbrances**" means any and all security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, executions, levies, charges, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, and all contracts to create any of the foregoing, or encumbrances of any kind or character whatsoever;

“**Excluded Assets**” means any and all assets of the Company other than the Purchased Assets, including for greater certainty, any property that is finally determined by the Trustee or the Court to be a valid property claim pursuant to section 81 of the BIA.

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them;

"**HST**" means all of the harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada);

"**Liability**" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts and costs of investigation) and "**Liabilities**" means the plural thereof;

"**Parties**" means the Trustee, the Purchaser and the Land Owner collectively, and "**Party**" means any one of them;

"**Permitted Encumbrances**" means such Encumbrances, if any, that the Purchaser agrees will continue to attach to and be enforceable against the Purchased Assets following Closing, a list of which are attached hereto as **Schedule "A"**;

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;

"**Purchase Price**" has the meaning ascribed thereto in Section 2.2;

"**Purchased Assets**" has the meaning ascribed thereto in Section 2.1;

"**Purchaser**" has the meaning ascribed thereto in the preamble;

"**Taxes**" means all taxes, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, including, Canada Pension Plan and provincial pension plan contributions (or equivalent in the jurisdiction where the Purchased Assets may be located), employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not that arise in respect of the Purchased Assets in the jurisdiction in which they are located;

"**Trustee**" has the meaning ascribed thereto in the Recitals;

"**Trustee's Certificate**" has the meaning ascribed thereto in Section 4.1; and

"**Work Orders**" means any written work orders, deficiency notices, notices of non-compliance, notices of violation or similar orders or directives issued with respect to the Purchased Assets by any Governmental Authority advising of any material defect or deficiency in the construction, state of repair or state of completion of the Purchased Assets, or ordering or directing that any material alteration, repair, improvement or other work to be done or relating to any non-compliance or failure to complete any inspection pertaining to any building permit, building or land use by-law, ordinance or regulation; and "**Work Order**" has a corresponding meaning.

1.2 Section References

Unless the context requires otherwise, references in this Agreement to Sections are to Sections of this Agreement.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Purchaser shall assume the Assumed Obligations and the Trustee shall sell, and the Purchaser shall purchase, all of the Trustee's right, title and interest, if any, in all of the following assets (collectively the "**Purchased Assets**"):

- (a) the Ground Lease;
- (b) the building and all fixtures existing on the Facility Land; and
- (c) all of the equipment located within the building, save and except any property that is finally determined by the Trustee or the Court to be property that is subject to a valid property claim under section 81 of the BIA.

For greater certainty, the Purchased Assets do not include the Excluded Assets.

2.2 Purchase Price

Pursuant to the terms and subject to the conditions set forth in this Agreement, in consideration of the sale of the Purchased Assets pursuant to the terms hereof, the Purchaser shall: (i) pay to the Trustee in cash the amount of [REDACTED] (the "**Cash Purchase Price**"), which shall be exclusive of applicable Taxes; and (ii) assume from the Trustee and become obligated to pay, perform and discharge, when due, the Assumed Obligations ((i) and (ii), collectively, the "**Purchase Price**"). No adjustments shall be allowed to the Purchase Price for any changes in condition, quality or quantity of the Purchased Assets up to and including the Closing Date and the Trustee makes no representations with respect to same.

The Trustee shall be responsible for all expenses and entitled to all revenue, if any, accrued from the Purchased Assets ending on the Closing Date and thereafter the Purchaser shall be responsible for all expenses and shall be entitled to all revenue, if any, accruing from the Purchased Assets.

2.3 Deposit

- (1) Contemporaneously with the execution and delivery of this Agreement by the Purchaser, the Purchaser has paid a deposit payable to the order of the Trustee, in trust, in the amount of [REDACTED] (the "**Deposit**").
- (2) The Deposit shall be held, pending Closing, by the Trustee in an interest-bearing account with a third-party financial institution.

- (3) If the Closing does not occur by reason of an uncured default of the Purchaser or the Purchaser's failure for any reason to close the transaction set forth in this Agreement on or before the Closing Date (except in the case of the permitted termination of this Agreement pursuant to Section 8.1(a), Section 8.1(b) (but only in the event that the conditions precedent set forth in Section 4.2 are not satisfied prior to the Closing Time) or as a result of the Trustee's failure to obtain an Approval and Vesting Order) or if any of the representations and/or warranties of the Purchaser as set forth in this Agreement are found to be false, the full amount of the Deposit (plus accrued interest), less any applicable withholding Taxes, shall become the property of the Trustee and be released to the Trustee as liquidated damages and not as a penalty and without prejudice to the rights and remedies of the Trustee available at law or in equity.
- (4) If the Closing does not occur for any reason other than that expressed in Section 2.3(3) above, the full amount of the Deposit, less any accrued interest and/or any applicable withholding Taxes, shall be returned by the Trustee to the Purchaser.

2.4 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price on Closing as follows:

- (1) by the assumption by the Purchaser of the Assumed Obligations; and
- (2) by payment to the Trustee by wire transfer of the Cash Purchase Price, less the amount of the Deposit (and subject to any Adjustments, if applicable), to an account specified in writing by the Trustee.

2.5 Sales and Transfer Taxes; HST and Receivables Elections

- (a) The Purchaser shall be responsible for the payment on Closing of any Taxes that are required to be paid or remitted in connection with the consummation of the transactions contemplated in this Agreement, which such amounts shall be in addition to the Purchase Price.
- (b) If applicable, at the Closing, the Trustee and the Purchaser shall jointly execute an election under Section 167 of the *Excise Tax Act* (Canada) to seek to cause the sale of the Purchased Assets to take place on an HST-free basis under Part IX of the *Excise Tax Act* (Canada), and the Purchaser shall file such election with its HST return for the applicable reporting period in which the sale of the Purchased Assets takes place.
- (c) The Purchaser covenants and agrees that the Purchase Price does not include the amount of any HST applicable to the sale and conveyance of the Purchased Assets by the Trustee to the Purchaser and that it shall pay any such HST in addition to the Purchase Price subject to the provisions of Section 2.6.
- (d) No HST shall be payable by the Purchaser to the Trustee nor collected by the Trustee provided:

- (i) the Purchaser is registered for the purpose of the HST at the Closing Date;
- (ii) the Purchaser provides the Trustee with its HST registration number at closing, together with a declaration of a senior officer of the Purchaser to the effect that such registration is in good standing and has not been varied or revoked;
- (iii) the Purchased Assets are being purchased by the Purchaser as principal for its own account and is not being purchased by the Purchaser as an agent, trustee or otherwise on behalf of or for another Person;
- (iv) the Purchaser will indemnify and save harmless the Trustee from any HST, penalty, interest or other amount which may be payable by or be assessed against the Trustee under the *Excise Tax Act* (Canada) as a result of or in connection with the Trustee's failure to pay any HST applicable on the sale and conveyance of the Purchased Assets to the Purchaser by the Trustee; and
- (v) the form of HST Declaration and Indemnity attached hereto as **Schedule "C"** is delivered by the Purchaser to the Trustee upon Closing,

or, in lieu of the foregoing, the Purchaser shall pay to the Trustee the HST payable in respect of the purchase and sale of the Purchased Assets by wire transfer to the Trustee on Closing.

2.6 Assumed Obligations

At Closing, the Purchaser shall assume and be liable for the following (collectively, the "**Assumed Obligations**"):

- (a) all Liabilities and Claims arising or accruing from the use or storage of the Purchased Assets from and after the Closing, including any and all costs related to the Purchased Assets from and after the Closing;
- (b) all Permitted Encumbrances (if any); and
- (c) all Taxes arising or accruing from and after the Closing from the use of the Purchased Assets, including, without limitation, HST to be collected and remitted to Canada Revenue Agency when due.

2.7 Inspection of Purchased Assets

The Purchaser acknowledges that it has had sufficient opportunity to inspect the Purchased Assets prior to the Closing Date including having conducted such surveys and building condition inspections as the Purchaser has required.

The Purchaser shall have reasonable access until the Closing Date to the Purchased Assets to carry out such reasonable inspections and tests as the Purchaser may deem necessary, provided that the

Purchaser gives two (2) Business Days' prior written notice to the Trustee (who shall have the right but not the obligation to accompany the Purchaser on any visits). The Purchaser shall repair and restore any damage it causes to the Purchased Assets as a result of any inspections or tests undertaken by the Purchaser and shall indemnify and hold harmless the Trustee in respect of such damage. This indemnity shall survive the termination of this Agreement.

ARTICLE 3 **CLOSING ARRANGEMENTS**

3.1 Closing

Closing shall take place at 3:00 p.m. (the "**Closing Time**") on the Closing Date or on such other date as the Parties may agree upon in writing. The Closing shall take place by electronic transmission of documents, or at such other time and location, and in such other manner, as the Parties may agree upon in writing.

On Closing or at such other date and time mutually agreeable between the Trustee and the Purchaser, the Trustee shall take steps to deliver or cause to be delivered the keys to the facility located on the real property to the Purchaser and any related security passcodes. The Purchaser acknowledges that the Trustee shall be under no obligation to deliver the Purchased Assets to the Purchaser (other than, in respect of the sale of real property, the keys to the facility and any related security passcodes).

3.2 Tender

Except as otherwise set out herein, any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank, by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company, or by wire transfer of immediately available funds to the account specified by that Party.

3.3 Trustee's Closing Deliveries

At the Closing, the Trustee shall deliver to the Purchaser the following, each in form and substance satisfactory to the Trustee and the Purchaser, acting reasonably:

- (a) a copy of the Approval and Vesting Order, if applicable, and a preparation Application for Vesting Order in Teraview for registration by the Purchaser on the Closing Date;
- (b) the elections referred to in Section 2.5 (as applicable);
- (c) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Trustee contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;

- (d) undertaking to release and discharge any Encumbrances on the Purchased Assets (other than any Permitted Encumbrances or Encumbrances extinguished by the Approval and Vesting Order, if applicable) or, in the alternative, discharges of the Encumbrances, if applicable; and
- (e) the Trustee's Certificate, as set out in Section 3.5, which shall be delivered and held in escrow until all other conditions set out in Article 4 have been satisfied or waived and the Trustee confirms same in writing to the Purchaser.

3.4 Purchaser's Closing Deliveries

At the Closing, the Purchaser shall deliver to the Trustee the following, each in form and substance satisfactory to the Trustee and the Purchaser, acting reasonably:

- (a) the Cash Purchase Price (less the Deposit) and all payments in respect of the amounts referred to in Article 2;
- (b) the elections and HST Declaration and Indemnity referred to in Section 2.5 (as applicable); and
- (c) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date.

3.5 Delivery of the Trustee's Certificate

When the conditions set out in Article 4 below have been satisfied or waived, the Trustee will deliver an executed copy of the Trustee's Certificate to the Purchaser. Upon such delivery, the Closing will be deemed to have occurred. The Trustee will thereafter promptly file a copy of the Trustee's Certificate with the Court.

ARTICLE 4 **CONDITIONS PRECEDENT**

4.1 Mutual Condition re: Approval and Vesting Order

The Trustee shall obtain an Approval and Vesting Order from the Court approving this Agreement and the transactions contemplated hereby and vesting, upon the delivery of the Trustee's Certificate to the Purchaser, all right, title and interest of the Trustee, if any, to the Purchased Assets in the Purchaser, free and clear of all Claims and Encumbrances pursuant to the terms and conditions of this Agreement, other than any Permitted Encumbrances (the "**Approval and Vesting Order**"). The Approval and Vesting Order shall be substantially in the form of the model order approved by the "Ontario Commercial List Users Committee", including a provision requiring the Trustee to deliver a certificate confirming the Closing of the transactions contemplated hereby and to file a copy of same with the Court (the "**Trustee's Certificate**").

The obligations of the Trustee and the Purchaser hereunder are subject to the satisfaction of, or the express written waiver of the Parties, at or prior to the Closing Time, the mutual conditions that, if applicable, the Approval and Vesting Order shall have been granted by the Court in form and substance acceptable to the Trustee, acting reasonably, failing which this Agreement shall be null and void and the Deposit returned to the Purchaser without interest.

4.2 Conditions Precedent of the Purchaser

The Purchaser shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing, by the Purchaser at any time; and the Trustee agree with the Purchaser to take all such actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Representations and Warranties.* The representations and warranties of the Trustee in Section 5.1 shall be true and correct at the Closing Time;
- (b) *Mutual Condition:* The condition set forth in Section 4.1 has been completed; and
- (c) *Trustee's Compliance.* The Trustee shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time and shall have executed and delivered to the Purchaser at the Closing Time all the deliveries contemplated in Sections 3.3 and **Error! Reference source not found.**

4.3 Conditions Precedent of the Trustee

The Trustee shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Trustee, and may be waived, in whole or in part, in writing by the Trustee at any time; and the Purchaser agrees with the Trustee to take all such actions, steps and proceedings within its reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (a) *Representations and Warranties.* The representations and warranties of the Purchaser in Sections 5.2 and 5.2 shall be true and correct at the Closing Time;
- (b) *Mutual Condition:* The condition set forth in Section 4.1 has been completed; and
- (c) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be to be performed by or complied with at or before the Closing Time and shall have executed and delivered to the Trustee at the Closing Time all the deliveries contemplated in Sections 3.4 and 3.4 in this Agreement.

4.4 Non-Satisfaction of Conditions

If any condition precedent set out in Section 4.2 or 4.3 is not satisfied or performed prior to the time specified therefor (if any), the Party for whose benefit the condition precedent is inserted may:

- (a) waive compliance with the condition, in whole or in part, in its sole discretion by written notice to the other Party (but may not claim for any matter waived) and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other Party to terminate this Agreement, in which event each Party shall be released from all obligations under this Agreement, provided that the Deposit shall be dealt with in accordance with the terms of Section 2.3 hereof.

ARTICLE 5 **REPRESENTATIONS AND WARRANTIES**

5.1 Representations and Warranties of the Trustee

As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Trustee set out in this Section 5.1, the Trustee hereby represents and warrants to the Purchaser as follows:

- (a) *Due Authorization.* Subject to the granting of the Approval and Vesting Order, the Trustee has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;
- (b) *No Other Purchase Agreement.* The Trustee has not entered into any other agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase or other acquisition from the Trustee of the Purchased Assets;
- (c) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Trustee, enforceable against the Trustee, in accordance with its terms;
- (d) *HST.* Company is a registrant under Part IX of the *Excise Tax Act* (Canada), and shall provide its HST registration number to the Purchaser prior to Closing; and
- (e) *Residency.* Company is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

5.2 Representations and Warranties of the Purchaser

As a material inducement to the Trustee and the Land Owner entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Trustee and the Land Owner are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 5.2, the Purchaser hereby represents and warrants to the Trustee and the Land Owner as follows:

- (a) *Incorporation of the Purchaser.* The Purchaser is a corporation duly incorporated under the laws of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such laws;
- (b) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;
- (c) *Financial Wherewithal.* The Purchaser has the financial wherewithal to satisfy the Cash Purchase Price on the Closing Date and either has the amount of the Cash Purchase Price currently available to it or will obtain financing sufficient to satisfy the Cash Purchase Price prior to the Closing Date.
- (d) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser, in accordance with its terms;
- (e) *Approvals and Consents.* Except as otherwise provided herein, no authorization, consent or approval of or filing with or notice to any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser or the purchase of any of the Purchased Assets hereunder;
- (f) *HST.* The Purchaser is or shall be at Closing a registrant under Part IX of the *Excise Tax Act* (Canada), and shall provide its HST registration number to the Purchaser prior to Closing; and
- (g) *Residency.* The Purchaser is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

5.3 Survival of Representations and Warranties

The representations and warranties of the Purchaser contained in Section 5.2 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive for six (6) months following Closing.

