

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN
LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH
ROAD HOLDING CORP. AND FINAL BELL CORP.**

Applicants

REPLY MOTION RECORD

April 1, 2024

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TO: **THE SERVICE LIST**

INDEX

Tab	Description	Page No.
A	Reply Affidavit of Kay Jessel sworn April 1, 2024	4
1	Exhibit "1" – BZAM Budget Meeting Invite dated January 24, 2024	12
B	Reply Affidavit of Keith Adams sworn April 1, 2024	14
1	Exhibit "1" – Officer's Bringdown Certificate of the Purchaser (BZAM)	25
2	Exhibit "2" – Email from M. Milich dated November 23, 2023	28
3	Exhibit "3" – Email from M. Milich dated November 20, 2023 and attachment – "Project Tower v6"	31
4	Exhibit "4" – Email from M. Milich dated November 14, 2023	41
5	Exhibit "5" – Email from S. Bovingdon dated November 30, 2023	45
6	Exhibit "6" – Email from K. Adams dated November 20, 2023	47
7	Exhibit "7" – Email from K. Hessami dated November 28, 2023	51
8	Exhibit "8" – Email from M. Milich dated November 22, 2023	54
9	Exhibit "9" – FB Canada Financial Information dated September 30, 2023	58

Court File No. CV-24-00715773-00CL

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ROAD HOLDING CORP. AND FINAL BELL CORP.**

Applicants

REPLY AFFIDAVIT OF KAY JESSEL

I, Kay Jessel, of the Municipality of West Vancouver, in the Province of British Columbia, MAKE OATH AND SAY:

1. I am the Executive Director of Final Bell Holdings International Ltd. ("**Final Bell**"), and until recently a director of BZAM Ltd. ("**BZAM**"). I have personal knowledge of the facts and matters contained in this affidavit. To the extent I make statements based on information and belief, I have identified the source of my information or belief and I believe it to be true.
2. I have reviewed the affidavit of Matthew Milich, CEO of BZAM Ltd. ("**BZAM**"), sworn March 25, 2024 (the "**Responding Milich Affidavit**") and the affidavit of Deepak Alappatt of Cortland Credit Lending Corporation ("**Cortland**") sworn March 25, 2024. I am swearing this affidavit in response to those affidavits.

-2-

January 24, 2024 Meeting

3. Mr. Milich states that at the January 24, 2024 meeting the departure of Mr. Bovingdon as CFO of BZAM was discussed and that I voted to approve Mr. Bovingdon's resignation from BZAM's board of directors.

4. I attended a January 24, 2024 BZAM meeting, but it was my understanding that this was a meeting to discuss BZAM's budget, not a formal board of directors' meeting. The invitation I received to the meeting entitled "BZAM Budget Meeting Jan 24, 2024" is attached as **Exhibit "1"**.

5. The meeting took place by video conference, and I attended for two to three hours. At the end of the meeting, attendees began disconnecting from the video conference, but immediately before disconnecting, I heard someone mention that we were moving on to a BZAM board meeting. I was not aware that a board meeting had been scheduled but I rejoined the meeting a few minutes later. When I rejoined, I heard that Mr. Milich had been appointed to the board of directors. I was asked to vote in favour of Mr. Milich's appointment to the board which I agreed to. I do not recall being involved in discussions about Mr. Bovingdon leaving BZAM's board and I do not recall voting on this issue.

6. I was not sent a copy of BZAM board minutes attached as Exhibit "JJ" to Mr. Milich's affidavit and was not asked to approve them. The first time I saw these minutes was when I reviewed Mr. Milich's affidavit. My review of these minutes enabled me to recall that at the January 24, 2024 meeting, there was a discussion about Mr. Bovingdon leaving his role as CFO of the company. I do not recall that there was a detailed discussion of this change or the reasons for it.

-3-

7. In the afternoon of January 24, 2024, I received an email from BZAM's corporate secretary attaching a press release announcing that Mr. Bovingdon would be departing as CFO and stepping down from BZAM's board. In my affidavit dated March 18, 2024, I stated that I did not learn that Mr. Bovingdon had been removed as CFO until February 8, 2024. I now realize this statement was incorrect and I had misremembered when I learned of Mr. Bovingdon's departure.

February 6, 2024 Meeting

8. I attended the February 6, 2024 meeting of the BZAM board by video conference. However, I do not recall what was discussed at this meeting and did not mention it in my affidavit dated March 18, 2024. At the time, I was dealing with a family emergency and, as a result, although I logged into the meeting, I did not actively participate. I was not sent a copy of the minutes of this meeting attached as Exhibit "LL" to Mr. Milich's affidavit and was not asked to approve them. The first time I saw these minutes was when I reviewed Mr. Milich's affidavit.

February 8, 2024 Meeting

9. I also attended the February 8, 2024 meeting of the BZAM board by video conference. I referred to this meeting in my affidavit, dated March 18, 2024, as the first BZAM board meeting I attended as I did not recall attending the February 6th meeting until I reviewed Mr. Milich's affidavit and I did not consider the January 24 meeting to be a substantial meeting of the board.

10. Mr. Milich's affidavit states that the short duration of this meeting was always contemplated, and it was adjourned and then resumed on February 12th. The fact that the February 8th meeting was scheduled to be shorter than usual and was meant to continue on February 12th was not made clear to me at the time. That fact was not communicated to me prior to or at the meeting.

11. I was not sent a copy of the minutes of this meeting attached as Exhibit “MM” to Mr. Milich’s affidavit and was not asked to approve them. The first time I saw these minutes was when I reviewed Mr. Milich’s affidavit. The minutes refer to “a memo prepared by the external advisors with advice related to a potential CCAA filing for the Board’s review.” A copy of this memo was never provided to me. In addition, I do not believe that these minutes reflect what was discussed at the February 8, 2024 board meeting, as set out in my affidavit dated March 18, 2024. My understanding was that February 8th and February 12th were two separate board meetings and I am surprised that the minutes refer to them as a single meeting.

Final Bell’s Desire to Sever Ties with FBC

12. Mr. Milich's affidavit attaches, at Exhibit “GG”, a series of emails sent by me to Final Bell’s corporate counsel, Mihai Ionescu, on December 29, 2023. At the time I sent these emails, we were anticipating that the transaction would close on the next day, December 30, 2023 (ultimately the transaction did not end up closing until January 8, 2024).

13. In these emails I stated that Final Bell has “a strong desire to sever ties with FBC, and if we refuse, we will have to incur losses that we simply cannot bear" and “I need this deal to close.” I made these statements at a time when Final Bell’s due diligence on the transaction had largely been completed and the only outstanding matter was the negotiation of the terms of the promissory note. Mr. Ionescu had just sent me his comments on a revised draft of the promissory note that had been sent to Final Bell by Mr. Milich and reflected revisions by Cortland Credit Lending Corporation (“**Cortland**”).

14. When I stated that Final Bell has “a strong desire to sever ties with FBC, and if we refuse, we will have to incur losses that we simply cannot bear", I was referring to Final Bell’s rationale for selling FBC to BZAM. At the time, FBC was a valuable business that presented significant

-5-

cash flow problems to the rest of the Final Bell group of companies due to an escalation of intercompany debts that was unsustainable. The principal reason for this was an inability of FBC to move cash outside of Canada to fund intercompany payables and thereby adequately flow earnings across the corporate group, while simultaneously necessitating cash injections into FBC to fund growth. In addition, FBC was not able to use intercompany receivables in its borrowing base calculation which limited the amount available to FBC through the credit facility FBC's affiliate had with East West Bank. The acquisition of FBC by BZAM was intended to address this issue and allow FBC to continue to grow. My reference to losses that we cannot bear is a commentary on FBC's inability to continue in its current structure given the overall cash flow situation of the Final Bell group of companies. However, my email does not suggest that Final Bell was desperate to sell FBC or engaged in anything less than a thorough due diligence process.

