

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

THE HONOURABLE

)

FRIDAY, THE 25TH

)

JUSTICE CONWAY

)

DAY OF AUGUST, 2023

)

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

ORDER

THIS MOTION, made by the Richter Inc. (formerly, Richter Advisory Group Inc.), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) of Ayanda Cannabis Corporation (“**Ayanda**” or the “**Company**”), for an order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), *inter alia*: (i) annulling the Proposal of Ayanda filed with the Official Receiver on April 19, 2022, as amended on May 9, 2022 (the “**Amended Proposal**”), (ii) deeming Ayanda to have made an assignment into bankruptcy and appointing Richter Inc. as bankruptcy trustee of Ayanda, (iii) amending the definition of the Professional Group in the DIP Financing and Stay Extension Order granted March 1, 2022 to replace Miller Thomson LLP with Aird & Berlis LLP as counsel to Ayanda and the beneficiary of the Administration Charge, (iv) terminating the charge granted in favour of the DIP Lender (the “**DIP Lender’s Charge**”), (v) approving the Third Report of the Proposal Trustee dated August 4, 2023 (the “**Third Report**”) and the activities, actions and conduct of the Proposal Trustee described therein, and (vi) approving the fees and disbursements of the Proposal Trustee and counsel to the Proposal Trustee, was heard this day by judicial videoconference at Toronto, Ontario, in accordance with the Guidelines To Determine Mode of Proceeding in Civil.

ON READING the Third Report, the Supplementary Third Report of the Proposal Trustee dated August 23, 2023, and on hearing the submissions of counsel to the Proposal Trustee, counsel to the Company, Mr. John Couwenberg, a self-represented party, Ms. Natalie Cain, a self-represented party, no one else appearing for any other person on the Service List, although properly served as appears from the affidavits of service of Dannalyn Salita sworn on August 8, 2023, Bobbie-Jo Brinkman sworn on August 11, 2023 and Natalie Longmore sworn August 24, 2023,

Service and Definitions

1. **THIS COURT ORDERS** that capitalized terms that are not otherwise defined in this Order shall have the meaning ascribed to them in the Third Report.
2. **THIS COURT ORDERS** that service of the Motion Record dated August 4, 2023, is hereby validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

Annulment of Proposal and Bankruptcy

3. **THIS COURT ORDERS** that the Amended Proposal is hereby annulled and Ayanda is deemed to have made an assignment into bankruptcy.
4. **THIS COURT ORDERS** that, subject to affirmation from the creditors of Ayanda at the first meeting of creditors, Richter Inc. is hereby appointed as bankruptcy trustee of Ayanda.

Amendment to the DIP Financing and Stay Extension Order

5. **THIS COURT ORDERS** that paragraph 3 of the DIP Financing and Stay Extension Order is hereby deleted in its entirety and replaced with the following:

3. **THIS COURT ORDERS** that the Proposal Trustee, Thornton Grout Finnigan LLP and Aird & Berlis LLP (collectively, the “**Professional Group**”) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Ayanda as part of the costs of these proceedings, both before and after the making of this Order in respect of these proceedings and related matters. Ayanda is hereby authorized to pay the accounts of the Professional Group on a bi-weekly basis.

Termination of Charges

6. **THIS COURT ORDERS** that as of the date of this Order, the DIP Lender’s Charge is irrevocably discharged and terminated.

Approval of the Third Report

7. **THIS COURT ORDERS** that the Third Report and the actions, activities and conduct of the Proposal Trustee described therein be and are hereby 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.

Approval of Professional Fees

8. **THIS COURT ORDERS** that the professional fees and disbursements of the Proposal Trustee for the period between May 21, 2022 to July 31, 2023, in the amount of \$176,620.50, plus disbursements of \$100.66 and Harmonized Sales Tax (“HST”) of \$22,973.76, for a total of \$199,694.92, as further set out in the Third Report and the Sherman Affidavit attached as Appendix “U” to the Third Report, are hereby approved.
9. **THIS COURT ORDERS** that the professional fees and disbursements of Thornton Grout Finnigan LLP for the period between May 21, 2022 to July 31, 2023, in the amount of \$69,165.00, plus disbursements of \$1,840.90 and HST of \$9,224.32, for a total of \$80,230.22, as further set out in the Third Report and the Thornton Affidavit attached as Appendix “V” to the Third Report, are hereby approved.

General

10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons whom it may otherwise be enforced.
11. **THIS COURT ORDERS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give

effect to this Order and to assist the parties and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the parties and to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to grant representative status to the Proposal Trustee in any foreign proceeding.

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

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

Conway J.

ONTARIO
SUPERIOR COURT OF JUSTICE
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COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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