5.4 Acquisition of Purchased Assets and the Facility Land on "As Is, Where Is" Basis

The Purchaser acknowledges that the Trustee is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date, subject to the terms of the Approval and Vesting Order, as applicable. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Trustee and the Land Owner do not guarantee title to the Purchased Assets or the Facility Land, and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter, including, without limitation, title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, zoning, permitted uses, permits, compliance with Applicable Laws of Governmental Authorities, compliance with bylaws or regulations, threatened claims, litigation, the existence or non-existence of hazardous materials flowing onto or from the Property or any part thereof, or in the air, surface or ground water flowing through, onto or from the Property, or any part thereof, any non-compliance with Environmental Laws including any adverse matters contained in any reports (the "**Environmental Condition**"), compliance with any or all Environmental Laws, or in respect of any other matter or thing whatsoever concerning the Purchased Assets and the Facility Land or the right of the Trustee and the Land Owner to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. The Purchaser further acknowledges that all written and oral information obtained by the Purchaser from the Trustee or any of its respective directors, officers, employees, professional consultants or advisors with respect to the Purchased Assets or otherwise relating to the transactions contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser shall retrieve the Purchased Assets in accordance with Section 3.1 hereof. The Purchaser shall indemnify and hold harmless the Trustee and the Land Owner from and against all claims, demands, losses, damages, actions and costs incurred or arising from or in any way related to the retrieval of the Purchased Assets by the Purchaser, save and except for any claims, demands, losses, damages, actions and costs incurred or resulting from the gross negligence or wilful misconduct of the Trustee or the Land Owner.

In entering into this Agreement, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Purchased Assets, including the physical condition and the Environmental Condition of the Purchased Assets including compliance with Applicable Laws and has relied solely upon its own judgement resulting from doing so and has not relied and will not rely on any information, written or oral, furnished by the Trustee or the Land Owner or any other person or entities on behalf of or at the direction of the Trustee or the Land Owner, including with respect to value of the Purchased Assets, adequacy, marketability, quantity, location, condition, quality, fitness or state of repair. The information contained in any data room accessed by the Purchaser in respect of the Purchased Assets and description of the Purchased Assets in any marketing material, listing information, and any like material delivered or made available by the Trustee or the Land Owner and/or their agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "**Inaccuracies**") is found in them, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or termination of this

Agreement as a result of them and the Purchaser releases the Trustee and the Land Owner and its respective agents from any Claims the Purchaser had, has or may have as a result of such Inaccuracies. The Purchaser covenants and agrees that it shall accept title to the Purchased Assets subject to any Work Orders and the Trustee or the Land Owner shall not be required to rectify any Work Orders as a condition of closing.

ARTICLE 6
PERIOD PRIOR TO CLOSING

6.1 Risk of Loss

The Purchased Assets and the Facility Land shall remain at the risk of the Trustee or the Land Owner, as applicable, to the extent of their interest, until the Closing is completed and after Closing, the Purchased Assets shall be at the risk of the Purchaser.

ARTICLE 7
POST-CLOSING COVENANT

7.1 Conveyance of the Facility Land to the Purchaser

- (a) After the date this Agreement is executed, the Purchaser and the Land Owner shall cooperate with each other to: (i) prepare a severance application with respect to the Facility Land, including the payment of the necessary application fee (ii) prepare any materials and submissions, including the payment of any fees or other costs required to satisfy any conditions imposed by a municipality or other similar regulatory body with respect to the severance of the Facility Land, (iii) provide all documents and any other information necessary in an expeditious manner in order to obtain the severance of the Facility Land, and (iv) any other actions reasonably required or necessary to give effect to a severance of the Facility Land. For greater certainty, the Purchaser is responsible for paying all fees and costs, including legal fees and costs of the Land Owner, associated with completing the activities set out at (i) to (iv) of this paragraph.
- (b) If the severance is granted and a certificate from the applicable municipality is issued to the applicant of the severance application, the Land Owner shall convey the Facility Land to the Purchaser for the cash purchase price of [REDACTED] and both the Purchaser and the Land Owner shall take any and all steps necessary or incidental to give effect to such conveyance, including making all necessary land titles registrations.
- (c) The Purchaser assumes and accepts all risk that the Facility Land cannot be severed from the Land, and the Land Owner and the Trustee make no representation with respect to same, and assume no liability if the Facility Land cannot be severed.
- (d) The Purchaser and the Land Owner shall do all such things and provide all such reasonable assurances as may be required to complete the conveyance of the Facility to the Purchaser, and each such Party shall provide such further documents

or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Section 7.1, and carry out its provisions, whether before or after the Closing Date.

- (e) This Article 7 shall survive the Closing Date.

ARTICLE 8 **TERMINATION**

8.1 Termination by the Parties

This Agreement may be terminated:

- (a) upon the mutual written agreement of the Trustee and the Purchaser; and
- (b) pursuant to Section 4.4(b) by either Party, if applicable.

ARTICLE 9 **GENERAL CONTRACT PROVISIONS**

9.1 Headings and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

9.2 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa, and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

9.3 Currency

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian dollars.

9.4 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

9.5 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and

including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

9.6 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*.

9.7 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

9.8 Expenses

Except as otherwise explicitly stated herein, each Party shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred in connection with the transactions contemplated in this Agreement, and the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement.

9.9 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 Trustee at:

Richter Inc.

181 Bay Street, Suite 3510
Toronto, ON, M5J 2T3

Attention: Adam Sherman / Adam Zeldin
Email: asherman@richter.ca / azeldin@richter.ca

with a copy to:

Thornton Grout Finnigan LLP

100 Wellington St. West, Suite 3200
Toronto, ON M5K 1K7

Attention: Mitch Grossell
Email: mgrossell@tgf.ca

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

First Class Extracts Corporation

Attention: Sean Hedmann / Jason Suchecki
Email: sean@davanshiredevelopments.com / jason@goodvibe.buzz

with a copy to:

Corbin's Law

PO Box 31101
Ajax RPO Westney Heights
Ajax, Ontario, L1T 3V2

Attention: Kyle Corbin
Email: kyle.corbin@corbinslaw.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.

9.10 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns. Neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, this Agreement may be assigned by the Purchaser prior to the Closing Date, without the prior written consent of the Trustee or the Land Owner, provided that such assignee is a related party or subsidiary of the Purchaser and: (a) the Purchaser shall provide notice of such assignment to the Trustee at least ten (10) days prior to the Closing Date, including a copy of the applicable assignment agreement, (b) the assignee shall agree to be bound by the terms of this Agreement by executing an amended Agreement, and (c) the Purchaser shall continue to be responsible for and guarantees all obligations under this Agreement, notwithstanding such assignment.

9.11 Third Party Beneficiaries

Unless where provided to the contrary by the specific terms hereof, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

9.12 Time of the Essence

Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

9.13 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

9.14 Further Assurances

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Closing Date, provided that the reasonable costs and expenses of any actions taken after the Closing Date at the request of a Party shall be the responsibility of the requesting Party.

9.15 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall 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.

9.16 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 and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes under this Agreement.

9.17 Non-Merger

Subject to Section 5.3, the representations, warranties and covenants of each Party contained in this Agreement will not merge on and will survive the closing of the Transaction and will continue in full force and effect, notwithstanding the closing of the Transaction or any investigation or knowledge acquired by or on behalf of the other Party.

9.18 Independent Legal Advice

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

9.19 Confidentiality

The Parties agree that the terms and conditions of this Agreement are confidential and shall not be disclosed to any Person, except: (a) to such Parties' solicitors, advisors, agents or representatives acting in connection herewith and, then, only on the basis that such Persons are also required to keep such information confidential as aforesaid; and (b) to the Court in furtherance of obtaining the Approval and Vesting Order.

Notwithstanding the foregoing, the obligation to maintain the confidentiality of such information will not apply to the extent that disclosure of such information is required by the Court, by law or otherwise in connection with governmental or other applicable filings relating to the transactions hereunder, provided that, in such case, unless the Purchaser otherwise agrees, the Trustee may, if possible in its sole discretion, request confidentiality in respect of such legal proceedings or governmental or other filings.

9.20 Execution and Delivery

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed and delivered either in original or faxed form or by electronic delivery in portable document format (PDF) and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS OF WHICH the Parties have executed this Agreement.

RICHTER INC., in its capacity as Court-appointed trustee-in-bankruptcy of Ayanda Cannabis Corporation et. al., and not in its personal or corporate capacity

Per: _____

Name: ADAM SHERMAN

Title: SENIOR VICE PRESIDENT

I have the authority to bind the corporation

LUKE & BLANCHE SIOEN FARMS LTD.

Per: _____

Name:

Title:

I have the authority to bind the corporation

FIRST CLASS EXTRACTS CORPORATION

Per: _____

Name: Jason Suchecki

Title: Director

I have the authority to bind the corporation

IN WITNESS OF WHICH the Parties have executed this Agreement.

RICHTER INC., in its capacity as Court-appointed trustee-in-bankruptcy of Ayanda Cannabis Corporation et. al., and not in its personal or corporate capacity

Per: _____

Name:

Title:

I have the authority to bind the corporation

LUKE & BLANCHE SIOEN FARMS LTD.

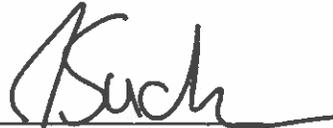
Per:  _____

Name:

Title:

I have the authority to bind the corporation

FIRST CLASS EXTRACTS CORPORATION

Per:  _____

Name: Jason Suchecki

Title: Director

I have the authority to bind the corporation

**SCHEDULE “A”
PERMITTED ENCUMBRANCES**

Any of the following encumbrances:

1. Minor Encroachments: Minor encroachments from the real property over neighbouring lands and/or permitted under agreements with neighbouring landowners and any fences or concrete curbs and minor encroachments over the real property from neighbouring land and/or permitted under agreements with neighbouring landowners and any fences and concrete curbs.
2. Crown Grant: Any subsisting restrictions, exceptions, reservations, limitation, provisos and conditions (including, with limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown of the lands comprising the real property and any statutory limitations, exceptions, reservations and qualifications.
3. Restrictions, Zoning, etc.: Zoning, land use and building restrictions, by-laws, regulations and ordinances of any Governmental Authority, including municipal by-laws and regulations, airport zoning regulations, restrictive covenants and other land use limitations in favour of or imposed or reserved by any Governmental Authority.
4. Work Order: Any and all Works Orders issued by any Governmental Authority.
5. Easements: Any unregistered or registered easements required for the supply of domestic utility services to the real property.
6. Survey matters: Encroachments, deficiencies or other matters disclosed by any plan of survey in respect of the real property or any part thereof.
7. Taxes/Utilities: Encumbrances or prior claims for real property taxes (which term includes charges, rates and assessments) or charges or levies for electricity, power, gas, water and other services and utilities in connection with the real property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing.
8. Restrictive Covenants: Restrictive covenants, private deed restrictions, rights-of-way, facility cost sharing agreements, servicing agreements, crane swing/tie back agreements, reciprocal use agreements, land owner agreements, drainage construction agreements or other similar land use control agreements or rights in land (including, without limitation, restrictions, rights-of-way and servitudes for sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to other persons or property, or reserved by other persons or the benefit of other property.
9. Applicable Laws: The provisions of all Applicable Laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning at the real property.

10. Land Titles Act: The exceptions and qualifications contained in Section 44 of the *Land Titles Act* (Ontario), save and except those qualifiers set out on the parcel register for the real property.
11. Registered Agreements: Registered agreements with any Governmental Authorities or public utilities, including subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements.
12. Additional Specific Permitted Encumbrances: Those instruments more particularly registered against PIN 50175-0124 (LT) as follows:
 - (a) Instrument Number NR515272 registered on February 22, 1996 being a Transfer/Deed of Land;
 - (b) Instrument Number NR389395 registered on March 6, 1979 being an Agreement by Owners – Mutual Agreement Drains;
 - (c) Instrument Number NK121150 registered on June 26, 2019 being a Notice of a Site Plan Agreement; and
 - (d) Instrument Number NK138266 registered on February 17, 2021 being a Notice of Lease.

SCHEDULE "B"
Real Property Description

372 Burford-Delhi TL, Windham Centre, Ontario. PIN 501750124 (lot to be severed)

PT LT 20 CON 1 WINDHAM AS IN NR515272; NORFOLK COUNTY (lot to be severed)

**SCHEDULE “C”
HST DECLARATION AND INDEMNITY**

- TO: Richter Inc., in its capacity as trustee-in-bankruptcy of Ayanda Cannabis Corporation and not in its personal or corporate capacity (the “**Trustee**”)
- RE: An agreement among the Trustee, Luke & Blanche Sioen Farms Ltd. and First Class Extracts Corporation (the “**Purchaser**”) dated December [] 2023 (the “**Agreement**”) in respect of the sale of the Purchased Assets (as defined therein)

The Purchaser hereby certifies and agrees that:

1. The Purchaser is registered under Subdivision d of Division V of Part IX of the *Excise Tax Act* (Canada) (“**ETA**”) for the collection and remittance of the goods and services tax and/or the harmonized sales tax (“**HST**”) and its registration number is [] and such registration is in good standing and has not been varied or revoked;
2. The Purchaser will remit directly to the Receiver General of Canada the HST payable pursuant to Section 228(4) of the ETA in connection with the sale and conveyance of the Purchased Assets (as such term is defined in the Agreement);
3. The Purchased Assets transferred pursuant to the Agreement are being purchased by the Purchaser as principal for its own account and is not being purchased by the Purchaser as an agent, trustee, or otherwise on behalf of or for another Person (as such term is defined in the Agreement).
4. The Purchaser shall indemnify and save harmless the Trustee from any HST, penalty, interest or other amounts which may be payable by or assessed against the Trustee under the ETA as a result of, or in connection with, the Trustee’s failure to collect and remit any HST applicable on the sale and conveyance of the Purchased Assets to the Purchaser by the Trustee.
5. The aforesaid shall survive the Closing Date (as such term is defined in the Agreement).

Dated this _____ day of _____, 2023.