15. When I stated that "I need this deal to close," I was expressing frustration to Mr. Ionescu that substantive issues regarding the promissory note were still unresolved a day before the expected closing. Final Bell wanted to go ahead with the deal, and I did not want issues around the promissory note to hold it back.

Discussions about a Potential Funder

16. I completely disagree with Mr. Milich's testimony at paragraph 103 of his affidavit. He claims that he offered to speak to a possible funder of BZAM that I had been in contact with but that I never followed-up on his offer. In fact, it was Mr. Milich who was not interested in discussing alternative funders for BZAM.

-6-

17. Following the BZAM board meeting on February 8, 2024, I reached out to key cannabis industry investors to explore financing alternatives to support BZAM instead of a possible restructuring, as Mr. Milich had explained at the meeting that BZAM had a “funding gap”.

18. I spoke with Peter Lee on or around February 8, 2024. Mr. Lee is the founder and principal of Gallant Investment Partners and an alumnus of the UBC Sauder School of Business. He had previously been involved in funding exercises with Final Bell including working with me as co-leader of Final Bell's inaugural funding round of \$18.7 million USD, arranging an interim loan of \$10 million CAD for Final Bell, and securing a \$25 million USD investment from a senior lender in Asia to replace the interim financing. Mr. Lee has considerable influence within the Canadian investment community.

19. Mr. Lee expressed interest in structuring financing for BZAM and was open to further discussions with BZAM's senior management. I exchanged text messages with Mr. Milich on February 8, 2024 to try and arrange a call with him to discuss potential financing. In the end we agreed to meet in person as Mr. Milich expected to be travelling to Vancouver a few days after our text exchange.

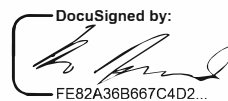
20. We were only able to meet on February 14, 2024, after the February 12, 2024 board meeting where I first found out that BZAM was planning for a CCAA application. We met at Joey's restaurant on Burrard Street in downtown Vancouver but, as discussed in more detail in my March 18, 2024 affidavit, Mr. Milich was not interested in talking with the potential investors I had been in contact with. By this time, BZAM was already moving forward with a CCAA application which made it less appealing to Mr. Lee.

SWORN by Kay Jessel located in the City of Cabo San Lucas, in the country of Mexico, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

BRENDAN BOHN



KAY JESSEL

This is Exhibit “1” referred to in the Affidavit of Kay Jessel sworn by Kay Jessel located in the City of Cabo San Lucas, in the country of Mexico, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

From: [Kay Jessel](#)
To: [Kay Jessel](#)
Subject: Budget Meeting Jan 24, 2024
Date: March-27-24 7:27:25 PM

BZAM Budget Meeting - 10AM (ET)
09:00 - 12:00
Wed, Jan 24, 2024
Microsoft Teams Meeting; Mississauga Unite Boardroom, Mississauga Unite Boardroom
Agenda and materials to follow in due course.

Microsoft Teams meeting

Join on your computer, mobile app or room device

Click here to join the meeting<[>;](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDUxYzgzYzEtNGVmZC00ODkyLWI3NmQtMmU2OGUyYjc3Mjc0%40thread.v2/0?context=%7b%22id%22%3a%22c622eb5f-198a-4fd4-90f5-235dfa8f3f30%22%2c%22oid%22%3a%22eca8f40-2e5d-48c2-b02c-7775d405eb63%22%7d%3e)

Meeting ID: 292 667 492 713

Passcode: c5fJHA

Download Teams<[>; | Join on the web<\[>;\]\(https://www.microsoft.com/microsoft-teams/join-a-meeting\)](https://www.microsoft.com/en-us/microsoft-teams/download-app)

[https://bzam.com/img/nav_logo.jpg]

If you need immediate assistance, please contact BZAM IT at 1.866.922.2926

Learn More<[>; | Help<\[>; | Meeting options<\\[>;\\]\\(https://teams.microsoft.com/meetingOptions/?organizerId=2eca8f40-2e5d-48c2-b02c-7775d405eb63&tenantId=c622eb5f-198a-4fd4-90f5-235dfa8f3f30&threadId=19_meeting_ZDUxYzgzYzEtNGVmZC00ODkyLWI3NmQtMmU2OGUyYjc3Mjc0@thread.v2&messageId=0&language=en-US\\)\]\(https://servicedesk.bzam.com\)](https://aka.ms/JoinTeamsMeeting)

Kay Jessel
604-362-5255

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

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HOLDING CORP. AND FINAL BELL CORP.

Applicants

Court File No. CV-24-00715773-00CL

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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

REPLY AFFIDAVIT OF KAY JESSEL

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Lawyers for Final Bell Holdings International Ltd.

Court File No. CV-24-00715773-00CL

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ROAD HOLDING CORP. AND FINAL BELL CORP.**

Applicants

REPLY AFFIDAVIT OF KEITH ADAMS

I, Keith Adams, of the City of Los Angeles, in the State of California, MAKE OATH
AND SAY:

1. I am Chief Financial Officer (“**CFO**”) of Final Bell Holdings International Ltd. (“**Final Bell**”), and, as such, have knowledge of the matters contained in this Affidavit.
2. I have reviewed the affidavit of Matthew Milich, CEO of BZAM Ltd. (“**BZAM**”), sworn March 25, 2024 (the “**Responding Milich Affidavit**”) and the affidavit of Deepak Alappatt of Cortland Credit Lending Corporation (“**Cortland**”) sworn March 25, 2024.
3. I am surprised that BZAM did not adduce evidence from its former CFO, Sean Bovingdon, whom I believe has greater knowledge about BZAM’s financial condition than Mr. Milich and provided representations to Final Bell during the due diligence process.

BZAM Never Suggested that its Financial Disclosure was Unreliable

4. In deciding to enter into the December 5, 2023 share exchange agreement with BZAM (the “**Share Exchange Agreement**”), Final Bell relied on the financial information disclosed to it by BZAM, including its projections about its future cash flows following its purchase of FBC. This included information contained in the financial model prepared by BZAM for the combined company (the “**BZAM/FB Spreadsheet**”)¹ as well as the PowerPoint deck containing financial information drawn from BZAM’s financial model (the “**Project Tower PowerPoint**”).²

5. The future cash flows of the integrated company were particularly important to Final Bell’s decision to enter into the Share Exchange Agreement, because we were aware that BZAM’s historic financial statements showed insufficient cash flow to fund its operations. BZAM representations about its future cash flows were therefore critical to Final Bell’s decision to accept equity in BZAM in exchange for FBC.

6. Mr. Milich’s suggestion that Final Bell should not have relied on BZAM’s financial disclosure during the due diligence period is completely inconsistent with my vast experience as a CFO, having been involved in numerous transactions over the course of my career. For example, at paragraph 31 of his Affidavit, Mr. Milich testified that BZAM never represented that the financial models it provided to Final Bell should be “relied upon at all” by Final Bell. Mr. Milich’s suggestion that a party to an M&A transaction cannot rely on the financial disclosure provided to it to by the counterparty during the due diligence process is wholly inconsistent with regular business practices in my experience over the past forty years.

¹ Attached as Exhibit “2” to my affidavit sworn March 18, 2024.

² Attached as Exhibit “1” to my affidavit sworn March 18, 2024.

