

COURT FILE NUMBER 2201-11655
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp:

MATTER IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP. and 1800905 ALBERTA LTD.

APPLICANTS: SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP. and 1800905 ALBERTA LTD.

DOCUMENT: **AFFIDAVIT OF DANIEL T. WILSON**

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FOURTH AFFIDAVIT OF DANIEL T. WILSON
Sworn on March 15, 2023

I, Daniel T. Wilson, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. I am the President and Chief Executive Officer, interim Vice President of Finance and Chief Financial Officer, and a Director and Chairman of the Board of Sugarbud Craft Grower Corp. ("**SCGC**"), President and Chief Executive Officer, Vice President and Chief Financial Officer and Director of Trichome Holdings Corp. ("**THC**") and 1800905 Alberta Ltd. ("**OpCo**" together with SCGC and THC, the "**Applicants**" or "**Sugarbud**") and I am authorized to swear this affidavit (the "**Affidavit**") on behalf of the Applicants.
2. I have personal knowledge of the matters and facts herein deposed, except where based on information and belief, in which case I believe the same to be true.

3. All capitalized terms not otherwise defined herein shall have the same meaning as within my Affidavit sworn on October 7, 2022 (the "**October 7 Affidavit**"), Second Affidavit sworn on November 28, 2022 (the "**Second Wilson Affidavit**"), and my Third Affidavit sworn on January 12, 2023 (the "**Third Wilson Affidavit**").

Background

4. Sugarbud operates a federally licensed cannabis production facility located in Stavely, Alberta (the "**Facility**") where it produces, distributes and sells cannabis products across Canada.
5. Since receiving its cultivation licence and commencing its cannabis operation in August of 2019, Sugarbud has been cash flow negative for the entire history of its operations. Despite attempts to access additional financing or complete a transaction, Sugarbud is facing a significant working capital deficit which makes it unable to pay its ongoing obligations as they become due.
6. On September 26, 2022, the Applicants each filed a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the BIA and A&M was appointed as Proposal Trustee.
7. As a result of the filing of the NOI, all proceedings against the Applicants and the Property were automatically stayed for an initial period of thirty (30) days (i.e. until October 26, 2022) (the "**NOI Stay Period**"). The NOI Stay Period was subsequently extended to December 10, 2022 by an order (the "**NOI Order**") granted by Justice D.B. Nixon of this Honourable Court on September 29, 2022.
8. The Applicants continued the NOI Proceedings under the CCAA pursuant to section 11.6 of the CCAA on October 18, 2022 and obtained an initial order (the "**Initial Order**") and an amended and restated initial order (the "**ARIO**") on that date.

Current Status of the Applicants Business and Restructuring Efforts

9. During the CCAA proceedings, the Applicants and its management team have been working diligently and in good faith with the Monitor and Connect First Credit Union Ltd. ("**CFCU**" or the "**Interim Lender**") towards a restructuring. Sugarbud requires an

extension of the Stay Period to continue to work toward and complete a transaction or transactions within the CCAA proceedings.

10. The SISP has completed and no party submitted a bid that was acceptable to the Interim Lender. The Applicants are continuing to work with the Monitor and the Interim Lender in order to find a transaction that is satisfactory to the Interim Lender and supported by the Monitor.
11. The Applicants understand that CFCU is going to be submitting a credit bid to purchase the Facility in which the operations are currently conducted.
12. The Applicants are also aware that another party who previously participated in the SISP has approached the Monitor with a proposed transaction that would be complimentary to the one proposed by CFCU but that proposed transaction requires additional time to be in a form capable of being presented to the Court.
13. Since the Second Stay Extension, the Applicants have continued their operations in the normal course until recently, when the Applicants ceased cannabis cultivation to focus on the sale of certain excess inventory to generate additional receivables.
14. The Applicants are requesting an approximately one month extension of the Stay Period to April 28, 2023 (the "**Third Stay Extension**"), because it is not clear how much time will be required to complete a transaction or transactions that are supported by the Monitor and the Interim Lender.
15. With the support of the Monitor and CFCU, Sugarbud is of the view that this extension is appropriate to avoid the unnecessary expenditure of the incremental professional fees that would be incurred in further extending the Stay Period, if a shorter extension was sought at this time.
16. In my view, the requested extension is appropriate, because the Applicants have acted and continue to act in good faith and with due diligence, and the requested extension will not materially prejudice any of the Applicants' creditors.
17. The Applicants cash flow projection for the period up to and including April 28, 2023 will be included in the Monitor's Second Report, to be filed in connection with or shortly after Sugarbud's application.

18. This Affidavit is sworn in support of Sugarbud's Application for an extension of the Stay Period until April 28, 2023.

SWORN before me at the City of Calgary, in)
 the Province of Alberta, this 15th day of)
 March, 2023)



 A Notary Public in and for the
 Province of Alberta

Chris Nylberg
Barrister & Solicitor



DANIEL T. WILSON

This affidavit was sworn using video technology as Daniel T. Wilson was not physically present before the Notary, but was linked with the Notary utilizing video technology.