FIRST CLASS EXTRACTSCORPORATION

Per: _____
Name: Jason Suchecki
Title: Director

I have the authority to bind the corporation

Appendix “F”

RUN NUMBER : 341
RUN DATE : 2023/12/07
ID : 20231207173621.24

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6337)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : AYANDA CANNABIS CORPORATION

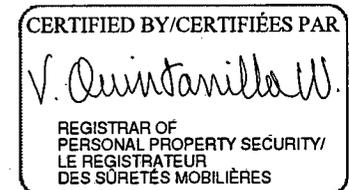
FILE CURRENCY : 06DEC 2023

ENQUIRY NUMBER 20231207173621.24 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA
3200-100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7

CONTINUED... 2



(crj6 05/2022)



RUN NUMBER : 341
RUN DATE : 2023/12/07
ID : 20231207173621.24

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(6338)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AYANDA CANNABIS CORPORATION
FILE CURRENCY : 06DEC 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
777253887

00
01
CAUTION FILING PAGE NO. OF PAGES TOTAL 1 MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER 20211013 0830 1590 9409 REGISTERED UNDER P PPSA REGISTRATION PERIOD 5

02 DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 BUSINESS NAME AYANDA CANNABIS CORPORATION

04 ADDRESS 324 BURFORD DELHI TOWNLINE ROAD NORWICH ONTARIO CORPORATION NO. ON N0J 1P0

05 DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT MICHAEL SIOEN FARMS LTD.

09 ADDRESS 372 BURFORD DELHI TOWNLINE ROAD RR1 NORWICH ON N0J 1P0

10 COLLATERAL CLASSIFICATION CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE

11 MOTOR VEHICLE YEAR MAKE MODEL VIN

13 GENERAL COLLATERAL DESCRIPTION

14 REGISTERING AGENT MILLER THOMSON LLP (TORONTO)
15 ADDRESS 5800-40 KING ST W TORONTO ON M5H 3S1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 341
RUN DATE : 2023/12/07
ID : 20231207173621.24

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(6339)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : AYANDA CANNABIS CORPORATION
FILE CURRENCY : 06DEC 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
777253887	20211013	0830	1590	9409

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj6 05/2022)

Ontario 

Appendix “G”

Electronically issued / Délivré par voie électronique : 10-Nov-2023

Court File No./N° du dossier du greffe : CV-23-00005269-0000

Newmarket Superior Court of Justice / Cour supérieure de Justice



Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

PANKAJ SHARMA

Plaintiffs

-and-

AYANDA CANNABIS CORPORATION

Defendants

-and-

MICHAEL SIOEN

Defendants

-and-

LORETTA SIOEN

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiffs.

The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in in Form 18A prescribed by the Rules of Civil Procedure, serve it on the

Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim has been served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGEMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid Office.

IF YOU PAY THE PLAINTIFF'S CLAIM and \$1,500.00 for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$100.00 for the costs and have the costs assessed by the Court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

DATE OF ISSUE: ,2023

Issued by: _____

Local Registrar

Address of Court House:

50 Eagle Street West

Newmarket, Ontario

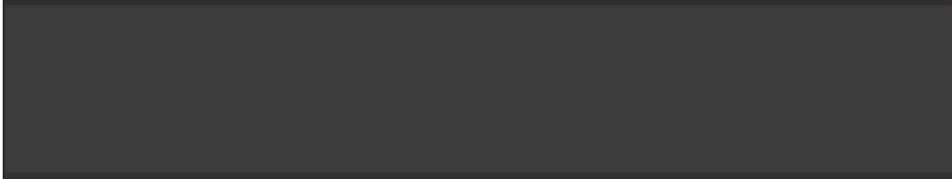
L3Y 6B1

TO:

Ayanda Cannabis Corporation
372 Burford – Delhi Townline Rd
Norfolk, Ontario
NOJ 1P0

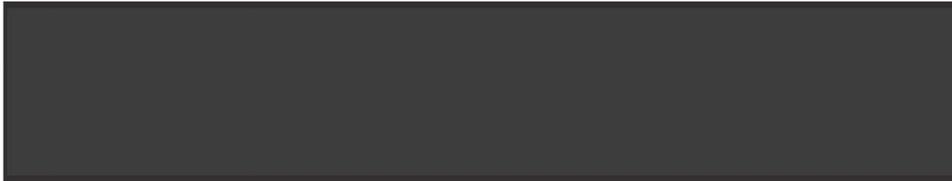
AND TO:

MICHAEL SIOEN (Principal Director)



AND TO:

LORETTA SIOEN (Director)



CLAIM

1. THE PLAINTIFFS CLAIMS AGAINST THE DEFENDANTS:
 - a) Damages in the Amount of \$10,000,000;
 - b) Pre-judgement interest and Post-judgement interest in accordance with the *Courts of Justice Act*, R.S.O 1990, c. C. 43, as amended;
 - c) Costs of this action on a substantial indemnity basis with applicable taxes;
 - d) Such further and other relief as this Honourable Court may deem just;
2. The Plaintiff, Pankaj Sharma (hereinafter "Peter") is an individual residing in the City of Vaughan, Province of Ontario
3. The Defendant, Ayanda Cannabis Corporation (hereinafter "Ayanda") is a corporation incorporated pursuant of the laws of the Dominion of Canada

4. The Defendant, Michael Sioen, (hereinafter "Michael") is an individual residing in the County of Norfolk, Province of Ontario.
5. The Defendant, Loretta Sioen, (hereinafter "Loretta") is an individual residing in the County of Norfolk, Province of Ontario.
6. The Plaintiffs claim that Michael and Loretta are officers and directors of Ayanda and had an agreement with Pankaj Sharma.
7. The Defendants, after numerous requests, delayed and deliberately withheld requested information. The requests were with respect to all expense billing after August 2022, the accounting of the trust monies and the Miller Thompson legal bills.
8. The Defendants after numerous requests did not provide the letter from BMO, which claimed Ayanda was involved in money laundering by receiving expense payments being wired into Ayanda's BMO account. This caused the plaintiff the inability to make cannabis related purchases from said bank account for which they had previously deposited money.
9. The Defendants, pleaded to Peter to keep Brian Sioen, Michael's nephew, as the master grower, despite having firsthand knowledge that he was unable to perform his duties. Michael Sioen did not allow Peter to terminate Brian Sioen, even though the plaintiff had an alternate master grower Andrew Pooran working along side Brian.
10. The Defendants declared bankruptcy claiming Peter walked away during the bankruptcy proceeding. The Defendants claimed no employees were left to operate the business, although Andrew Pooran was still employed and on the Cannabis Licence for Ayanda.
11. The defendants mislead the Bankruptcy Court about their ability to maintain operations. A substantial amount of money which was in trust, was forwarded to the defendants and family which could have been used to continue operations. Ayanda and its bankruptcy trustee provided false information to the courts in order to force bankruptcy.
12. Michael falsely relayed information to Peter's employees regarding the licence being suspended due to a failed audit. Michael called Andrew Pooran on August 1, 2023, notifying him the licence was suspended and gathered confidential information regarding Peter.
13. The Defendants did not complete the basic requirements for partial occupancy of the facility.
14. The Defendants with the assistance of the bankruptcy trustee, Adam Sherman of Richter, deluded the status of the company.

15. Without discussion with Peter, the defendants unethically forced Ayanda into bankruptcy after collecting all monies in trust and monies for expenses for the defendant's personal gain.
16. The Defendants and their legal team made claims to the Class B shareholders, that Peter has been unresponsive to the directors of Ayanda for months prior to bankruptcy.
17. An employee/agent of Peter has been residing at the house on the premises since December 2022. The defendants continue to pressure said employee to vacate the premises.
18. The plaintiff pleads that the actions of the Defendants prevented the ability of the Plaintiff's to bring effect of the potential to utilize a Narcotics Dealers License, thus causing a substantial loss of revenue which was caused by the Defendants in this action.
19. The defendants were personally made aware of the plans given to them for a Narcotics Dealers License and the amount of revenue that could have been generated if Peter was able to close the business purchase and land deal.
20. The Plaintiffs request that this action be tried at Newmarket.

PANKAJ SHARMA
87 DUNROBIN CRES
VAUGHAN, ONTARIO
L4H 4A9

(437) 333-5335

punksharma@icloud.com

PLAINTIFF

Court File No.

PANKAJ SHARMA and Ayanda Cannabis Corporation and MICHAEL SIOEN and LORETTA SIOEN

Plaintiffs

Defendants

ONTARIO SUPERIOR COURT OF JUSTICE PROCEEDINGS

COMMENCED AT NEWMARKET

STATEMENT OF CLAIM

Pankaj Sharma

87 Dunrobin Crescent
Vaughan, Ontario L4H4A9

(437) 333-535

punksharma@icloud.ca

Plaintiff

Appendix “H”

Notice of Stay of Proceeding
(Section 69.3(1) of the *Bankruptcy and Insolvency Act*)

**In the Matter of the Bankruptcy of
Ayanda Cannabis Corporation
of the Town of Norwich
in the Province of Ontario**

Pankaj Sharma


Michael Sioen


**Ontario Superior Court of Justice
50 Eagle Street West
Newmarket, ON L3Y 6B1**

Loretta Sioen


Peter Sharma v. Ayanda Cannabis Corporation, Michael Sioen and Loretta Sioen – Court File No. CV-23-00005269-0000

Notice is hereby given that the above debtor (the "**Bankrupt**") made an assignment in bankruptcy on August 25, 2023, under section 49 of the *Bankruptcy and Insolvency Act* (the "**Act**"). Richter Inc. was appointed as trustee in bankruptcy of the Bankrupt (the "**Trustee**").

Pursuant to subsection 69.3(1) of the Act, all proceedings against the Bankrupt are stayed as of the date of bankruptcy and no person may commence or continue any action or other proceedings against the Bankrupt.

Every receiving order and every assignment made in pursuance of the Act takes precedence over all judicial or other attachments, garnishments, certificates having the effect of judgments, judgments, certificates of judgement, judgements operating as hypothecs, executions or other process against the property of the Bankrupt, except such as have been completely executed by payment to the creditor or his agent, and except also the rights of a secured creditor.

Upon the filing of a Notice of Intention to Make a Proposal or a Proposal made by an insolvent person or upon the bankruptcy of any debtor, no creditor with a claim provable in bankruptcy shall have any remedy against the debtor or his property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy until the Trustee has been discharged or until the Proposal has been refused, unless with the leave of the Court and on such terms as the Court may impose.

Where an assignment or a receiving order has been made, the Sheriff or other officer of any Court or any other person having seized property of the Bankrupt under execution or attachment or any other process shall, upon receiving a copy of the assignment or the receiving order certified by the Trustee as a true copy thereof, forthwith deliver to the Trustee all the property of the Bankrupt in his hands.

T. 416.488.2345/1.866.585.9751
F. 514.934.8603
claims@richter.ca

Richter Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3
www.richter.ca

Where the Sheriff has sold the property of the Bankrupt or any part thereof, he shall deliver to the Trustee the money so realized by him less his fees and the costs referred to in subsection 70(2) of the Act.

Any property of the Bankrupt under seizure for rent or taxes shall on production of a copy of the receiving order or the assignment certified by the Trustee as a true copy thereof be delivered forthwith to the Trustee, but the costs of distress are a first charge thereon, and, if such property or any part thereof has been sold, the money realized therefrom less the costs of distress and sale shall be paid to the Trustee.

Dated at Toronto, Province of Ontario, November 16, 2023.

Richter Inc.
In its capacity as Trustee in Bankruptcy of
Ayanda Cannabis Corporation
And not in its personal or corporate capacity

A handwritten signature in black ink, appearing to be 'AZ', written over a horizontal line.

Adam Zeldin, CPA, CA, CIRP, LIT

Appendix “I”

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, C. B-3, AS AMENDED

AND IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF ADAM SHERMAN
(sworn December 12, 2023)

I, Adam Sherman, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND STATE AS FOLLOWS:**

1. I am a Senior Vice President at Richter Inc. (formerly, Richter Advisory Group Inc.) ("**Richter**") and, as such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief, and whereso stated, I verily believe it to be true.
2. Unless otherwise stated, all monetary amounts contained herein (including exhibits) are expressed in Canadian dollars.
3. On February 4, 2022 (the "**NOI Filing Date**"), Ayanda Cannabis Corporation ("**Ayanda**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended (the "**BIA**"), and Richter was named as proposal trustee of the Company (in such capacity, the "**Proposal Trustee**").
4. Pursuant to paragraph 4 of the order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 1, 2022, the Proposal Trustee and its legal counsel are required to pass their accounts from time to time, which accounts are referred to a judge of the Court.
5. On April 19, 2022, the Company filed its proposal (as amended, the "**Proposal**"), under Part III, Division I of the BIA with the Proposal Trustee, which Proposal, as amended at the first meeting of creditors held on May 9, 2022 (the "**Meeting**"), was unanimously approved by the Company's creditors voting at the Meeting. The Proposal was approved by the Court pursuant to an order dated June 3, 2022 (the "**Proposal Approval Order**").

6. Pursuant to the Proposal Approval Order, the Court approved the fees and disbursements of the Proposal Trustee and its counsel, Thornton Grout Finnigan LLP (“**TGF**”), for the period from February 1, 2022 to May 20, 2022.
7. On August 25, 2023 (the “**Date of Bankruptcy**”), the Court issued an Order (the “**Proposal Annulment Order**”) that, among other things, annulled the Proposal, deemed Ayanda bankrupt and appointed Richter as trustee (the “**Bankruptcy Trustee**”) of Ayanda’s bankrupt estate, subject to affirmation by creditors at the first meeting of creditors.
8. Pursuant to the Proposal Annulment Order, the Court approved the fees and disbursements of the Proposal Trustee and TGF for the period from May 21, 2022 to July 31, 2022.
9. During the period from August 1, 2023 to August 25, 2023 (the “**Proposal Fee Period**”), the Proposal Trustee rendered one (1) invoice on this matter. During the Proposal Fee Period, the Proposal Trustee provided services in the amount of \$42,965.00, plus Harmonized Sales Tax of \$5,585.45, for a total amount of \$48,550.45. The Proposal Trustee’s invoice includes work undertaken by the Proposal Trustee to, among other things, support its motion seeking the Proposal Approval Order and otherwise fulfill its obligations as Proposal Trustee in the administration of the Company’s Proposal proceedings.
10. During the period from August 25, 2023 to November 30, 2023 (the “**Bankruptcy Fee Period**” and collectively with the Proposal Fee Period, the “**Total Fee Period**”), the Bankruptcy Trustee rendered one (1) invoice on this matter. During the Bankruptcy Fee Period, the Bankruptcy Trustee provided services (net of discounts) in the amount of \$96,221.50, plus Harmonized Sales Tax of \$12,508.80, for a total amount of \$108,730.30. The Bankruptcy Trustee’s invoice includes work undertaken by the Bankruptcy Trustee to, among other things, secure and preserve Ayanda’s property while it carries out a process to solicit third-party interest in acquiring Ayanda’s remaining realizable assets, support the Bankruptcy Trustee’s motion seeking the Court’s approval of a transaction for those assets and otherwise fulfill its obligations as Bankruptcy Trustee in the administration of the Company’s bankruptcy proceedings.
11. Attached hereto and marked as **Exhibit “A”** to this Affidavit is a summary of the invoices rendered by the Proposal Trustee and Bankruptcy Trustee during the Total Fee Period (the “**Accounts**”).
12. True copies of the Accounts, which include a fair and accurate description of the services provided, along with the hours and applicable rates claimed by the Proposal Trustee and Bankruptcy Trustee, are attached as **Exhibit “B”** to my Affidavit.