-3-

7. Furthermore, the Share Exchange Agreement expressly provided that Final Bell was relying on representations and warranties made by BZAM which, in my experience, is standard in an M&A transaction. The Share Exchange Agreement included representations and warranties by BZAM that there were no material undisclosed liabilities that it had not informed Final Bell about. My understanding, based on discussions with Mr. Milich and Mr. Bovingdon of BZAM, as well as the representations and warranties set out in the Share Exchange Agreement, were that the financial disclosures and other disclosure documents that BZAM provided to us were accurate, contained all relevant information, and could be relied upon by Final Bell. Final Bell also relied on BZAM's Officer's Bring-Down Certificate. The Officer's Bring Down-Certificate is a certification, signed by Mr. Milich, in which he affirmed that the representations and warranties made in the Share Exchange Agreement were true at the time of closing. A copy of BZAM's Officer's Bring Down Certificate is attached as **Exhibit "1"**.

8. In addition, contemporaneous emails from BZAM's senior management did not suggest that its financial disclosure could not, or should not, be relied upon by Final Bell. For example, on November 23, 2023, Mr. Milich sent Final Bell multiple iterations of the Project Tower PowerPoint. Mr. Milich's email did not include any suggestion that BZAM's forward-looking financial information in the Project Tower PowerPoint was inaccurate or could not be relied upon by Final Bell as part of its due diligence review. Similarly, the Project Tower PowerPoint itself contains no such disclaimer. A copy of Mr. Milich's email is attached as **Exhibit "2"**.

9. At paragraph 58 of his affidavit, Mr. Milich testified that it "defies credulity" that Final Bell considered the Project Tower PowerPoint to be a representation from BZAM that Final Bell could rely on. However, Mr. Milich's contemporaneous emails during the due diligence process never suggested that BZAM's financial disclosure was unreliable. For example, on November

-4-

20, 2023, I emailed Mr. Milich and Mr. Bovingdon to request a “board deck that I could leverage” containing financial information. Mr. Milich responded the same day and attached a draft of the Project Tower PowerPoint writing, “we are adding the pro-forma financials when we finish them”. Mr. Milich’s email did not suggest that the information he was providing me or the pro-forma financials that were sent later should not be relied upon by Final Bell or that it was intended for BZAM’s internal purposes only. A copy of Mr. Milich’s email is attached as **Exhibit “3”**.

10. On November 13, 2023, I emailed Mr. Milich and asked him to send me BZAM’s “proforma Income statement, Balance Sheet, and Cash Flow by month through 2024 ASAP.” Mr. Milich responded by email the next day, writing: “[W]e are working hard in parallel on a proforma model for the combination which will be incorporating the latest, in-progress 2024 budget/forecast. I’m assuming we will want to review the proforma together, so anticipating you will be able to see the 2024 numbers, debt schedule, etc. as part of that.” Nowhere in his email did Mr. Milich suggest that the financial model and proforma financial statements he would be sending were unreliable or incomplete. On the contrary, his email suggests that the model would contain all relevant financial information. A copy of my email exchange with Mr. Milich is attached as **Exhibit “4”**.

11. Mr. Milich also testified that I acknowledged the unreliability of BZAM’s financial models in an email sent to Mr. Milich during the due diligence process. Mr. Milich referenced an email I sent on November 21, 2023, in which I acknowledged the challenges of producing a financial model: “[h]ow is the model coming? Never easy. Just when you think you have it, something else pops its ugly head up.” (attached as Exhibit “P” to Mr. Milich’s affidavit). My acknowledgment of the inherent challenges in financial modelling was not at all intended to

-5-

suggest that I expected the financial disclosure from BZAM to be inaccurate or unreliable. I was acknowledging the process involved in creating an accurate and reliable model, which is what we reasonably expected BZAM to provide to us, takes time alongside management input, assumptions and review.

12. Mr. Milich testified at paragraph 76 of his affidavit sworn in support of BZAM application for CCAA protection that as of the week of February 25, 2024, BZAM expected to have only \$1,848,000 of cash on hand. In contrast, the BZAM/FB Spreadsheet and Project Tower PowerPoint represented to Final Bell that BZAM expected to end Q1 2024 with just under \$6 million in cash. It is not possible for a cash flow discrepancy of more than \$4 million to be just a forecasting error. While I did not expect BZAM's representation about its future cash flows to be perfect, BZAM's cash position as set out in Mr. Milich's affidavit in support of his application for CCAA protection is totally different than what BZAM represented during the due diligence process.

13. Mr. Milich testified at paragraph 60 of his affidavit that the standalone BZAM model "formed no part" of the Transaction PowerPoint attached as Exhibit "10" to my March 18 affidavit that the Final Bell board relied on in deciding to enter into the Share Exchange Agreement. However, this evidence conflicts with the contemporaneous emails from Mr. Bovingdon. In an email to me sent November 30, 2023, Mr. Bovingdon attached the BZAM model and stated that it was used by Clarus Securities Inc. ("**Clarus**") to create the financial model contained in the BZAM/FB Spreadsheet. Mr. Bovingdon's email to me is attached as **Exhibit "5"**. It is evident from my communications with Mr. Bovingdon that he understood that the information BZAM was providing to Clarus was intended to be presented to Final Bell to inform its decision whether to enter into the Share Exchange Agreement.

-6-

14. The financial disclosure in the BZAM/FB Spreadsheet was incorporated into the Transaction PowerPoint that Final Bell's board of directors relied on. Although the Transaction PowerPoint was not prepared by BZAM, it was largely based on models prepared by BZAM and Clarus. In addition, the Final Bell board was also sent a copy of the Project Tower PowerPoint prepared by BZAM as part of the materials it reviewed before entering into the Share Exchange Agreement.

More Thorough Due Diligence Could Not Have Uncovered BZAM's Misrepresentations

15. Final Bell conducted extensive due diligence on BZAM before entering into the Share Exchange Agreement. This included reviewing BZAM's audited and unaudited financial statements, its management information circulars, and its management's discussion and analysis reports ("MD&As"). I also had extensive discussions with BZAM's management, including Mr. Bovingdon, about BZAM's financial situation. However, our due diligence relied on BZAM making accurate and timely representations to Final Bell about its financial condition including the survival of their representations through the closing date.

16. During the due diligence period, I worked with Mr. Bovingdon, who was my primary point of contact at BZAM regarding financial issues, to conduct a review of BZAM's finances. Final Bell did not just accept the numbers provided to it by BZAM as given; rather, we interrogated and challenged those numbers to try to verify their accuracy. For example, on November 20, 2023, I emailed Mr. Bovingdon with concerns about BZAM's cash flow statement, as some of the numbers provided to us did not add up. A copy of this email is attached as **Exhibit "6"**.

-7-

17. In addition, Final Bell did not accept the early financial models provided by BZAM at face value. Instead, we reviewed the model and the financial information contained therein. The original model provided to us by BZAM was “hard coded”, meaning it only contained the final values without the relevant formulas showing how the raw financial data was converted into BZAM’s disclosure of the future financial condition of the company. Final Bell insisted on receiving a non-hard coded version of the model so it could test the information provided by BZAM. An email from Kiarash Hessami, Director of Corporate Accounting at Final Bell, to Mr. Bovingdon and Mr. Milich of BZAM, requesting a non-hard coded version of the BZAM financial model is attached as **Exhibit “7”**. The version with the formulas was provided without hesitation or issue.

18. Furthermore, Final Bell’s due diligence was not limited by a need by Final Bell to close the transaction quickly. In fact, it was BZAM that was pushing for a fast closing. On November 22, 2023, I was copied on an email from Mr. Milich to Final Bell’s CEO, Robert Meyer. Mr. Milich was pushing to execute the Share Exchange Agreement within the next five days: “Overall, we are working as hard as possible to pull everything together for a board meeting on Saturday, November 25th to seek approval for the transaction so that we are in a position to execute the Share Exchange Agreement by Monday, November 27th if that is feasible on your end.” A copy of this email is attached as **Exhibit “8”**.

19. Final Bell’s detailed review of the financial information and models BZAM provided to it could not have caught misrepresentations by BZAM. If there was additional information that Final Bell should have been aware of that was not included in the final information and models BZAM provided to us, I would have expected this information to be reflected in BZAM’s disclosure letter attached as **Exhibit “8”** to my affidavit dated March 18, 2024.

BZAM Never Represented that the Credit Available from Cortland was in Doubt

20. Contrary to the Responding Milich Affidavit, BZAM never suggested that the \$5-7 million in credit available to it through BZAM's revolving credit facility with Cortland Credit Lending Corporation (the "**Cortland Credit Facility**") was at risk of not being renewed or extended past March 2024. In addition, BZAM never suggested that the status of BZAM's or the combined company's drawdown against its accounts receivable was in doubt such that the full \$5-7 million credit facility would not be available to BZAM. In any event, per its pro forma cash flow, the combined company cash balance was not dependent on a drawdown of the \$5-7 million available through the Cortland Credit Facility. I deny that Mr. Milich gave me the explanation about the Cortland Credit Facility as described in paragraph 73 of his responding affidavit.

21. Furthermore, none of the financial models or PowerPoints shared with Final Bell by BZAM suggested that the availability of credit under the Cortland Credit Facility was in question or might be significantly reduced in only a matter of months. My understanding was that the acquisition of FBC would only have improved BZAM's accounts receivable situation, improving the credit available through the Cortland Credit Facility.

FBC's Financial Position Does not Explain BZAM's Misrepresentations

22. Mr. Milich appears to suggest that Final Bell was a motivated seller because FBC was in a difficult financial position. This is incorrect.

23. Paragraph 81 of the Responding Milich Affidavit refers to an email I sent on November 15, 2023 where I explain to the Final Bell team that the cash flow we are providing to BZAM for FBC is "going to show a terrible cash position."³ This does not mean that FBC was not a

³ Exhibit "FF" of Responding Milich Affidavit

valuable business. It just meant that FBC was cash constrained because of a variety of factors including an escalation of intercompany debts due to its inability to move cash outside of Canada to pay intercompany payables, as well as the exclusion of intercompany receivables from the borrowing base calculation for a credit facility that a FBC affiliate had entered into with East West Bank. The business plan that Final Bell would have relied on if we kept the FBC business would have been cash constrained and so we would have not been able to fund all of its potential growth due to Final Bell's inability to fund its incremental working capital requirements. In fact, the rationale for BZAM's acquisition of FBC was that the combined entity would be able to fund FBC's incremental working capital requirements and therefore unlock its full revenue potential.

24. A spreadsheet containing the following financial information about FBC as of September 30, 2023 including its balance sheet, accounts receivable aging and accounts payable aging is attached as **Exhibit "9"**.

Final Bell did not Improperly Withdraw \$1 Million from FBC

25. At paragraph 89 of the Responding Milich Affidavit, Mr. Milich testified that Final Bell improperly withdrew \$1,000,000 from FBC outside of the ordinary course of business and in contravention of the terms of the Share Exchange Agreement. This claim is simply false. All transactions between Final Bell and its subsidiaries, including FBC, prior to closing were done in the ordinary course of business and were consistent with the terms of the Share Exchange Agreement.

SWORN by Keith Adams of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

BRENDAN BOHN

Keith Adams

KEITH ADAMS

This is Exhibit “1” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

OFFICER'S BRING-DOWN CERTIFICATE

BZAM LTD.
(the "Purchaser")

TO: Final Bell Canada Inc. and Final Bell Holdings International Ltd. (collectively, "FBC")

RE: Share exchange agreement among the Purchaser and FBC, dated December 5, 2023 (the "Exchange Agreement")

Reference is made to the Exchange Agreement. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Exchange Agreement. This certificate is delivered pursuant to subsections 8.1(a) and (b) of the Exchange Agreement.

I, Matt Milich, Chief Executive Officer of the Purchaser, hereby certifies for and on behalf of the Purchaser (without personal liability), to the best of my knowledge, information and belief, after due enquiry, that:


1. I am the Chief Executive Officer of the Purchaser, and as such have full and complete knowledge of the business and affairs of the Purchaser and the matters set out in this certificate;
2. I have made such enquiries and investigations as I consider necessary or advisable for the purpose of verifying the matters set out below;
3. The representations and warranties of the Purchaser contained in Sections 3.1 [*Incorporation, Corporate Power and Registration*], 3.3 [*Due Authorization and Enforceability of Obligations*], 3.9 [*Capitalization of the Purchaser*], 3.35 [*Reporting Issuer*] and 3.36 [*Consideration Shares*] (the "**Purchaser Specified Representations**") of the Exchange Agreement are true and correct as of the date hereof, other than for de minimis inaccuracies (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date;
4. The representations and warranties of the Purchaser contained in the Exchange Agreement (other than the Purchaser Specified Representations) are true and correct as of the date hereof (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that the failure of such representations and warranties of the Purchaser to be so true and correct (without any materiality, Material Adverse Effect or similar qualification), individually or in the aggregate, has not had or would not reasonably be likely to have a Material Adverse Effect; and
5. The Purchaser has fulfilled, performed or complied with in all material respects all the covenants contained in the Exchange Agreement to be fulfilled, performed or complied with by it at or prior to the date hereof.

I acknowledge that FBC is relying on this certificate in connection with the sale of the Purchased FBC Shares.

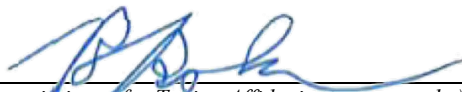
[Signature page follows]

DATED the 5th day of January, 2024.

BZAM LTD.

By: 
Name: Matt Milich
Title: Chief Executive Officer

This is Exhibit “2” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

Subject: Re: Revised Deck, AR/AP Schedules
Date: Thursday, November 23, 2023 at 5:13:54 PM Pacific Standard Time
From: Kiarash Hessami
To: Matthew Milich
CC: Keith Adams, Jimmy Nguyen, Sean Bovingdon
Attachments: image001.png

Thanks Matt - we'll review this internally and let you know if we have any further comments.

Best,
Kia

On Thu, Nov 23, 2023 at 4:56PM Matthew Milich <mmilich@bzam.com> wrote:

Hi Kia,

Please find attached the further updated deck, including the balance sheet slide.

Best,

Matt

From: Matthew Milich <mmilich@bzam.com>
Date: Thursday, November 23, 2023 at 2:32 PM
To: Kiarash Hessami <khessami@finalbell.com>
Cc: Keith Adams <kadams@finalbell.com>, Jimmy Nguyen <jnguyen@finalbell.com>, Sean Bovingdon <sbovingdon@bzam.com>
Subject: Revised Deck, AR/AP Schedules

Hi Kia,

Please find attached latest version of the deck with most suggestions implemented.

We noticed some minor fixes needed in the B/S when creating that slide, so working on those now.

The AR/AP Schedules that reconcile to the FS are also attached (note the draft 9/30 FS you have is being revised a bit to align with the attached).