13. Richter, in its capacity as Proposal Trustee, filed three reports and one supplementary report with the Court with respect to Ayanda's NOI/Proposal proceedings, as well as a report on the Company's financial circumstances and the Proposal, pursuant to section 50(10)(b) of the BIA. In addition, the Proposal Trustee filed its supplement to the third report dated August 23, 2023 (the "**Supplementary Third Report**") to support the Proposal Trustee's motion seeking the Proposal Annulment Order. Details of the activities undertaken, and services provided by the Proposal Trustee, as applicable, during the Proposal Fee Period are described in the Supplementary Third Report and incorporated herein by reference.
14. Richter, in its capacity as Bankruptcy Trustee, filed a report to the first meeting of the Company's creditors on preliminary administration. Contemporaneous with the filing of this Affidavit, the Bankruptcy Trustee files its first report to the Court with respect to Ayanda's bankruptcy proceedings (the "**Bankruptcy Trustee's First Report**"). Details of the activities undertaken, and services provided by the Bankruptcy Trustee, as applicable, during the Bankruptcy Fee Period are described in the Bankruptcy Trustee's First Report and incorporated herein by reference.
15. In the course of performing its duties as Proposal Trustee and Bankruptcy Trustee, Richter staff expended a total of 255.20 professional hours during the Total Fee Period. Attached as **Exhibit "C"** to my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Proposal/bankruptcy proceedings and the hours and applicable rates claimed by the Proposal Trustee and Bankruptcy Trustee for the Total Fee Period. The average hourly rate billed by the Proposal Trustee and Bankruptcy Trustee during the Total Fee Period, net of discounts, is \$545.40.
16. The Bankruptcy Trustee requests the Court approve the Accounts for the Total Fee Period, in the total amount of \$139,186.50 (excluding HST) for services rendered and recorded during the Total Fee Period.
17. TGF, as counsel to the Proposal Trustee and Bankruptcy Trustee, has provided legal services to the Proposal Trustee and Bankruptcy Trustee throughout the Company's Proposal/bankruptcy proceedings in a manner consistent with the instructions of the Proposal Trustee/Bankruptcy Trustee. TGF has prepared an affidavit with respect to its fees and disbursements charged in connection with services rendered during the Total Fee Period. The Bankruptcy Trustee has reviewed the invoices rendered by TGF during the Total Fee Period and believes the services performed are consistent with the instructions given by the Proposal Trustee and Bankruptcy Trustee, as applicable.
18. To the best of my knowledge, the rates charged by Richter and TGF are comparable to the rates charged for the provision of similar services by other restructuring and law firms in downtown Toronto.

19. I verily believe that the fees and disbursements incurred by the Proposal Trustee/Bankruptcy Trustee and TGF are fair and reasonable in the circumstances.
20. This Affidavit is sworn in connection with a motion for an Order of the Court to, among other things, approve the fees and disbursements of the Proposal Trustee/Bankruptcy Trustee and those of its legal counsel and for no improper purpose.

SWORN BEFORE ME over videoconference on this 12th day of December, 2023. The affiant was located in the City of Toronto, in the Province of Ontario and the Commissioner was located in the City of Toronto, in the Province of Ontario.



Commissioner for taking affidavits
in the Province of Ontario

Mitchell W. Grossell
LSO #699931



Adam Sherman

This is Exhibit "A" referred to in the Affidavit of
Adam Sherman, sworn on December 12, 2023

A handwritten signature in blue ink, appearing to read "M. Bull", written in a cursive style.

Commissioner for Taking Affidavits, etc.

Richter Inc.
 In its capacity as Bankruptcy Trustee of
 Ayandia Cannabis Corporation
 And not in its personal or corporate capacity
 Statement of Accounts

Proceeding	Invoice #	Period	Fees	Discount	Net Fees	Disbursements	Sub total	HST	Total
Proposal	20409143	August 1, 2023 to August 25, 2023	\$ 42,965.00	\$ -	\$ 42,965.00	\$ -	\$ 42,965.00	\$ 5,585.45	\$ 48,550.45
Bankruptcy	20409381	August 25, 2023 to November 30, 2023	\$ 106,221.50	\$ (10,000.00)	\$ 96,221.50	\$ -	\$ 96,221.50	\$ 12,508.80	\$ 108,730.30
	Total		\$ 149,186.50	\$ (10,000.00)	\$ 139,186.50	\$ -	\$ 139,186.50	\$ 18,094.25	\$ 157,280.75

This is Exhibit "B" referred to in the Affidavit of
Adam Sherman, sworn on December 12, 2023

A handwritten signature in blue ink, appearing to read "M. Bull", written in a cursive style.

Commissioner for Taking Affidavits, etc.

RICHTER

BUSINESS | FAMILY OFFICE

Ayanda Cannabis Corporation
324 Burford-Delhi Townline Road
Norwich, ON N0J 1P0

Date: 10/24/2023
Invoice No.: 20409143
Engagement No.: 2022585
Payment Terms: Due on Receipt

Re Proposal of Ayanda Cannabis Corporation

Professional services rendered to August 25, 2023 \$ 42,965.00

Sub-Total	42,965.00
GST/HST #885435842 RT0001	5,585.45
Total Due	CAD \$ 48,550.45

TORONTO

Richter Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

Invoice No.: 20409143
Date: 10/24/2023

Fees

Name	Hours	Rate	Amount
Adam Sherman	21.00	\$ 795.00	\$ 16,695.00
Adam Zeldin	47.00	550.00	25,850.00
Carol O'Donnell	1.40	300.00	420.00
	69.40		\$ 42,965.00

Invoice No.: 20409143
Date: 10/24/2023

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
8/1/2023	Adam Sherman Review/revise/update 3rd report/inspector minutes. Emails with TGF re 3rd report/inspector minutes, draft order, . Emails/discussions with Richter team.	2.50	\$ 795.00	\$ 1,987.50
8/1/2023	Adam Zeldin Call with MT re transaction matters. Review comments on Third Report, update same. Calls/emails with TGF re Third Report. Review/comment on draft order. Call/emails with V. Ringelberg/L. Sioen re post-filing bank activity. Draft 2nd Insp. meeting minutes.	3.90	550.00	2,145.00
8/2/2023	Adam Sherman Review/provide comments on updated 3rd report. Finalize/sign inspector minutes. Email from Inspector attaching signed minutes. Emails with TGF, A&B, L. Sioen re updated 3rd report. Emails/discussions with Richter team. Call with L. Sioen.	1.50	795.00	1,192.50
8/2/2023	Adam Zeldin Review of counsel comments re Third Report, update same. Several emails/calls with TGF/Richter Team/Company re Third Report, draft Order, related matters. Review/update fee affidavit and exhibits. Review/update post-filing R&Ds.	4.30	550.00	2,365.00
8/3/2023	Adam Zeldin Review of Company counsel comments on Report, discussions with TGF/A. Sherman re same. Review/update Third Report, compile appendices, incl. updates to fee affidavit. Emails/call with V. Ringelberg.	2.50	550.00	1,375.00
8/4/2023	Adam Sherman Update/finalize/swear fee affidavit. Finalize/sign 3rd report. Emails with TGF. Emails/discussions with Richter team.	1.20	795.00	954.00
8/4/2023	Adam Zeldin Review/update/finalize Third Report, emails/calls with TGF re same and other motion materials. Discussions with A. Sherman.	2.50	550.00	1,375.00
8/8/2023	Carol O'Donnell Post documents to website and E-file to OSB.	0.40	300.00	120.00
8/8/2023	Adam Zeldin Arrange for posting/filing of Third Report, motion materials.	0.10	550.00	55.00
8/9/2023	Adam Zeldin	1.30	550.00	715.00

Invoice No.: 20409143
Date: 10/24/2023

Date	Name and Description	Hours	Rate	Amount
8/10/2023	Carol O'Donnell Calls with realtors re RFP. Call with FCA re insurance matters, review/update questionnaires re same. Emails with L. Sioen re insurance matters, post-filing expenses. Post document to website.	0.20	300.00	60.00
8/10/2023	Adam Sherman Review/provide comments on draft factum. Emails with TGF. Emails/discussions with Richter team.	0.50	795.00	397.50
8/10/2023	Adam Zeldin Call with L. Sioen re insurance matters. Emails to FCA re insurance questionnaire, review/update/complete same. Emails/calls with realtors re lease. Review of appraisal. Review/comment on Factum, emails/calls with A. Sherman/TGF re same.	2.60	550.00	1,430.00
8/11/2023	Adam Sherman Call/emails with C. Yarmie. Emails with A. Zeldin upcoming motion. Emails with TGF re communications with interested parties.	0.50	795.00	397.50
8/11/2023	Adam Zeldin Calls/emails with A. Sherman/M. Grosell re motion materials, access to caselines, stakeholder enquiries. Review email from TGF to J. Couwenberg.	0.50	550.00	275.00
8/14/2023	Carol O'Donnell Post documents to website and file with OSB	0.30	300.00	90.00
8/14/2023	Adam Sherman Emails/calls with TGF, A&B and L. Sioen re upcoming hearing. Attendance at motion, including subsequent discussions with TGF/Richter team/L. Sioen. Email from Court registrar attaching Endorsement of Justice Conway.	2.00	795.00	1,590.00
8/14/2023	Adam Zeldin Calls/emails with TGF/Aird/Richter team/Company re motion and related matters. Attend hearing re Proposal Annulment Motion. Emails with insurance broker. Draft letter to BMO. Review Endorsement, arrange for posting/filing. Emails with realtor.	2.60	550.00	1,430.00
8/15/2023	Adam Sherman Email from N. Cain. Email from M. Sioen attaching Health Canada correspondence re cannabis licences. Emails with TGF. Emails/discussions with A. Zeldin.	0.50	795.00	397.50
8/15/2023	Adam Zeldin	0.60	550.00	330.00

Invoice No.: 20409143
Date: 10/24/2023

Date	Name and Description	Hours	Rate	Amount
8/16/2023	Review of email from N. Cain re request for information. Emails with TGF/L. Sioen re same. Discussions with A. Sherman re next steps. Adam Zeldin Emails to N. Cain. Call with TGF re N. Cain info request, response to same. Emails with Ayanda/Cannavigators re status of mandate. Review HC letter re licenses. Discussions with Richter team. Calls/emails with realtor.	1.80	550.00	990.00
8/17/2023	Adam Sherman Emails from P. Hansen (shareholder). Email from N. Cain. Emails with TGF. Emails/discussions with A. Zeldin. Review/provide comments to responses to stakeholders. Calls/emails with M. Sioen. Review/provide comments on consent agreement re lease lands.	2.50	795.00	1,987.50
8/17/2023	Adam Zeldin Review email from N. Cain re add. info request, draft response re same. Discussions with A. Sherman/TGF re same, related matters. Review of SH enquiry, TGF response re same. Emails with D. Hyde/CannaNav. re Cain request. Review of Consent/CTLS/other docs.	4.30	550.00	2,365.00
8/18/2023	Adam Sherman Emails/calls with M. Sioen re requested info/docs. Review revised consent re lease lands. Email from N. Cain. Review/provide comments on draft email responses to N. Cain. Emails with TGF. Emails/discussions with A. Zeldin.	2.00	795.00	1,590.00
8/18/2023	Adam Zeldin Draft Supp. Third Report. Emails/calls with TGF re Consent. Call with CannaNavigators, review of requested docs. Draft emails to N. Cain re requests, emails to Ayanda/AB re same. Compile PLs/CTLS reports. Email from N. Cain. Discussions with TGF/Richter.	4.20	550.00	2,310.00
8/19/2023	Adam Sherman Calls/email with L. Sioen. Emails with TGF. Emails/discussions with A. Zeldin.	0.50	795.00	397.50
8/19/2023	Adam Zeldin Emails to N. Cain re various requests. Emails with CannaNavigators. Review/update Supp. Third Report.	3.90	550.00	2,145.00
8/21/2023	Adam Sherman	1.20	795.00	954.00

Invoice No.: 20409143
Date: 10/24/2023

Date	Name and Description	Hours	Rate	Amount
8/21/2023	Review/revise/update Supplemental 3rd Report. Emails/discussions with Richter team. Emails with M/L Sioen re signed consent re lease lands. Adam Zeldin	1.80	550.00	990.00
8/22/2023	Review comments on Supp. Third Report, discussions/emails with Richter team/TGF re same. Call to CRA re licenses. Emails with CannaNavigators. Email to N. Cain re info request. Emails/call with V. Ringelberg re CTLS reports. Adam Sherman	0.60	795.00	477.00
8/22/2023	Emails from M. Sioen providing additional requested info/docs. Emails/discussions with Richter team. Emails with TGF re Supplementary 3rd Report. Emails with A&B. Adam Zeldin	1.70	550.00	935.00
8/23/2023	Call to CRA re licenses. Review of CTLS reports, email to N. Cain re same. Emails with V. Ringelberg. Review counsel comments re Supp. Third Report, emails with TGF and updates re same. Email to A&B/Ayanda re report. Discussions with A. Sherman. Adam Sherman	1.00	795.00	795.00
8/23/2023	Emails with TGF/A&B. Finalize/sign Supplementary 3rd Report. Emails/discussions with Richter team. Adam Zeldin	2.30	550.00	1,265.00
8/24/2023	Review/finalize/sign Supp. Third Report, compile appendices re same. Discussions with Richter team re posting/filing of report. Emails with Richter team/TGF re Supp. Third Report. Review service list/supp. service list. Email to N. Cain re info request. Adam Sherman	2.00	795.00	1,590.00
8/24/2023	Email from N. Cain, including review/updates to proposed response. Emails with TGF/A&B/L. Sioen. Emails/discussions with A. Zeldin. Adam Zeldin	3.60	550.00	1,980.00
8/25/2023	Emails with FCA re insurance matters. Discussions with A. Sherman re same. Calls/emails with TGF re stakeholder enquiries. Review email from N. Cain, draft response re same. Discussions with Richter team. Carol O'Donnell	0.50	300.00	150.00
8/25/2023	Post documents to website and file with OSB. Prepare website for bankruptcy. Adam Sherman	2.50	795.00	1,987.50

Invoice No.: 20409143
Date: 10/24/2023

Date	Name and Description	Hours	Rate	Amount
8/25/2023	Adam Zeldin Emails with shareholders. Emails with M. Sioen providing photos/video of cannabis destruction. Emails/calls with TGF/A&B/Richter team re Court motion, related matters. Attendance in Court re motion. Email from Court registrar re Endorsement. Call with TGF/A&B re motion matters. Response email to N. Cain, emails with TGF/A. Sherman re same. Attend hearing re Proposal Annul. Motion. Review of endorsement, emails with TGF re same. Discussions with Richter team.	2.50	550.00	1,375.00
Fees Total		<hr/> 69.40		<hr/> \$ 42,965.00

Invoice No.: 20409143
Date: 10/24/2023

Remittance Form

Ayanda Cannabis Corporation
324 Burford-Delhi Townline Road
Norwich, ON N0J 1P0

Invoice Summary

Sub-Total		\$ 42,965.00
GST/HST #885435842 RT0001		5,585.45
Total Due	CAD	\$ 48,550.45

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca
Please note the legal name change of this entity from Richter Advisory Group Inc. to Richter Inc.**

TORONTO

Richter Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER

BUSINESS | FAMILY OFFICE

Richter Inc., Trustee re: Ayanda Cannabis Corporation
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Date: 12/08/2023
Invoice No.: 20409381
Engagement No.: 2023361
Payment Terms: Due on Receipt

Professional services rendered to November 30, 2023 \$ 106,221.50

Less: Courtesy discount -10,000.00

Sub-Total 96,221.50

GST/HST #885435842 RT0001 12,508.80

Total Due CAD **\$ 108,730.30**

TORONTO

Richter Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

RICHTER.CA

Invoice No.: 20409381
Date: 12/08/2023

Fees

Name	Hours	Rate	Amount
Adam Sherman	32.70	\$ 795.00	\$ 25,996.50
Adam Zeldin	137.10	550.00	75,405.00
Carol O'Donnell	15.00	300.00	4,500.00
Pascale Lareau	1.00	320.00	320.00
	185.80		\$ 106,221.50