Best,

Matt



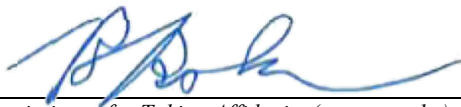
Kiarash Hessami
Director of Corporate Accounting

+1 (604) 679-9660

Final Bell Holdings Inc.
7731 Hayvenhurst Ave., Unit B
Van Nuys, CA 91406

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This is Exhibit “3” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

Subject: Re: I am "on clock" for the DD report and the consolidated model
Date: Monday, November 20, 2023 at 7:24:14 PM Pacific Standard Time
From: Matthew Milich
To: Keith Adams, Sean Bovingdon
Attachments: Project Tower v6.pptx

Here is the current draft of the deck (reviewed with Greg already).

We are adding the pro-forma financials when we finish them (hopefully by tomorrow morning) and should have some graphics like you mention once we have those.

From: Keith Adams <kadams@finalbell.com>
Date: Monday, November 20, 2023 at 9:13 AM
To: Sean Bovingdon <sbovingdon@bzam.com>, Matthew Milich <mmilich@bzam.com>
Subject: I am "on clock" for the DD report and the consolidated model

Just a poke, please remember to pass the prelim Q3 MD&A to me as soon as you can.

Also, do you have a board deck that I could leverage with the financials trended graphically, etc.

Keith Adams
CFO
415.320.8940
kadams@finalbell.com

Project Tower

Business Combination Opportunity

November 2023

BZAM

Transaction Rationale

Creates a Top 5 Powerhouse with Multiple Avenues to Grow Share & Revenue

Portfolio of Most Recognized Cannabis Brands in the World

Shared Culture of Innovation & Commercialization Leadership

Establishes Innovation Pipeline with Final Bell in the U.S.

Top-tier Platform with Size and Scale for Continued Revenue and EBITDA Growth

C\$XXM in Cost Savings Synergies

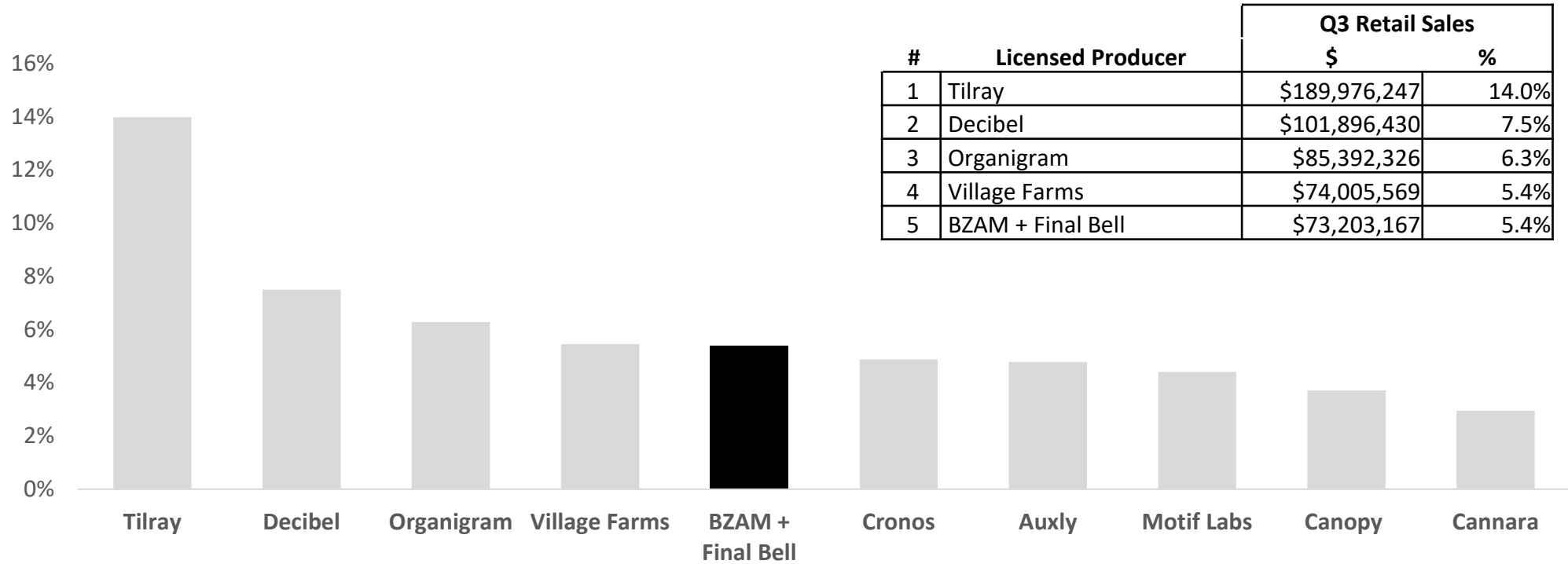
BZAM



FINAL BELL



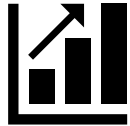
Top 5 LP with Significant Growth Potential



Multiple Avenues for Continued Growth

- Larger size and brand portfolio will bolster retail relationships
- Best-in-class national sales team to defend and grow share
- Significant growth opportunity in infused pre-rolls with Jeeter launch in Q1 2024
- Clear path to becoming top 3 player

Key Success Factors



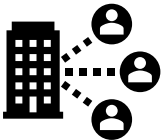
Revenue

- ◆ National sales team will bolster both brand portfolios market leadership
- ◆ Cross-selling opportunities with complementary brands provide sales upside
- ◆ Increased scale will bolster purchasing power and strengthen retail relationships



Geographical Expansion

- ◆ EU-GMP / CUMCS certifications enable broad entry into high-margin EU medical market
- ◆ Combined company's national footprint offers new route for Final Bell Canada into Quebec
- ◆ "Home field" advantage in major provinces supports highly defensible national market share

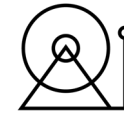


Operational Efficiencies

- ◆ Savings from site consolidation decreases COGS and boosts margins almost immediately
- ◆ Bigger size and scale results in stronger purchasing power and better distribution with retailers
- ◆ Ability to reduce SG&A from the outset improves EBITDA on day one

Combined Brand / Product Portfolio

BZAM



FINAL BELL

	<p>-ness[™]</p> <p>Flavour-first flower, vapes and pre-rolls</p>	<p>Highly dutch[™] organic</p> <p>Affordable organic flower in big bags, pre-rolls & hash</p>	<p>Cookies</p> <p>Premium flower, pre-rolls, and vapes</p>	 <p>SHERBINSKIS[™]</p> <p>Premium vapes and infused pre-rolls</p>
	 <p>WYLD[™]</p> <p>#1 Cannabis Edible in North America</p>		<p>Jeeter</p> <p>#1 Pre-roll in the World</p>	
	<p>BZAM</p> <p>High quality vapes and infused pre-rolls</p>	 <p>THE GREEN ORGANIC DUTCHMAN[™] - ESTABLISHED 2012 -</p> <p>Premium organic flower, and pre-rolls</p>	 <p>BEURRE BLANC.</p> <p>Premium infused pre- rolls and vapes</p>	<p>SEV7N</p> <p>Cannabis with a purpose</p>

Shared Culture of Innovation Leadership

Cross-border product development teams will create unparalleled innovation opportunities

- ◆ Knowledgeable product development teams with a track record of success across all product formats
- ◆ Combined company able to leverage Final Bell USA's innovation pipeline and relationships
- ◆ Premier Canadian platform for targeted innovation that resonates with the cannabis consumer

Execution Excellence

- ◆ Successfully launched hundreds of SKUs across multiple categories on a combined basis
- ◆ Access to Final Bell USA's manufacturing expertise will drive operational efficiencies

Genetic Library and Flower development capabilities

- ◆ Combined library includes hundreds of genetics, with the ability to breed new cultivars
- ◆ Deep experience in finding and accessing new genetics
- ◆ Perpetual harvest allows for constant trialing of new genetics

Combination of BZAM's cultivation, production, and sales infrastructure
with Final Bell's unique brand portfolio

Proforma Financials

This is Exhibit “4” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

Subject: Re: Clarus List
Date: Wednesday, November 15, 2023 at 11:50:06 AM Pacific Standard Time
From: Matthew Milich
To: Keith Adams
CC: Edward M. Drake, Greg Boone, Paul Yang, Alex Lamarche, Jennifer Maccarone, Jimmy Nguyen, Keith Adams, Robert Meyer, Kay Jessel
Attachments: image.png, 1699928624209blob.jpg, 1699932960811blob.jpg

Hi Keith, just a quick update – the items below should be posted now:

Insurance Summary
 Outstanding Securities Reconciliation
 Ancaster Appraisal
 Trademark Summary
 Licence Summary

From: Matthew Milich <mmilich@bzam.com>
Date: Tuesday, November 14, 2023 at 9:06 AM
To: Keith Adams <kadams@finalbell.com>
Cc: Edward M. Drake <edrake@clarussecurities.com>, Greg Boone <gboone@finalbell.com>, Paul Yang <pyang@clarussecurities.com>, Alex Lamarche <alamarche@clarussecurities.com>, Jennifer Maccarone <jmaccarone@finalbell.com>, Jimmy Nguyen <jnguyen@finalbell.com>, Keith Adams <kadams@finalbell.com>, Robert Meyer <robert@finalbell.com>, Kay Jessel <kay@finalbell.com>
Subject: Re: Clarus List

Hi Keith,

For **05. Financial Information**, we are in the middle of our 2024 budget/forecast process (normally would complete for final review/approval in 1st week of December). Having said that, we are working hard in parallel on a proforma model for the combination which will be incorporating the latest, in-progress 2024 budget/forecast. I'm assuming we will want to review the proforma together, so anticipating you will be able to see the 2024 numbers, debt schedule, etc. as part of that. To cover a couple other queries:

1. We can provide revenue detail by segment/category, putting something together.
2. You are correct, we generally don't sell bulk flower, however in 2023 there were some bulk sales to clear out older inventory after getting everything transitioned to SAP, taking account of old inventory from both sides of the BZAM / TGOD merger, etc. In 2024 we generally don't anticipate selling bulk flower,

For **02 Securities and Shareholder Info**, a reconciliation is being prepared now.

For **04 Operations and Material Agreements**, will work on this.

For **06 Labour Employment and Employee Relations**, will work on this.

For **07 Insurance**, requesting the summary now. Regarding the parent company query, the parent company was originally called The Green Organic Dutchman Holdings Ltd and the name changed to BZAM Ltd subsequent to the BZAM/TGOD transaction.

For **08 Real and Personal Property**, will have the latest appraisal of the Ancaster facility posted ASAP and look at / work on if anything else needed.

For **09 Intellectual Property**, will have the latest trademark portfolio listing posted ASAP and look at / work on if anything else needed.

For **10.1 Licences**, will have a summary put together and posted asap.

Best,

Matt

From: Keith Adams <kadams@finalbell.com>
Date: Monday, November 13, 2023 at 5:52 PM
To: Matthew Milich <mmilich@bzam.com>
Cc: Edward M. Drake <edrake@clarussecurities.com>, Greg Boone <gboone@finalbell.com>, Paul Yang <pyang@clarussecurities.com>, Alex Lamarche <alamarche@clarussecurities.com>, Jennifer Maccarone <jmaccarone@finalbell.com>, Jimmy Nguyen <jnguyen@finalbell.com>, Keith Adams <kadams@finalbell.com>, Robert Meyer <robert@finalbell.com>, Kay Jessel <kay@finalbell.com>
Subject: Re: Clarus List

Matt,

05. Financial Information only includes tax returns. Some data I can get from Statements and MD&A.

- it would be great to see revenue detail by segment or legal entity (historic and proforma)
 - Also revenue by product category - Flour, vapes, preroll, edibles, etc
 - I assume that BZAM does not sell any bulk flower. All is used internally. If it does, can you provide more info on this?

- Can we get your proforma Income statement, Balance Sheet, and Cash Flow by month through 2024 ASAP?
- Also, do you have a 13-week cash projection?
 - Any major cash outlays (maturing of debt, payment for licenses, legal settlement, tax payments, etc)
- Do you have a debt roll forward schedule and a schedule that cash outlays for each debt instrument?

Re the Data Room: when do you think you will populate:

- **02 Securities and Shareholder Info**
 - **The MD&A dated 12/31/22 doesn't tie to the data room. Can you reconcile please?**

OUTSTANDING SHARE DAT

As of the date of this MD&A, the Company had the following securities issued a

Common Shares ⁽¹⁾

Warrants ⁽²⁾

RSUs issued to employees

Stock options

Notes:

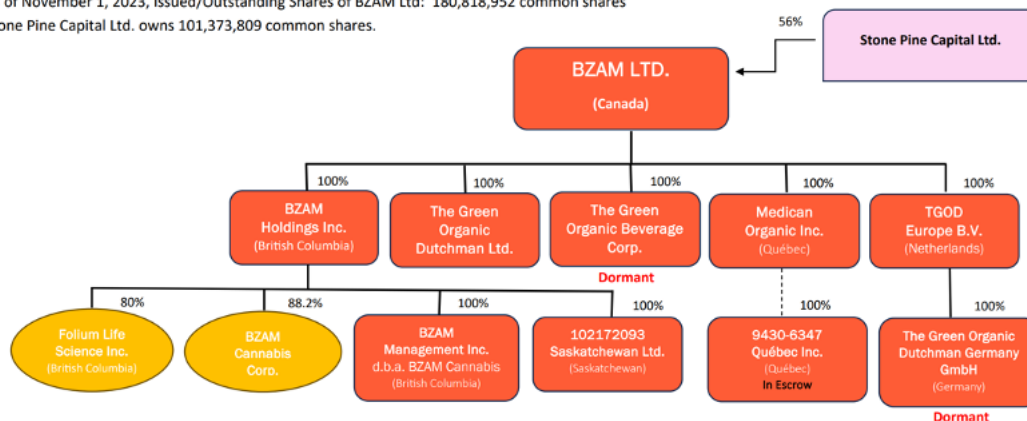
(1) The Company completed the Consolidation on November 8, 2022 whereby its issued a 10:1 ratio.

(2) The Consolidation Ratio also applies to the Warrants which are currently exercisable. Accordingly, effective as of the Consolidation date, the holders of Warrants will be entitled to the exercise of ten Warrants.

See the Company's Consolidated Financial Statements for a detailed description of the Warrants which are convertible into one Common Share.

-
- **04. Operations and Material Contracts?**
 - currently, it is empty.
-
- **06. Labour Employment and Employee Relations**
 - We don't need individual salaries except for anyone Change of Control or Severance Agreements
 - Also, can we see total Salary and Headcount by Entity to gain some understanding of staffing levels
- **07. Insurance**
 - Can you ask your Broker(s) for a summary of coverages including name of the insurer, renewal dates, retention, policy limits, and annual premiums
 - on the D&O, the Berkley policy-insured entity is Green Organic Dutchman Holdings Ltd.
 - \$5m coverage, claims based, expires 12/31/2023, annual premium \$635k
 - please confirm that this is CDN \$ for both the coverage and premium
 - Why is this not with the parent company - BZAM Ltd

As of November 1, 2023, Issued/Outstanding Shares of BZAM Ltd: 180,818,952 common shares
Stone Pine Capital Ltd. owns 101,373,809 common shares.