Invoice No.: 20409381
Date: 12/08/2023

Fee and Disbursement Details

Date	Name and Description	Hours	Rate	Amount
08/25/2023	Adam Sherman Emails/discussions with Richter team re deemed bankruptcy, next steps.	0.50	\$ 795.00	\$ 397.50
08/25/2023	Adam Zeldin Emails/discussions with Richter team re next steps for bankruptcy	0.50	550.00	275.00
08/28/2023	Carol O'Donnell Open new file in Ascend. Update information and prepare EIS. Prepare draft Notice to Creditors. Prepare statements of affairs. Update supplementary mailing list.	2.70	300.00	810.00
08/28/2023	Adam Sherman Emails with TGF. Emails with Richter team re various bankruptcy matters. Review/update/sign EIS. Emails from OSB re certificate.	1.00	795.00	795.00
08/28/2023	Adam Zeldin Draft letter to BMO re banking matters, transfer of cash. Email to A&B re transfer of funds in trust. Discussions with Richter team re FMOC, statutory reporting, other. Emails with FCA, review of invoice, policy terms.	1.30	550.00	715.00
08/29/2023	Carol O'Donnell Prepare form 43.1 and efile with OSB. Prepare statement of affairs.	0.90	300.00	270.00
08/29/2023	Adam Sherman Emails with A&B. Review/update creditor notice, notice of deemed bankruptcy, SOA. Emails/calls with L/M Sioen re SOA. Emails/discussions with Richter team. Emails from OSB.	2.50	795.00	1,987.50
08/29/2023	Adam Zeldin Review of emails re various creditor mailing/notice matters. Review/comment on notice to creditors. Review of draft SOA, newspaper ad.	0.70	550.00	385.00
08/30/2023	Carol O'Donnell Follow up with OSB regarding Certificate of Assignment. Post certificate to website. Finalize newspaper ad with Niwri Media. Prepare documents to open up new bank account with BMO. Prepare notice to Officer.	0.60	300.00	180.00
08/30/2023	Adam Sherman Review/approve ad re FMOC. Emails/call with M. Sioen re SOA. Emails with TGF. Emails with A&B. Emails/discussions with Richter team. Email from FCA re insurance.	1.00	795.00	795.00
08/30/2023	Adam Zeldin	1.00	550.00	550.00

Invoice No.: 20409381
Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
08/31/2023	Carol O'Donnell Calls with A. Sherman re creditor mailing matters. Review of company records re creditor contact information, email to A. Sherman re same. Emails with C. O'Donnell re estate banking matters. Review of emails re creditor mailing/SOA/related matters. Prepare mailing. Emails to creditors, Post documents to website. Obtain approval for newspaper ad and forward to Niwri.	2.40	300.00	720.00
08/31/2023	Adam Sherman Emails re finalized/signed SOA. Review/approve creditor notice. Emails/discussions with Richter team.	0.50	795.00	397.50
09/01/2023	Adam Sherman Emails with L. Sioen re Sonitrol. Emails with Richter team.	0.30	795.00	238.50
09/05/2023	Carol O'Donnell Create bank account in Ascend. Verify bank for incoming wire transfer, update deposit.	0.50	300.00	150.00
09/05/2023	Adam Sherman Emails/discussions with Richter team re Microsoft licenses, Company records and related matters. Emails with A&B re trust funds. Email from Hyde Advisory. Call with L. Sioen.	0.50	795.00	397.50
09/05/2023	Adam Zeldin Emails/calls with realtors re RFPs. Emails with Hyde Advisory. Email with BMO re funds transfer. Emails/calls with Lanworks re records. Review/update Trustee's Prelim. Report. Discussions with Richter team.	3.40	550.00	1,870.00
09/06/2023	Carol O'Donnell Review and file copy of tearsheet of newspaper ad. Verify bank for incoming wire transfer, update deposit.	0.40	300.00	120.00
09/06/2023	Adam Sherman Emails/call with CBRE. Emails with Lanworks. re Company data. Emails/discussions with A. Zeldin.	0.50	795.00	397.50
09/06/2023	Adam Zeldin Review/update Prelim. Report. Calls with realtors. Call with Hyde Advisory. Emails/call with Lanworks re pre-filing arrears/data backup. Emails with BMO re funds transfer. Call with liquidator. Discussions with Richter team.	3.20	550.00	1,760.00
09/07/2023	Carol O'Donnell Prepare mail affidavit.	0.70	300.00	210.00
09/07/2023	Adam Zeldin	0.90	550.00	495.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
09/08/2023	Call with Lanworks re data backup, pre-filing amounts owing. Discussions with Richter team. Calls with realtors. Adam Sherman Emails/calls with L. Sioen. Emails with R. Fuller.	0.50	795.00	397.50
09/08/2023	Adam Zeldin Review of Lanworks invoices. Prepare Pre-payment letter re data backup services. Emails with Lanworks re same. Discussions with Richter team. Emails/calls with realtors.	0.90	550.00	495.00
09/11/2023	Adam Sherman Emails/call with R. Fuller, legal counsel for L/M Sioen. Review, revise, update Trustee's preliminary report. Emails/discussions with Richter team.	2.00	795.00	1,590.00
09/11/2023	Adam Zeldin Review/update Trustee's Prelim. Report. Emails with A. Sherman/TGF re same. Emails with TGF re creditors meeting. Review/finalize letter to Lanworks. Discussions with Richter team.	2.60	550.00	1,430.00
09/12/2023	Carol O'Donnell Prepare transfer from general trust account to Ayanda, update transfer and deposit. Prepare cheque.	0.60	300.00	180.00
09/12/2023	Adam Sherman Emails/call with A. Zeldin re Trustee report/other matters. Email/call with L. Sioen re landlord claim. Review Avison Young/Cushman Wakefield proposals. Email from TGF re comments on Trustee report.	1.30	795.00	1,033.50
09/12/2023	Adam Zeldin Review of counsel comments on Trustee's Prelim. Report, update same and emails with TGF re same. Review of realtor proposals. Emails with Lanworks re data backup. Prepare wire requisition re payment to Lanworks. Discussions with Richter team.	2.40	550.00	1,320.00
09/13/2023	Carol O'Donnell Enter proof of claims from proposal to bankruptcy. Email to A. Sherman regarding no POC's filed for meeting. Prepare list of attendees and send e-mail with details for FMOC.	0.70	300.00	210.00
09/13/2023	Adam Sherman Emails/calls with Richter team re Trustee report, realtor proposals, other matters in prep for FMOC. Email from TGF re communications with C. Yarmie. Email from N. Dmetriuc re FMOC. Email from/call with M. Sioen re landlord claim.	1.20	795.00	954.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
09/13/2023	Adam Zeldin Calls with realtors. Review realtor proposals, update comp. analysis re same. Respond to shareholder enquiries re FMOC. Discussions with Richter team re realtor proposals/FMOC. Call with L. Sioen re security system.	3.30	550.00	1,815.00
09/14/2023	Carol O'Donnell Verify and update proofs of claim and registration forms. Prepare claims register. Send out additional emails for FMOC. Email trustee report for FMOC. Attend Creditors meeting. Prepare attendance register. Post document to website and e-file to OSB.	2.90	300.00	870.00
09/14/2023	Carol O'Donnell Prepare wire transfer, update estate GL.	0.40	300.00	120.00
09/14/2023	Adam Sherman Finalize/sign Trustee report. Emails/discussions with Richter team re FMOC. Attend FMOC and subsequent Inspector meeting. Discussions with Richter team/TGF re next steps. Emails/calls with M/L Sioen. Review/approve wires.	3.00	795.00	2,385.00
09/14/2023	Adam Zeldin Prepare for/chair first meeting of creditors. Chair first inspector meeting. Draft minutes re first inspector meeting. Emails/calls with TGF/A. Sherman re FMOC, inspector meeting, other matters. Emails with Lanworks. Emails with FCA.	4.40	550.00	2,420.00
09/15/2023	Adam Zeldin Calls with AY. Call with shareholder. Review/update First Inspectors Meeting minutes. Draft FMOC minutes. Discussions with Richter team.	2.20	550.00	1,210.00
09/18/2023	Adam Sherman Emails with A. Zeldin re draft inspector email. Emails with TGF. Discussions with A. Zeldin.	0.50	795.00	397.50
09/18/2023	Adam Zeldin Draft/finalize email to Inspectors re proposed listing agent terms, calls/emails with TGF re same. Review/update FMOC minutes. Call/emails to FCA re insurance matters. Discussions with Richter team. Call with Lanworks.	2.50	550.00	1,375.00
09/19/2023	Adam Sherman Review/provide comments on draft inspector minutes. Emails/discussions with A. Zeldin. Emails with TGF. Emails with Y. Appalsamy, a significant investor.	1.40	795.00	1,113.00
09/19/2023	Adam Zeldin	2.30	550.00	1,265.00

Invoice No.: 20409381
Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
	Emails/calls with inspectors. Emails/calls with Sonitrol. Review counsel comments re inspector meeting minutes, update and send same to inspectors. Email to Hyde Advisory. Discussions with Richter team. Review emails re SH enquiry.			
09/20/2023	Adam Sherman Emails/call with M. Sioen re property claim. Emails/discussions with A. Zeldin.	0.60	795.00	477.00
09/20/2023	Adam Zeldin Chair Second Insp. Meeting, draft minutes, emails/calls with TGF re same. Discussions w/ Richter team. Emails/calls with AY re deal terms. Emails with inspectors. Review of draft Hyde agreement. Call/emails with Sonitrol. Review property claim support.	4.20	550.00	2,310.00
09/21/2023	Adam Sherman Emails with A. Zeldin/M. Grossell re Hyde agreement. Discussions with A. Zeldin.	0.30	795.00	238.50
09/21/2023	Adam Zeldin Review counsel comments re Hyde Advisory success fee agreement, update same, emails with TGF re same. Call with AY re deal terms.	1.50	550.00	825.00
09/22/2023	Adam Sherman Emails from TGF re Hyde agreement. Emails/discussions with A. Zeldin.	0.40	795.00	318.00
09/22/2023	Adam Zeldin Review/update second insp. meeting minutes. Review counsel comments re Hyde agreement, update same and calls/emails with TGF/Hyde re same. Emails/calls with AY re deal terms. Preliminary review of listing agreement.	3.10	550.00	1,705.00
09/25/2023	Adam Zeldin Review/comment on Listing Agreement, emails/call with AY re same. Emails with Hyde re Hyde agreement. Emails/calls with TGF re Listing Agreement/Hyde agreement, review TGF updates to same.	2.20	550.00	1,210.00
09/26/2023	Adam Zeldin Emails/calls with AY re Listing Agreement, other sale process matters. Call with Hyde Advisory/TGF re sale process. Discussions with Richter team. Review of estate GL. Call with Hydro One. Call with Sonitrol.	1.60	550.00	880.00
09/27/2023	Adam Sherman Emails/discussions with A. Zeldin re listing agreement, other matters.	0.50	795.00	397.50
09/27/2023	Adam Zeldin	0.60	550.00	330.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
09/28/2023	Adam Sherman Emails/calls with AY re Listing Agreement. Review final updates to same. Emails/call with Richter team.	0.40	795.00	318.00
09/28/2023	Adam Zeldin Emails/discussions with A. Zeldin re listing agreement, related matters.	1.30	550.00	715.00
09/29/2023	Adam Zeldin Review/finalize/sign Listing Agreement. Review/finalize/sign Hyde Success Fee agreement. Emails/calls with AY/Hyde re sale process matters. Emails with inspector re update, attendance at facility. Call with AY re site visit. Discussions with Richter team.	0.50	795.00	397.50
10/02/2023	Adam Sherman Emails/call with M. Sioen re property claim. Emails from Hyde. Emails/discussions with Richter team.	1.00	795.00	795.00
10/02/2023	Adam Sherman Email from Hyde Advisory re sale matters. Emails/calls with M/L Sioen re property claim. Email from TGF. Emails/discussions with A. Zeldin.	2.20	550.00	1,210.00
10/03/2023	Adam Zeldin Emails with Y. Appalsamy re update. Calls/emails with AY. Review/comment on Hyde web summary, emails/calls with TGF/Hyde re same. Emails with inspectors/L. Sioen/AY re site tour. Review property proof of claim.	0.30	795.00	238.50
10/03/2023	Adam Sherman Email from A&B re Sioen property claim. Emails/discussions with Richter team.	2.30	550.00	1,265.00
10/04/2023	Adam Zeldin Attend at Ayanda facility for site tour with Listing Agent/Inspectors. Emails with Listing Agent re MLS listing. Emails with Hyde re published listing. Review/provide equipment listings to Hyde. Emails with inspectors.	0.50	795.00	397.50
10/04/2023	Adam Sherman Emails from creditors. Email from J. Davidson, counsel to P. Sharma. Emails/discussion with A. Zeldin.	1.80	550.00	990.00
10/05/2023	Adam Zeldin Emails with inspectors/TGF re meeting. Respond to creditor/interested party enquiries. Review email from former purchaser counsel re sale process. Review AY info request, emails with L. Sioen re same. Review/comment on AY teaser/mock signage.	0.40	320.00	128.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
10/05/2023	Prepare bank reconciliation, pdf, update bank reconciliation file. Adam Sherman Call with J. Davidson, including follow up email. Emails/call with A. Zeldin. Email from TGF.	1.00	795.00	795.00
10/05/2023	Adam Zeldin Review of AY NDA, emails with TGF re same and teaser. Review of email from P. Hanson. Emails/calls with L. Sioen/Richter team re books and records. Email to inspectors re property PoC, emails with TGF re same. Respond to creditor enquiry.	2.20	550.00	1,210.00
10/06/2023	Adam Zeldin Chair 3rd inspector meeting, emails/calls with TGF re same. Discussions with Richter team. Emails with Hyde re info request. Review/upload virtual B&R, emails/calls with Lanworks re same.	2.00	550.00	1,100.00
10/10/2023	Adam Sherman Emails/discussion with A. Zeldin re property claim. Email from TGF.	0.20	795.00	159.00
10/10/2023	Adam Zeldin Emails/calls with TGF/L. Sioen/Richter team re Property PoC. Emails/calls with HydroOne re service/arrears. Emails with AY/Hyde re sale process. Email to inspectors re Property PoC. Respond to inspector enquiries. Review of Ayanda B&R.	3.60	550.00	1,980.00
10/11/2023	Adam Zeldin Review emails from N. Cain re Property PoC, other matters. Draft response email re same and emails/calls with TGF. Chair 4th Inspector meeting. Review Hyde marketing post, emails with Hyde re same. Respond to AY re info request.	3.10	550.00	1,705.00
10/12/2023	Adam Sherman Emails/discussions with A. Zeldin re inspector communications. Emails from TGF.	0.20	795.00	159.00
10/12/2023	Adam Zeldin Emails/calls with N. Dmetriuc re attendance at site to oversee ES Farming property removal. Draft minutes of 3rd/4th inspector meeting. Discussions with Richter team.	1.80	550.00	990.00
10/13/2023	Adam Zeldin Email to inspectors re removal of property re: ES Farming PoC. Emails with Hyde re sale process status update. Review of template APA re AY sale process.	1.80	550.00	990.00
10/16/2023	Adam Sherman	0.20	795.00	159.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
10/17/2023	Review/approve bank rec for September 2023. Adam Sherman Emails from/to P. Sharma. Emails with TGF. Emails/discussion with A. Zeldin.	1.00	795.00	795.00
10/18/2023	Adam Zeldin Emails/calls with FCA re insurance matters. Review email from AY re severance matters, emails with A. Sherman re same. Emails with Richter team re Enbridge refund, arrange for deposit of same.	0.50	550.00	275.00
10/19/2023	Carol O'Donnell Prepare deposit. Prepare GL's.	0.20	300.00	60.00
10/19/2023	Adam Zeldin Calls/emails with Sonitrol//Execulink re security/internet matters, post-filing expenses. Calls w/ M. Sioen/L. Sioen re security matters. Email to inspectors re security update. Emails w/ C. Yarmie re sale process. Discussions w/ Richter team/TGF.	2.40	550.00	1,320.00
10/20/2023	Adam Zeldin Emails/calls with Sonitrol/M. Sioen re security system matters. Update email to inspectors re same. Discussions with Richter team.	0.70	550.00	385.00
10/23/2023	Adam Sherman Discussion with A. Zeldin re various matters.	0.20	795.00	159.00
10/23/2023	Adam Zeldin Calls/emails with Hyde/A&Y re sales process update, other sale process matters. Emails with L. Sioen/M. Sioen re site tour for prospective buyers. Review of estate GL and prepare Interim R&D.	2.30	550.00	1,265.00
10/24/2023	Adam Zeldin Call with Hyde re sale process update. Review emails from AY re sale process, prospective buyer enquiry.	0.80	550.00	440.00
10/25/2023	Adam Sherman Emails/discussion with A. Zeldin. Email from M. Grossell.	0.30	795.00	238.50
10/25/2023	Adam Zeldin Review/update email to inspectors re sale process/post-filing exp./Interim R&D, emails with TGF/Richter team re same. Emails with Execulink re post-filing exp. Emails with Hyde re site visit. Emails with FCA.	1.60	550.00	880.00
10/26/2023	Carol O'Donnell Prepare wire transfers and cheque. Verify POC and enter into Ascend.	0.80	300.00	240.00
10/26/2023	Adam Zeldin	2.30	550.00	1,265.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
	Review/respond to inspector enquiries. Calls with L. Sioen re site visit, CRA matters. Emails with Hyde re data room, review same. Prepare cheque/wire req. re post-filing expenses, emails with Sonitrol/Execulink/FCA re same. Review HydroOne PoC.			
10/27/2023	Adam Sherman Review/approve expenses. Emails/discussions with Richter team.	0.30	795.00	238.50
10/27/2023	Adam Zeldin Review email/due diligence documents from M. Sioen, email to Hyde re same. Emails/calls with L. Sioen/CRA re return of deposit, information request, CannaNavigators engagement. Emails with AY re sale process matters. Call with HydroOne re post-filing exp.	1.80	550.00	990.00
10/30/2023	Carol O'Donnell Transfer funds from general trust account to Ayanda's bank account, update estate GL. Update wire transfers. File copy of cheque.	0.70	300.00	210.00
10/30/2023	Adam Zeldin Emails with Richter team re estate banking matters. Draft/finalize email to inspectors re retention of CannaNavigators, emails/calls with TGF/CannaNavigators/L. Sioen/M. Sioen re same. Emails with Sonitrol re post-filing exp.	2.20	550.00	1,210.00
10/31/2023	Adam Zeldin Calls/emails with inspectors re retention of CannaNavigators, inspector resolution re same. Emails with Sonitrol/L. Sioen re security matters. Call with prospective buyer. Call with AY re sale process. Emails with Lanworks re records.	1.20	550.00	660.00
11/01/2023	Adam Zeldin Emails/calls with L. Sioen/CannaNavigators re info request and response to CRA. Emails with Inspectors re resolution to retain CannaNavigators. Emails/calls with AY/Hyde re sale process.	1.50	550.00	825.00
11/02/2023	Adam Zeldin Call with prospective buyer. Emails/calls with Hyde/AY re sale process matters. Emails/calls with CannaNavigators re engagement, prepare wire req re same. Discussions with Richter team.	2.00	550.00	1,100.00
11/03/2023	Adam Sherman Review/approve wires. Emails with Richter team.	0.20	795.00	159.00
11/03/2023	Adam Zeldin	1.80	550.00	990.00