-
- Excess D&O – XL Insurance (Canada), CDN \$5m coverage, assume claims based, expires 11/1/2024, annual premium \$180k,
 - Same question: insured party: BZAM Limited fka Green Organic Dutchman Holdings Ltd
- Please confirm no
 - E&O policy,
 - Business Interruption Policy,
 - Umbrella Policy
 - Key Man Life
- **08 Real and Personal Property**
 - empty
- **09. Intellectual Property**
 - Empty
- **10.1 Licenses and Permits**
 - Can we get a summary schedule Summary schedule:

Keith Adams
CFO
415.320.8940
kadams@finalbell.com

On Monday, November 13, 2023 at 05:14:36 PM PST, Matthew Milich <mmilich@bzam.com> wrote:

Thanks Jimmy, appreciate the update and the continued effort!

From: Jimmy Nguyen <jnguyen@finalbell.com>
Date: Monday, November 13, 2023 at 1:27 PM
To: Matthew Milich <mmilich@bzam.com>
Cc: Edward M. Drake <EDrake@clarussecurities.com>, Keith Adams <kadams@finalbell.com>, Greg Boone <gboone@finalbell.com>, Paul Yang <pyang@clarussecurities.com>, Alex Lamarche <alamarche@clarussecurities.com>, Jennifer Maccarone <jmaccarone@finalbell.com>
Subject: Re: Clarus List

Hi Matthew and Clarus Team,

This is Exhibit “5” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

From: [Sean Bovingdon](#)
To: [Keith Adams](#); [Kiarash Hessami](#); [Ariel Wessling](#)
Cc: [Matthew Milich](#)
Subject: FW: Proforma Model
Date: November-30-23 11:12:54 AM
Attachments: [bzam_39434bcc-7873-4e07-a88a-62774a4ece1e.png](#)
[BZAM Standalone.xlsx](#)

Hi Keith,

As requested, please find the BZAM standalone model that Clarus used in the combination model. Please let me know if you need anything else.

Regards,
Sean.

Sean Bovingdon

CHIEF FINANCIAL OFFICER

844-256-2926 | BZAM.COM | SBOVINGDON@BZAM.COM
402, 5520 Explorer Drive, Mississauga, Ontario L4W 5L1



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From: Alex Lamarche <alamarche@ClarusSecurities.com>

Sent: Wednesday, November 29, 2023 2:25 PM

To: Matthew Milich <mmilich@bzam.com>; Sean Bovingdon <sbovingdon@bzam.com>; Edward M. Drake <EDrake@ClarusSecurities.com>; Paul Yang <pyang@ClarusSecurities.com>

Subject: RE: Proforma Model

Hi Matt,

Please see the attached – this is the BZAM standalone model with accompanying 3 financial statements

Thank you,
Alex

We are looking to just have all the calculations behind the tabs that were already provided in the model that you shared with us for our own modelling purposes. Even if you send us the same model and break links that would be very helpful.

This is Exhibit “6” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

Subject: RE: SEA
Date: Monday, November 20, 2023 at 8:07:04 PM Pacific Standard Time
From: Sean Bovingdon
To: Keith Adams
CC: Christy Zhou, Mihai Ionescu, Matthew Milich
Attachments: image001.png, bzam_39434bcc-7873-4e07-a88a-62774a4ece1e.png

Ok, I will take a look. THanks.

Sean Bovingdon
 CHIEF FINANCIAL OFFICER

844-256-2926 | BZAM.COM | SBOVINGDON@BZAM.COM
 402, 5520 Explorer Drive, Mississauga, Ontario L4W 5L1

BZAM

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From: Keith Adams <kadams@finalbell.com>
Sent: Monday, November 20, 2023 10:52 PM
To: Sean Bovingdon <sbovingdon@bzam.com>
Cc: Christy Zhou <czhou@finalbell.com>; Mihai Ionescu <mionescu@sangramoller.com>; Matthew Milich <mmilich@bzam.com>
Subject: Re: SEA

Sean, you might want to check your cash flow statement. I can't get the subsections to tie out to the line items. For example, Sept 30 3mo Financing Activities add up to \$0.1m and the total on the statement says (\$3.2m).

Also, the maturity dates on the Stone promissory notes are there. This might be because of the way they were issued to be immediately due and then amended. I think I understand why. But, there is no mention that these are secured.

Keith Adams
 CFO
 415.320.8940
kadams@finalbell.com

On Monday, November 20, 2023 at 06:55:46 PM PST, Matthew Milich <mmilich@bzam.com> wrote:

Hi Keith,

Yes, we can get those. We are just trying to get the MD&A done for you before the day is over.

Side note – we did post various export agreements to the Data Room today in part response to the queries yesterday.

The Stone Pine Promissory Notes are secured, in second position to Cortland. You can find the documents related to this in the Data Room. Have attached them here for convenient reference.

The FB International promissory note would be pari-passu any Stone Pine secured debt.

Best,

Matt

From: Keith Adams <kadams@finalbell.com>
Date: Monday, November 20, 2023 at 4:46 PM
To: Matthew Milich <mmilich@bzam.com>, Sean Bovingdon <sbovingdon@bzam.com>

Cc: Christy Zhou <czhou@finalbell.com>, Mihai Ionescu <mionescu@sangramoller.com>
 Subject: Re: SEA

Matt or Sean,

Can I/we get an a/r and a/p aging dated 9/30/23.

Also, I am trying to figure out the maturity dates on these notes. Are they interest-paying or PIK? Please confirm that these are not secured. We need to understand how our note will fall in the maturity schedule and how to make the pari-passu if our note is secured (per LOI) and these notes are not.

- **Promissory notes from related parties:** On January 3, 2023, a promissory note issued by the Company in connection with the Galaxie Acquisition was settled in full by the Company in a new promissory note (the "Stone Pine Promissory Note") in the amount of \$1,300,000. The Company issued to Stone Pine Capital Ltd. ("Stone Pine"), a company controlled by the Company, a promissory note in connection with the Galaxie Acquisition and the Stone Pine Promissory Note the Company's comprehensive loss for the three and six months ended June 30, 2023 related to the Galaxie Acquisition.
 - On **March 8, 2023**, the Company received funds totalling \$2,500,000 (the "March 8, 2023 Promissory Note"). It bears interest at a rate of **10% per annum**.
 - **What is the maturity date?**
 - On August 23, 2023, the Company received funds totalling \$1,300,000 (the "August 23, 2023 Promissory Note"). It bears interest at a rate of **10% per annum**.
 - **What is the maturity date?**
 - **Does not appear to be Secured against any assets**
- **21. EVENTS AFTER THE REPORTING PERIOD**
 - b) On October 27, 2023, the Company entered into a \$1,190,000 promissory note (the "October 27, 2023 Promissory Note"). This promissory note bears interest at the same rate as the August 23, 2023 Promissory Note.
 - c) On November 8, 2023, the Company entered into a \$600,000 promissory note (the "November 8, 2023 Promissory Note"). This promissory note bears interest at the same rate as the August 23, 2023 Promissory Note.

Keith Adams

CFO

415.320.8940

kadams@finalbell.com

On Monday, November 20, 2023 at 06:11:26 PM PST, Matthew Milich <mmilich@bzam.com> wrote:

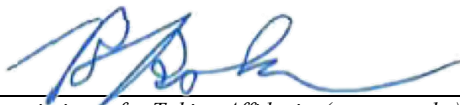
Thanks Keith, will keep an eye out for it.

From: Keith Adams <kadams@finalbell.com>
Date: Monday, November 20, 2023 at 2:53 PM
To: Matthew Milich <mmilich@bzam.com>
Cc: Christy Zhou <czhou@finalbell.com>, Mihai Ionescu <mionescu@sangramoller.com>, Robert Meyer <robert@finalbell.com>
Subject: SEA

fyi, We are planning to have a redline version for you today/tonight minus the disclosure schedules.

Keith Adams
CFO
415.320.8940
kadams@finalbell.com

This is Exhibit “7” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

Subject: Re: BZAM Model
Date: Tuesday, November 28, 2023 at 4:14:43 PM Pacific Standard Time
From: Kiarash Hessami
To: Matthew Milich
CC: Sean Bovingdon, Keith Adams, Jimmy Nguyen
Attachments: image001.png

Thanks Matt

On Tue, Nov 28, 2023 at 3:53PM Matthew Milich <mmilich@bzam.com> wrote:

Hi Kia,

We'll try to get you something like that in the course of the day tomorrow.

Best,

Matt

From: Kiarash Hessami <khessami@finalbell.com>
Date: Tuesday, November 28, 2023 at 3:08 PM
To: Matthew Milich <mmilich@bzam.com>, Sean Bovingdon <sbovingdon@bzam.com>
Cc: Keith Adams <kadams@finalbell.com>, Jimmy Nguyen <jnguyen@finalbell.com>
Subject: BZAM Model

Hi Matt & Shaun,

Is it possible to get a non-hardcoded version of your model?

We are looking to just have all the calculations behind the tabs that were already provided in the model that you shared with us for our own modelling purposes. Even if you send us the same model and break links that would be very helpful.

Best,

Kiarash

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Kiarash Hessami
Director of Corporate Accounting

+1 (604) 679-9660

Final Bell Holdings Inc.
7731 Hayvenhurst Ave., Unit B
Van Nuys, CA 91406

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Kiarash Hessami
Director of Corporate Accounting

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This is Exhibit “8” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

From: Matthew Milich <mmilich@bзам.com>
Date: Wednesday, November 22, 2023 at 2:25 PM
To: Robert Meyer <robert@angsanainvest.com>
Cc: Keith Adams <kadams@finalbell.com>, Kay Jessel <kay@finalbell.com>, Ariel Wessling <awessling@finalbell.com>, Kiarash Hessami <khessami@finalbell.com>, Christy Zhou <czhou@finalbell.com>, "Mihai @ attorney Final Bell (Canadian Exchange lawyer) Ionescu" <mionescu@sangramoller.com>
Subject: Re: Clarification

Hi Robert,

Thanks for the mail and the Thanksgiving wishes. Funny enough, was in the middle of writing you when your mail came through. Let's get on the phone and chat through the items below and one or two others as needed, in particular:

1. Revisions to Section 2.2 – the changes in the purchase price section don't seem to work mechanically. A&B will talk through with Mihai and that should resolve it, but happy to chat through with you if necessary.
2. Addition of Working Capital Adjustment – as you allude to, we don't think this addition works for us (and doesn't appear to be how a typical working capital adjustment would be if there

were one). We should talk through this, shouldn't be hard to overcome, and your suggestion below is a good one.

3. Removal of indemnification provisions – these changes are a bit too drastic. A&B will talk through with Mihai and I think we will get to a reasonable solution, given these things are pretty standard. We can chat through this as well if needed.
4. Payment Plan – we should probably get on the phone and work out the payment plan. The proposal put into the draft SEA is more aggressive than what we are thinking. Have posted below what we currently baked into the proforma model. We can chat through and figure something out here I believe.
5. Royalties – happy to discuss, just wasn't expecting these as I don't think I saw them in the cost structure for these inhouse branded products.

Overall, we are working as hard as possible to pull everything together for a board meeting on Saturday, November 25th to seek approval for the transaction so that we are in a position to execute the SEA by Monday, November 27th if that is feasible on your end. Let me know whenever you are available and we can hop on the phone. I can make myself available anytime this afternoon / evening or we can chat in the morning PST tomorrow if that is better for you.

Best,

Matt

Payment Plan in Proforma Model

Due Date	Amount
15-Jan-24	\$166,667
15-Feb-24	\$166,667
15-Mar-24	\$166,667
15-Apr-24	\$166,667
15-May-24	\$166,667
15-Jun-24	\$166,667
15-Jul-24	\$333,333
15-Aug-24	\$333,333
15-Sep-24	\$333,333
15-Oct-24	\$666,667
15-Nov-24	\$666,667
15-Dec-24	\$666,667
	\$ 4,000,000

From: Robert Meyer <robert@angsanainvest.com>

Date: Wednesday, November 22, 2023 at 1:43 PM

To: Matthew Milich <mmilich@bzam.com>

Cc: Keith Adams <kadams@finalbell.com>, Kay Jessel <kay@finalbell.com>, Ariel Wessling <awessling@finalbell.com>, Kiarash Hessami <khessami@finalbell.com>, Christy Zhou <czhou@finalbell.com>, Mihai Ionescu <mionescu@sangramoller.com>

Subject: Clarification

Hi Matt

First off, I would like to wish you and your nearest and dearest a Happy Thanksgiving.

To avoid any misunderstanding, I thought I would share my thoughts on a couple of points that I believe are still 'up in the air'.

1) net working capital adjustment

We agreed the deal based on our 10/1/23 balance sheet. I think that having a net working capital adjustment feature to bridge from that balance sheet to the closing balance sheet would be in our mutual interest. This enshrines the balance sheet values we agreed upon at the point of our initial handshake. Shall we see what that adjustment might be (in BZAM's favour of not) before we decide on this point? I am not looking to 'win' here - just to make sure we stay on the fairway.

2) royalties

Our business model is based on bringing brands to markets they are not native to. Such is the case for Jeeter, Sherbs, Cookies etc.

We have to pay these brands' royalties to be able to include them in our exclusive offering for any given market, eg Canada.

As FB Canada becomes part of BZAM, these commitments survive. We don't have a choice to not charge the newly merged entity these royalties - because we have to pay them on our end.

The same logic applies to our brands (dosist, animal etc). There are real costs against the royalties that we charge. Acquisition costs, brand management costs etc.

We don't have a choice but to charge the customary 15% for this - but as an affiliate I am prepared to reduce our royalties for in-house brands from 15% (which we charge everywhere else) to 10% as a token of kinship.

I trust that these points won't be an obstacle to the successful closing of Project Tower. Happy to discuss at your convenience.

Best wishes

Robert

This is Exhibit “9” referred to in the Affidavit of Keith Adams sworn by Keith Adams, of the City of Los Angeles, in the State of California, before me at the City of Toronto, in the Province of Ontario, on April 1, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BRENDAN BOHN

The Excel document “2023 09 30 – FB Canada Financial Information” is embedded as an attachment in its native format.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
**BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC.,
 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD
 HOLDING CORP. AND FINAL BELL CORP.**

Applicants

Court File No. CV-24-00715773-00CL

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST**

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REPLY AFFIDAVIT OF KEITH ADAMS

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Lawyers for Final Bell Holdings International Ltd.

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC.,
102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD
HOLDING CORP. AND FINAL BELL CORP.**

Applicants

Court File No. CV-24-00715773-00CL

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REPLY MOTION RECORD

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