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Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
11/06/2023	Adam Zeldin Calls with Hyde/AY/M. Sioen/prospective buyer re sale process matters. Emails with CannaNavigators. Call with CRA re status of review, return of security deposit. Review of estate GL. Discussions with Richter team.	1.50	550.00	825.00
11/07/2023	Adam Zeldin Calls/emails with A. Sherman/TGF re lease matters. Call with Hyde re sale process matters. Calls/emails with AY/M. Sioen/L. Sioen re sale process, site visit. Emails with CannaNavigators re status update.	0.90	550.00	495.00
11/08/2023	Adam Zeldin Review/finalize template APA, emails with AY re same. Calls with AY re sale process. Call with prospective buyer.	1.00	550.00	550.00
11/09/2023	Adam Zeldin Call with AY re prospective buyers, other sale process matters. Emails/calls with M. Sioen/CRA re CRA regulatory review. Discussions with Richter team.	1.00	550.00	550.00
11/10/2023	Adam Sherman Email from P. Sharma/12830353 Ontario attached property claims, including responding email. Emails/discussions with A. Zeldin. Emails with TGF.	0.60	795.00	477.00
11/10/2023	Adam Zeldin Review of P. Sharma property claims, calls/emails with Richter team/TGF/M. Sioen/Inspectors re same. Emails/call with P. Sharma re property claim. Calls/emails with Hyde/AY re sale process. Call with prospective purchaser, arrange site visit.	3.10	550.00	1,705.00
11/11/2023	Adam Zeldin Review of Peter Sharma statement of claim, emails with TGF re same.	0.50	550.00	275.00
11/13/2023	Adam Sherman Emails with M. Sioen re Sharma statement of claim. Preliminary review of offers. Emails/discussions with A. Zeldin re various matters, including property claim, offers, etc.	1.00	795.00	795.00
11/13/2023	Adam Zeldin Review of email/pics from M. Sioen re Sharma property claims, draft email to P. Sharma re same and emails/calls with Richter team/TGF re same. Call w Hyde re sale process. Draft stay letter re Sharma St. of Claim.	4.30	550.00	2,365.00

Invoice No.: 20409381
Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
11/14/2023	Adam Sherman Emails/discussions with A. Zeldin re offers, property claim, related matters. Emails from TGF.	0.80	795.00	636.00
11/14/2023	Adam Zeldin Review of offers. Email to P. Sharma re property claims, email to inspectors. Call with L. Sioen re sale process matters, Sharma St. of Claim. Review books/records. Emails/calls with Richter team/TGF/Hyde/AY.	3.10	550.00	1,705.00
11/15/2023	Adam Zeldin Arrange site tour for prospective purchaser. Respond to creditor enquiry. Calls with AY re bid.	0.60	550.00	330.00
11/16/2023	Carol O'Donnell Prepare registered mail for stay of proceedings notice.	0.40	300.00	120.00
11/16/2023	Adam Sherman Call with L. Sioen. Emails/discussions with A. Zeldin re offers/next steps. Emails with TGF re stay notice for statement of claim.	0.80	795.00	636.00
11/16/2023	Adam Zeldin Call with TGF re bids, next steps. Call with L. Sioen re bids, CRA review, other. Review comments on stay notice, finalize/arrange delivery re of same. Discussion with A. Sherman. Email to inspectors re next day insp. meeting. Emails with Hyde/AY.	2.20	550.00	1,210.00
11/17/2023	Adam Sherman Discussions with A. Zeldin re inspector meeting/related matters.	0.50	795.00	397.50
11/17/2023	Adam Zeldin Prepare for and chair fifth meeting of inspectors. Follow up calls with Richter team/TGF. Emails/calls with Hyde re offer. Call with prospective purchaser re offer. Emails/calls with M. Sioen/L. Sioen re sale process matters, offers received, next steps.	2.40	550.00	1,320.00
11/20/2023	Adam Sherman Emails with A. Zeldin/M. Grossell, including discussions with A. Zeldin re offers/APA.	0.30	795.00	238.50
11/20/2023	Adam Zeldin Calls/emails with Hyde/S. Hedmann re funding commitment. Review letter from CRA re regulatory review results, email/call with TGF re same. Email to P. Sharma re property claim. Email to inspectors re property claim, offers, meeting.	2.80	550.00	1,540.00
11/21/2023	Adam Sherman	0.20	795.00	159.00

Invoice No.: 20409381
Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
11/21/2023	Discussion with A. Zeldin re offers, property claim, next steps. Adam Zeldin Calls/emails with Hyde/S. Hedmann re funding commitment. Review letter from CRA re regulatory review results, email/call with TGF re same. Email to P. Sharma re property claim. Email to inspectors re property claim, offers, meeting.	2.50	550.00	1,375.00
11/22/2023	Adam Sherman Emails/discussions with A. Zeldin, including comments on draft waterfall.	0.30	795.00	238.50
11/22/2023	Adam Zeldin Emails/calls with inspectors. Prepare estimated distribution analysis. Chair 6th inspector meeting. Emails with Hyde. Emails with S. Hedmann re funding commitment, offer attributes. Emails/discussions with Richter team/TGF. Call with L. Sioen.	2.70	550.00	1,485.00
11/23/2023	Adam Zeldin Review/revise distribution analysis. Emails to inspectors re meeting. Emails/calls with S. Hedman/Hyde re funding commitment. Review of claims register, estate GL. Richter team discussion re inspector meeting, CRA assessment, dist. analysis.	3.80	550.00	2,090.00
11/24/2023	Adam Sherman Review funding commitment letter, including email from TGF on same. Attend inspector meeting re sale/related matters. Discussion with A. Zeldin/M. Grossell. Call with L. Sioen. Emails with A. Zeldin re disallowance. Email from P. Sharma.	2.00	795.00	1,590.00
11/24/2023	Adam Zeldin Chair 7th insp. meeting. Prepare resolution re transaction/motion to Court. Emails/calls with A. Sherman/TGF. Emails/calls with S. Hedman/Hyde re funding commit., review same. Respond to inspector enquiries. Finalize/issue Sharma disallowances.	4.20	550.00	2,310.00
11/25/2023	Adam Zeldin Review email from P. Sharma re property claim. Review email from TGF in response to same.	0.50	550.00	275.00
11/26/2023	Adam Zeldin Review email from M. Sioen re Sharma property claim. Emails with TGF re response to Sharma re property claim. Email to P. Sharma re disallowance of property claim.	0.70	550.00	385.00
11/27/2023	Adam Sherman	0.50	795.00	397.50

Invoice No.: 20409381
Date: 12/08/2023

Date	Name and Description	Hours	Rate	Amount
11/27/2023	Adam Zeldin Emails/discussions with A. Zeldin. Email from C. Yarmie, estate inspector. Emails from M. Grossell re draft email on property claim, inspector matters. Calls/emails with inspectors re transaction matters. Emails with Hyde. Call with TGF re transaction matters. Discussions with Richter team. Draft minutes of sixth inspector meeting.	1.80	550.00	990.00
11/28/2023	Adam Sherman Call with A. Zeldin/M. Grossell re next steps. Emails from M. Grossell re ground lease, proposed agenda for inspector meeting.	0.70	795.00	556.50
11/28/2023	Adam Zeldin Nov 27 - Review email from Inspector, emails with TGF re same. Call with TGF re next steps. Emails with inspectors re next steps in pursuing transaction. Update Interim R&D, review estate GL. Begin drafting First Report. Emails with Richter team re HST.	3.10	550.00	1,705.00
11/29/2023	Pascale Lareau Working on authorization documents for CRA re HST matters.	0.60	320.00	192.00
11/29/2023	Carol O'Donnell Follow up for HST numbers.	0.10	300.00	30.00
11/29/2023	Adam Zeldin Continue drafting First Report. Calls/emails with S. Hedman. Respond to creditor enquiry. Emails with Hyde/AY re sale process metrics. Emails/calls with TGF re transaction matters.	2.90	550.00	1,595.00
11/30/2023	Adam Sherman Review/approve bank rec for October 2023.	0.20	795.00	159.00
11/30/2023	Adam Zeldin Review/update First Report. Review of email from TGF re revised APA, review of same and email to S. Hedman re same. Review email from Hyde re SP metrics. Update meeting agenda and send to Inspectors. Email/call to Health Canada.	3.50	550.00	1,925.00
Fees Total		185.80		\$ 106,221.50

Invoice No.: 20409381
Date: 12/08/2023

Remittance Form

Richter Inc., Trustee re: Ayanda Cannabis Corporation
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Invoice Summary

Sub-Total		\$ 96,221.50
GST/HST #885435842 RT0001		12,508.80
Total Due	CAD	\$ 108,730.30

Payment Options

**At this time, we ask that payment not be made by cheque.
Please use one of the payment options below. We appreciate your collaboration.**

Wire Transfer Toronto Dominion Bank
Commercial Banking Center
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2
Bank Institute No.: 004
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR
Email payment details, including invoice number and amount paid to:
ClientService@richter.ca

Credit Card payments can be made by contacting us as indicated below.

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca
Please note the legal name change of this entity from Richter Advisory Group Inc. to Richter Inc.**

TORONTO

Richter Inc.
181 Bay St., #3510
Bay Wellington Tower
Toronto ON M5J 2T3
416.488.2345

MONTRÉAL

1981 McGill College
Montréal QC H3A 0G6
514.934.3400

CHICAGO

200 South Wacker, #3100
Chicago IL 60606
312.828.0800

This is Exhibit "C" referred to in the Affidavit of
Adam Sherman, sworn on December 12, 2023

A handwritten signature in blue ink, appearing to read "M. Bull", written in a cursive style.

Commissioner for Taking Affidavits, etc.

Richter Inc.
 In its capacity as Bankruptcy Trustee of
 Ayanda Cannabis Corporation
 And not in its personal or corporate capacity
 Statement of Accounts

Exhibit C

Staff member	Proposal			Bankruptcy			Total		
	Number of hours	Hourly rate	Amount	Number of hours	Hourly rate	Amount	Number of hours	Hourly rate	Amount
Senior Vice President									
A.Sherman	21.00	\$ 795.00	\$ 16,695.00	32.70	\$ 795.00	\$ 25,996.50	53.70	\$ 795.00	\$ 42,691.50
Vice President									
A.Zeldin	47.00	\$ 550.00	\$ 25,850.00	137.10	\$ 550.00	\$ 75,405.00	184.10	\$ 550.00	\$ 101,255.00
Administration									
C.O'Donnell	1.40	\$ 300.00	\$ 420.00	15.00	\$ 300.00	\$ 4,500.00	16.40	\$ 300.00	\$ 4,920.00
P.Lareau	-	\$ 320.00	\$ -	1.00	\$ 320.00	\$ 320.00	1.00	\$ 320.00	\$ 320.00
Total	69.40		\$ 42,965.00	185.80		\$ 106,221.50	255.20		\$ 149,186.50
Courtesy discount			\$ -			\$ (10,000.00)			\$ (10,000.00)
Total, net of dicount			\$ 42,965.00			\$ 96,221.50			\$ 139,186.50

Blended average hourly rate:

545.40

Appendix “J”

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE *BANKRUPTCY AND*
*INSOLVENCY ACT, R.S.C. 1985, C. B-3, as amended***

**AND IN THE MATTER OF THE BANKRUPTCY OF
AYANDA CANNABIS CORPORATION OF THE COUNTY
OF NORFOLK, IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF ROBERT I. THORNTON
(Sworn December 12, 2023)

I, **ROBERT I. THORNTON**, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and I am a partner at Thornton Grout Finnigan LLP (“**TGF**”), counsel to Richter Inc. (formerly, Richter Advisory Group Inc.) in its capacity as Bankruptcy Trustee of Ayanda Cannabis Corporation (the “**Bankruptcy Trustee**”) and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as **Exhibit “A”** are copies of the invoices issued by TGF to the Bankruptcy Trustee for fees and disbursements incurred by TGF through the course of these proceedings for the period from August 1, 2023 through to November 30, 2023.

3. Attached hereto as **Exhibit “B”** is a schedule summarizing 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.

4. Attached hereto as **Exhibit “C”** is a schedule summarizing the respective years of call, where applicable, and billing rates of each of the TGF professionals who acted for the Bankruptcy Trustee.

5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe the total hours, fees, and disbursements incurred by TGF in this matter are reasonable and appropriate in the circumstances.

6. I make this affidavit in support of a motion by the Bankruptcy Trustee for, *inter alia*, approval of the fees and disbursements of the Bankruptcy Trustee’s counsel.

SWORN before me
at the City of Toronto
in the Province of Ontario,
this 12th day of December, 2023.



Commissioner for Taking Affidavits
(or as may be)

**MITCHELL W. GROSSELL
(LSO# 69993I)**

ROBERT I. THORNTON

This is Exhibit "A" referred to in the Affidavit of Robert I. Thornton sworn by Robert I. Thornton of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 12th day of December, 2023.

A handwritten signature in blue ink, appearing to read "M. Gossell", is written over a horizontal line.

A Commissioner for taking affidavits *(or as may be)*

MITCHELL W. GROSSELL
(LSO# 699931)

EXHIBIT "A"



Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Richter Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3 Canada

September 13, 2023

Attention: Adam Sherman and Adam Zeldin

Invoice No.: 39851
File No.: 2170-001

RE: NOI of Ayanda Cannabis

**TO ALL PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING THE FOLLOWING
for the period ending: August 31, 2023**

FEES

- Aug-01-23 Telephone call with A. Zeldin regarding Third Report; review of Third Report and provide comments on same; drafting Order; review of Inspectors' Meeting Minutes and provide comments on same;
- Aug-02-23 Review of draft Third Report and review and respond to emails regarding same;
- Telephone call with A. Zeldin to discuss the draft Order and Third Report; review of Services Agreement; further telephone call with A. Zeldin; drafting Notice of Motion; telephone call with A. Zeldin; review of revised Third Report and further revisions to same; revisions to draft Order;
- Aug-03-23 Telephone call with A. Zeldin; review of fee affidavit and revisions to same; review of draft order and revisions to same; revisions to Notice of Motion;
- Aug-04-23 Review of fee affidavit of A. Sherman; commission affidavit; review of Third Report; review of fee affidavit of R. Thornton; commission affidavit; email correspondence and coordination of appendices and compilation of the Motion Record;
- Review of email from M. Grossell regarding fee affidavit and respond to same; email and call with assistant; approve motion record for service; prepare draft email;
- Aug-08-23 Commence drafting Factum in support of annulment of the Proposal and bankruptcy of Ayanda Cannabis Corporation;
- Email to assistant to prepare affidavit of service; review of CaseLines to see if bundle has been established; fully hyperlinking motion record, which including report and affidavits; emails with assistant regarding affidavit of service; review of email from M. Grossell; review of draft affidavit of service;
- Aug-09-23 Continue drafting factum; revisions to same;
- Review of CaseLines; email to M. Grossell regarding CaseLines; email to Commercial List Office; review of email from Court; uploading motion record to Caselines; review

of CaseLines to ensure that all TGF parties have access to bundle; subsequent emails with M. Grossell;

- Aug-10-23 Review of draft Factum; review and respond to emails regarding same;
- Emails regarding uploading Motion Record to CaseLines and dealing with same; email from A. Zeldin regarding link and respond to same; revisions to the Factum; review of revisions from A. Zeldin in respect of the Factum; review of revised draft of the Factum and further revisions to same;
- Draft email to counsel regarding Participant Information Form and send same; emails with M. Grossell; review of emails regarding motion record and instructions to N. Longmore; review of undeliverable message and emails with M. Grossell; updating service list and circulating to M. Grossell; emails with student regarding factum; review of email from M. Grossell regarding service list; review of email from Richter; subsequent emails with student regarding footnotes and review and respond to same;
- Revisions to Factum for motion; hyperlinked relevant statutes and jurisprudence; drafted Schedule A and Schedule B;
- Aug-11-23 Review of revised Factum and further revisions to same; email to B. Brinkman regarding finalized Factum; email correspondence with A. Zeldin regarding access to CaseLines; email correspondence with S. Mackenzie; review of revised Order; review of Participant Information Form; further correspondence regarding attendance of N. Cain; telephone call with shareholder regarding motion;
- Review of email from M. Grossell regarding Factum; review of Factum and finalize to arrange for service; email to Service List; hyperlinking Factum to CaseLines and testing links; uploading Factum to CaseLines; updating affidavit of service, compiling same and swearing; email to N. Longmore; review of emails from M. Grossell; review of CaseLines; email to Court; email to client; further emails with N. Longmore; updating draft Order for Court attendance and circulating to M. Grossell; review of email from counsel and respond to same; review of email from counsel to the Applicant and provide CaseLines access to A&B; email to A&B; prepare Participant Information and sent to M. Grossell; review of email from M. Grossell and upload revised Order to CaseLines; revising Participant Information Form as per M. Grossell and circulating same;
- Aug-14-23 Preparation of submissions in respect of Ayanda hearing; telephone call with A. Sherman and A. Zeldin; telephone call with counsel to the Company regarding preparation for the hearing; attend Court hearing, debrief calls with R. Thornton and Richter regarding hearing; review of endorsement; email to Class B Shareholder;
- Review of email from M. Grossell; updating Participant Information Sheet; email to M. Grossell; review of email from M. Grossell; uploading participant information sheet to CaseLines; review of email from self represented party and respond to same; emails with M. Grossell regarding status of matter;
- Aug-15-23 Review of email from A. Zeldin regarding information request and respond to same;

- Review of email from Commercial List Office and respond to same; email to M. Grossell; email to M. Grossell regarding Endorsement; email from M. Grossell;
- Aug-16-23 Telephone call with A. Zeldin regarding response to N. Cain and Supplemental Report; review of Notice of Intent to Revoke Cannabis Licence;
- Serving Endorsement on Service List;
- Aug-17-23 Review of Notice of Intention regarding cannabis licence; review of email from A. Sherman regarding information request and respond to same; review of draft response to N. Cain regarding information request; drafting consent agreement;
- Aug-18-23 Email from A. Zeldin regarding consent; review of same; telephone call with A. Zeldin regarding information requests; email from A. Zeldin regarding information request;
- Aug-19-23 Review and comment on responses to information requests from N. Cain;
- Aug-21-23 Review of Third Supplemental Report; review and respond to emails regarding same;
- Telephone with A. Zeldin regarding Supplemental Report; review of Supplemental Report and revisions to same; review of comments from R. Thornton; review of Share Purchase Agreement;
- Aug-22-23 Revising Supplement to Third Report; review and respond to emails regarding same;
- Continue review and revision to the Supplemental Report; review of preservation of claims under the BIA; review of the SPA and consideration of recourse to the Purchaser; email to R. Thornton regarding same; email from A. Sherman regarding consent;
- Aug-23-23 Review of draft Supplemental Report;
- Emails from A. Zeldin regarding revised Supplemental Third Report; review of same; final review of Supplemental Report and tend to service of same;
- Aug-24-23 Review and respond to emails regarding objections and submissions; review of draft letter to judge and Service List; telephone call with M. Grossell regarding submissions;
- Telephone call with I. Aversa; consideration of submissions; review of Participant Information Form; email correspondence regarding attendance of Class B Shareholders; review of draft letter to Justice Conway; telephone call with J. Couwenberg regarding motion; telephone call with I. Aversa; telephone call with Richter regarding update;
- Review of email from N. Longmore; review of CaseLines; call with N. Longmore; uploading Motion Record to CaseLines; hyperlinking Factum and uploading same to new adjourned motion bundle;
- Aug-25-23 Telephone call with M. Grossell regarding out one; review of endorsement and review and respond to emails regarding same;

Preparation of submissions for motion to annul proposal and assign Ayanda into bankruptcy; review of draft response to N. Cain and revisions to same; telephone call with Richter and I. Aversa in preparation for hearing; correspondence with counsel to shareholders; correspondence to shareholders; revision to draft order and sending same to Justice Conway; debrief call with R. Thornton;

Aug-28-23 Email from Class B Shareholders regarding destruction of cannabis; email to Richter regarding same;

Aug-31-23 Review of email from S. Mackenzie and respond to same;

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>
Robert I. Thornton	4.30
Mitch Grossell	40.70
Bobbie-Jo Brinkman law cl	7.90
Andrew Nesbitt (student)	4.00
Total Fees	\$41,315.00
HST (@ 13%) on Fees	<u>\$5,370.95</u>
Total Fees and HST	\$46,685.95
<u>DISBURSEMENTS</u>	
3% Administrative Fee	\$1,239.45
Total Taxable Disbursements	\$1,239.45
HST (@ 13%) on Taxable Disbursements	\$161.13
Total *Non-Taxable Disbursements	<u>\$0.00</u>
Total Disbursements and HST	<u>\$1,400.58</u>
TOTAL DUE & OWING	<u>\$48,086.53</u>

Thornton Grout Finnigan LLP



Per: Mitch Grossell

E. & O. E. GST/HST # 87042 1039 RT0001 * GST/HST Exempt

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 33 of The Solicitor's Act, interest will be charged at the rate of 4.00% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

Payment can be made to us by:

- 1. Cheque Payable to Thornton Grout Finnigan LLP or*
- 2. EFT or Wire Transfer to:*

Account No. 027779-002

Transit No. 10532

Institution No. 016 (HSBC Bank Canada)

Account Name - Thornton Grout Finnigan LLP

Address of Bank - 111 Yonge Street, Toronto, Ontario M5C 1W4

Name of Bank - HSBC Bank Canada

SwiftCode: HKBCCATT

Attention: Credit Services Department

Please send remittance advice to ychiu@tgf.ca

Richter Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3 Canada

October 13, 2023

Attention: Adam Sherman and Adam Zeldin

Invoice No.: 39969
File No.: 2170-001

RE: NOI of Ayanda Cannabis

TO ALL PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING THE FOLLOWING for the period ending: September 30, 2023

FEES

- Sep-12-23 Review of Trustee Report for the Creditors' Meeting; provide comments on same; email correspondence with A. Zeldin;
- Sep-13-23 Telephone call with A. Zeldin regarding Creditors' Meeting;
- Sep-14-23 Review of provisions of the BIA in respect of first meeting of the creditors and the appointment of inspectors; review of inspector handbook; telephone call with A. Zeldin; preparation for and attend First Meeting of the Creditors; attend Inspectors Meeting; debrief telephone call with A. Sherman and A. Zeldin regarding Meeting of the Creditors and Inspectors' Meeting;
- Sep-18-23 Review of email from A. Zeldin regarding listing agents; telephone calls (x2) with A. Zeldin; review of final email to the inspectors;
- Sep-19-23 Email correspondence regarding Inspectors' Meeting; review of minutes of the Inspectors' Meeting;
- Sep-20-23 Review of emails from A. Zeldin regarding additional observer; email regarding Hyde Advisory consulting agreement; attend Inspectors' Meeting;
- Sep-21-23 Review of Hyde Advisory Agreement; revisions to same;
- Sep-22-23 Review of additional comments from A. Zeldin regarding the Hyde Advisory agreement;
- Sep-24-23 Review of email from D. Hyde and formulate responses to same;

- Sep-25-23 Review of email from A. Zeldin regarding Avison Young listing agreement; review of listing agreement and provide comments on same; telephone call with A. Zeldin;
- Sep-26-23 Attend call with Hyde Advisory regarding listing; telephone call with A. Zeldin regarding Avison Young listing agreement;

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	
Mitch Grossell	11.20	
Total Fees	\$8,400.00	
HST (@ 13%) on Fees	<u>\$1,092.00</u>	
Total Fees and HST		\$9,492.00
 <u>DISBURSEMENTS</u>		
3% Administrative Fee	\$252.00	
Total Taxable Disbursements	\$252.00	
HST (@ 13%) on Taxable Disbursements	\$32.76	
Total *Non-Taxable Disbursements	<u>\$0.00</u>	
Total Disbursements and HST		<u>\$284.76</u>
 TOTAL DUE & OWING		 <u>\$9,776.76</u>
Thornton Grout Finnigan LLP		



Per: Mitch Grossell

E. & O. E. GST/HST # 87042 1039 RT0001 * GST/HST Exempt

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 33 of The Solicitor's Act, interest will be charged at the rate of 4.00% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

Payment can be made to us by:

1. *Cheque Payable to Thornton Grout Finnigan LLP or*

2. *EFT or Wire Transfer to:*

Account No. 027779-002

Transit No. 10532

Institution No. 016 (HSBC Bank Canada)

Account Name - Thornton Grout Finnigan LLP

Address of Bank - 111 Yonge Street, Toronto, Ontario M5C 1W4

Name of Bank - HSBC Bank Canada

SwiftCode: HKBCCATT

Attention: Credit Services Department

Please send remittance advice to ychiu@tgf.ca



Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Richter Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3

November 15, 2023

Attention: Adam Sherman and Adam Zeldin

Invoice No. 40109

File No. 2170-001

RE: NOI of Ayanda Cannabis

TO ALL PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING THE FOLLOWING for the period ending: October 31, 2023

FEES

- Oct-02-23 Review of email from Hyde Advisory; respond to same;
- Oct-05-23 Review of Avison Young confidentiality agreement and brochure; email to A. Zeldin regarding same; emails from A. Sherman regarding email from purchaser's new counsel; email from A. Zeldin regarding inspectors' meeting;
- Oct-06-23 Review of email from A. Zeldin regarding Proof of Claim; telephone call with A. Zeldin to prepare for Inspectors' Meeting; attendance at Inspectors' Meeting; debrief call with A. Zeldin;
- Oct-10-23 Telephone call with A. Zeldin regarding property claim; further email correspondence from A. Zeldin regarding property claim and inspectors' meeting;
- Oct-11-23 Review of email from N. Cain regarding follow up questions in respect of ES Farming Proof of Claim; telephone call with A. Zeldin regarding questions from N. Cain; attend inspectors meeting to discuss Proof of Claim from ES Farming; further telephone call with A. Zeldin regarding email from N. Cain; review of draft responding email to inquiries from N. Cain;
- Oct-12-23 Commence drafting Asset Purchase Agreement;
- Oct-13-23 Continue drafting Asset Purchase Agreement; email from A. Zeldin regarding return of property;
- Oct-16-23 Review of email from A. Zeldin regarding update from Hyde Advisory;
- Oct-17-23 Review of email from former Purchaser in respect of information requests and provide comments on same;

Oct-19-23 Review of email in respect of security system and provide comments on same;
 Oct-20-23 Review of email from A. Zeldin regarding update with respect to security system;
 Oct-25-23 Review of email from A. Zeldin with respect to inspector update; respond to same;
 Oct-30-23 Review of email from A. Zeldin regarding written update to the inspectors;

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>
Mitch Grossell	7.70
Total Fees	\$5,775.00
HST (@ 13%) on Fees	<u>\$750.75</u>
Total Fees and HST	\$6,525.75
 <u>DISBURSEMENTS</u>	
3% Administrative Fee	\$173.25
Total Taxable Disbursements	\$173.25
HST (@ 13%) on Taxable Disbursements	\$22.52
Total *Non-Taxable Disbursements	<u>\$0.00</u>
 Total Disbursements and HST	 <u>\$195.77</u>
 TOTAL DUE & OWING	 <u>\$6,721.52</u>

Thornton Grout Finnigan LLP



Per: Mitch Grossell

E. & O. E. GST/HST # 87042 1039 RT0001 * GST/HST Exempt

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 33 of The Solicitor's Act, interest will be charged at the rate of 4.00% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

Payment can be made to us by:

1. *Cheque Payable to Thornton Grout Finnigan LLP or*

2. *EFT or Wire Transfer to:*

Account No. 027779-002

Transit No. 10532

Institution No. 016 (HSBC Bank Canada)

Account Name - Thornton Grout Finnigan LLP

Address of Bank - 111 Yonge Street, Toronto, Ontario M5C 1W4

Name of Bank - HSBC Bank Canada

SwiftCode: HKBCCATT

Attention: Credit Services Department

Please send remittance advice to ychiu@tgf.ca

Richter Inc.
181 Bay Street, Suite 3510
Bay Wellington Tower
Toronto, ON M5J 2T3

December 11, 2023

Attention: Adam Sherman and Adam Zeldin

Invoice No.: 40171
File No.: 2170-001

RE: NOI of Ayanda Cannabis

TO ALL PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING THE FOLLOWING for the period ending: November 30, 2023

FEES

- Nov-06-23 Telephone call with A. Zeldin regarding potential issues in respect of treatment of leases; research in respect of same; further telephone call with A. Zeldin;
- Nov-08-23 Telephone call with A. Zeldin regarding purchasers;
- Nov-10-23 Review of claim filed by the former purchaser; emails with A. Zeldin regarding same;
- Nov-12-23 Review of Statement of Claim from former purchaser; email to A. Zeldin regarding same;
- Nov-14-23 Review of email from A. Zeldin regarding response to the former purchaser regarding return of property; review of bids received; draft update email to R. Thornton regarding bids; telephone call with A. Zeldin regarding potential bidders; attend conference call with A. Zeldin and D. Hyde to discuss the potential purchaser and bid; further email correspondence with R. Thornton regarding same;

Instructions from M. Grossell and attend to corporate search;
- Nov-16-23 Review of stay letter and provide comments on same; telephone call with A. Zeldin regarding potential purchasers;
- Nov-17-23 Prepare for and attend Inspectors' Meeting;
- Nov-20-23 Review of Asset Purchase Agreement; draft email to A. Zeldin regarding same;
- Nov-21-23 Review of letter from Canada Revenue Agency regarding reassessment; telephone call with A. Zeldin regarding same; email from A. Zeldin regarding update to the Inspectors;
- Nov-22-23 Review of emails from A. Zeldin regarding Inspectors' Meeting and information with respect to sale approval; further email correspondence with A. Zeldin regarding

distribution waterfall; telephone call with A. Sherman and A. Zeldin regarding Inspectors' Meeting; further email regarding purchased assets; review of proposed waterfall;

- Nov-24-23 Review of Notice of Disallowance; review of Proof of Claim in respect of Nugsmasher; telephone call with A. Zeldin regarding Nugsmasher property claim; review of email from A. Zeldin to N. Cain regarding prospective purchaser and value of the land; attend Inspectors' Meeting; review of email from P. Sharma regarding property claim;
- Nov-26-23 Review of email from L. Sioen regarding potential Health Canada rebates; emails from A. Zeldin regarding response to property claimant;
- Nov-27-23 Review of email from A. Zeldin regarding note to the Inspectors; draft response to property claimant; email from Inspector regarding motion to approve the transaction;
- Nov-28-23 Review of Trustee materials; receiving instructions from M. Grossell regarding case strategy and next steps; review of documents shared by M. Grossell in an email exchange;
- Telephone call with A. Sherman and A. Zeldin regarding proposed plan of action with respect to the sale agreement and position of the Inspectors; draft agenda for Inspectors' Meeting; draft email to M. Sioen regarding extension of lease; review of email from observer; email correspondence regarding same; meeting with D. Devi regarding security opinion and Approval and Vesting Order;
- Nov-29-23 Review of draft Asset Purchase Agreement and revisions to same; email correspondence with the Court regarding scheduling;
- Nov-30-23 Telephone call with M. Grossell regarding Inspector's position on proposed sale;
- Prepare and draft security opinion for Trustee with respect to MSFL; review and analysis of security documents, Trustee reports, motion materials, loan agreements, corporate and PPSA searches of MSFL;
- Email correspondence with the Court regarding scheduling hearing; continue review of Asset Purchase Agreement; email to A. Zeldin regarding revised Asset Purchase Agreement;

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>
Robert I. Thornton	0.20
Mitch Grossell	17.40
Divyansh Dev	6.20
Roxana Manea (Law Clerk)	0.20
Total Fees	\$16,665.00
HST (@ 13%) on Fees	<u>\$2,166.45</u>
Total Fees and HST	\$18,831.45

DISBURSEMENTS

3% Administrative Fee	\$499.95
Total Taxable Disbursements	\$499.95
HST (@ 13%) on Taxable Disbursements	\$64.99
Total *Non-Taxable Disbursements	<u>\$0.00</u>
Total Disbursements and HST	<u>\$564.94</u>
TOTAL DUE & OWING	<u>\$19,396.39</u>

Thornton Grout Finnigan LLP


Per: Mitch Grossell

E. & O. E. GST/HST # 87042 1039 RT0001 * GST/HST Exempt

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 33 of The Solicitor's Act, interest will be charged at the rate of 4.00% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

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2. *EFT or Wire Transfer to:*

Account No. 027779-002

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Institution No. 016 (HSBC Bank Canada)

Account Name - Thornton Grout Finnigan LLP

Address of Bank - 111 Yonge Street, Toronto, Ontario M5C 1W4

Name of Bank - HSBC Bank Canada

SwiftCode: HKBCCATT

Attention: Credit Services Department

Please send remittance advice to ychiu@tgf.ca

This is Exhibit "B" referred to in the Affidavit of Robert I. Thornton sworn by Robert I. Thornton of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 12th day of December, 2023.



A Commissioner for taking affidavits *(or as may be)*

MITCHELL W. GROSSELL
(LSO# 69993I)

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
Thornton Grout Finnigan LLP
for the period August 1, 2023 to November 30, 2023

Invoice #	Fees	Disbursements	HST	Total Hours	Average Hourly Rate	Total (Fees, Disb., HST)
39851	\$41,315.00	\$1,239.45	\$5,532.08	56.90	\$726.10	\$48,086.53
39969	\$8,400.00	\$252.00	\$1,124.76	11.20	\$750.00	\$9,776.76
40109	\$5,775.00	\$173.25	\$773.27	7.70	\$750.00	\$6,721.52
40171	\$16,665.00	\$499.95	\$2,231.44	24.00	\$694.38	\$19,396.39
TOTALS:	\$72,155.00	\$2,164.65	\$9,661.55	99.80	\$730.12	<u>\$83,981.20</u>

This is Exhibit "C" referred to in the Affidavit of Robert I. Thornton sworn by Robert I. Thornton of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 12th day of December, 2023.



A Commissioner for taking affidavits (*or as may be*)

MITCHELL W. GROSSELL
(LSO# 699931)

EXHIBIT “C”

Billing Rates of Thornton Grout Finnigan LLP for the period August 1, 2023 to November 30, 2023

	<u>Position</u>	<u>Rate 2023</u>	<u>Year of Call</u>
Robert Thornton	Partner	\$1,425.00	1984
Mitchell Grossell	Associate	\$750.00	2016
Divyansh Dev	Associate	\$525.00	2023
Andrew Nesbitt	Student	\$425.00	N/A
Bobbie-Jo Brinkman	Law Clerk	\$375.00	N/A
Roxana Manea	Law Clerk	\$375.00	N/A

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, as amended

**AND IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION OF THE COUNTY OF NORFOLK, IN
THE PROVINCE OF ONTARIO**

Court File No. BK-22-02802344-0035

Estate No. BK-22-02802344-0035

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF ROBERT I. THORNTON
Sworn December 12, 2023

THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7
Fax: 416-304-1313

Robert I. Thornton (LSO# 24266B)
Email: rthornton@tgf.ca
Tel: 416 304-0560

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca
Tel: 416 304-1616

Counsel to the Bankruptcy Trustee

PLACEHOLDER

Confidential Appendix “1”: Offer Summary

PLACEHOLDER'

Confidential Appendix "2" <" Unredacted Version of the
Inspector's Resolution"

PLACEHOLDER'

Confidential Appendix "3" Unredacted Version of the APA'

**IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO**

Estate/Court File No.: 35-2802344

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

**FIRST REPORT OF THE BANKRUPTCY
TRUSTEE**

THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSO# 24266B)
Email: rthornton@tgf.ca

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca

Tel: 416 304-1616
Fax: 416-304-1313

Counsel for the Bankruptcy Trustee, Richter Inc.

TAB 3

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the First Report or the APA.

APPROVAL OF TRANSACTION

3. **THIS COURT ORDERS** that the APA and the Transaction be and are hereby approved and that the execution of the APA by the Trustee is hereby authorized, with such minor amendments as the Trustee, the Land Owner and the Purchaser may agree upon. The Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Trustee to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that the Trustee is authorized and directed to perform its obligations under the APA and any ancillary documents related thereto.

6. **THIS COURT ORDERS** that upon the delivery of a certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Trustee's Certificate**"), all of the Trustee's respective right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of all Claims and Encumbrances as described in the APA including, without limiting the generality of the foregoing (a) any encumbrances or charges created by any other orders made in these BIA proceedings; and (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, including those registrations listed on **Schedule "B"**

hereto, and for greater certainty, this Court orders that all Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS AND DIRECTS** the Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof to the Purchaser and the Land Owner, or to their respective counsel.

9. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Company and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Company;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

10. **THIS COURT ORDERS** that Confidential Appendices “1”, “2” and “3” to the First Report, being (i) a summary of the offers received in the sale process; (ii) an unredacted copy of the Inspectors’ Resolution; and (iii) an unredacted copy of the APA, are hereby sealed pending closing of the Transaction.

RELEASES

11. **THIS COURT ORDERS** that effective upon filing of the Trustee’s Certificate, the Trustee and its legal counsel (collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind 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 equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Trustee’s Certificate and that relate in any manner whatsoever to the Company or any of its assets (current or historical), obligations, business or affairs or this proceeding, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the APA or the completion of the Transactions (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 50(14) of the BIA.

APPROVAL OF ACTIVITIES AND FEES OF THE TRUSTEE

12. **THIS COURT ORDERS** that the Supplementary Third Report filed by Richter Inc. in its capacity as proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”), including the activities, decisions and conduct of the Proposal Trustee as set out in the Supplementary Third Report are hereby authorized and approved; provided, however, that only

the Proposal Trustee, 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.

13. **THIS COURT ORDERS** that that the First Report and the activities, decisions and conduct of the Trustee as set out in the First Report are hereby authorized and approved; provided, however, that only the Trustee, 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.

14. **THIS COURT ORDERS** that the professional fees of the Proposal Trustee and Trustee for the period between August 1, 2023, to November 30, 2023, in the amount of \$139,186.50, plus Harmonized Sales Tax (“**HST**”) of \$18,094.25, for a total of \$157,280.75, as further set out in the First Report and the Sherman Affidavit attached as Appendix “I” to the First Report, are hereby approved.

15. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Trustee, for the period between August 1, 2023, to November 30, 2023, in the amount of \$72,155.00, plus disbursements of \$2,164.65 and HST of \$9,661.55, for a total of \$83,981.20, as further set out in the First Report and the Thornton Affidavit attached as Appendix “J” to the First Report, are hereby approved.

GENERAL

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **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. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Trustee and its agents as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

Schedule A

Form of Trustee's Certificate

Estate/Court File No.: 35-2802344

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY OF **AYANDA CANNABIS CORPORATION**
OF THE TOWN OF NORWICH IN THE PROVINCE OF ONTARIO

RECITALS

1. On February 4, 2022, Ayanda Cannabis Corporation (the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 198, c. B-3 (the “**BIA**”).
2. Richter Inc. was appointed as the proposal trustee in the NOI proceedings. On August 25, 2023, the Court issued an order that, among other things, annulled the proposal filed pursuant to Part III of the BIA (the “**Proposal**”) and deemed the Company bankrupt, and appointed Richter Inc. as the trustee-in-bankruptcy of the Company’s bankrupt estate (in such capacity, the “**Trustee**”).
3. Pursuant to the Approval and Vesting Order dated December 19, 2023 (the “**Order**”), the Court approved the transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement dated 12, 2023 (the “**APA**”) among the Trustee, First Class Extracts Corporation (or its assignee) (the “**Purchaser**”) and Luke & Blanche Sioen Farms Ltd. (the “**Land Owner**”) that provided for the vesting in the Purchaser all of the Trustee’s right, title and interest in and to the Purchased Assets, on which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Trustee to the Purchaser of this certificate confirming: (a) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (b) that the conditions to Closing as set

out in the APA have been satisfied or waived by the Purchaser, as applicable; and (c) the Transaction has been completed to the satisfaction of the Trustee.

4. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE TRUSTEE CERTIFIES the following:

1. The conditions to Closing under the APA have been satisfied and/or waived by the Trustee and the Purchaser, as applicable.
2. The Purchaser has paid and the Trustee has received the Purchase Price for the Purchased Assets, subject to applicable adjustments, for the Purchased Assets payable on the Closing Date pursuant to the APA.
3. The Transaction has been completed to the satisfaction of the Trustee.
4. This Certificate was delivered by the Trustee at _____ [TIME] on _____ [DATE].

Richter Inc., in its capacity as trustee-in-bankruptcy of the Company, and not in its personal or corporate capacity.

Per: _____
Name:
Title:

Schedule "B"

Claims to be Deleted or Expunged

Date of Registration	Secured Party	File Number	Collateral Classifications	Expiry Date
October 13, 2021	Michael Sioen Farms Ltd.	777253887	Inventory, Equipment, Accounts, Motor Vehicle, Other	October 13, 2026

**IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION
OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO**

Estate/Court File No.: 35-2802344

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSO# 24266B)
Email: rthornton@tgf.ca

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca

Tel: 416 304-1616
Fax: 416-304-1313

Counsel for the Bankruptcy Trustee, Richter Inc.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, as amended

AND IN THE MATTER OF THE BANKRUPTCY OF AYANDA CANNABIS CORPORATION OF THE COUNTY OF NORFOLK, IN THE PROVINCE OF ONTARIO

Court File No.: BK-22-02802344-0035

Estate No.: BK-22-02802344-0035

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
RETURNABLE DECEMBER 19, 2023**

Thornton Grout Finnigan LLP

100 Wellington St. West

Suite 3200

TD West Tower, Toronto-Dominion Centre

Toronto, ON M5K 1K7

Fax: 416-304-1313

Robert I. Thornton (LSO# 24266B)

Email: rthornton@tgf.ca

Tel: 416 304-0560

Mitchell W. Grossell (LSO# 69993I)

Email: mgrossell@tgf.ca

Tel: 416 304-1616

Counsel to the Proposal Trustee