

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) WEDNESDAY, THE 18<sup>TH</sup>  
 )  
JUSTICE E.M. MORGAN ) DAY OF JANUARY, 2023

BETWEEN:

**DANIEL RELVAS**

Plaintiff

– and –

**AUXLY CANNABIS GROUP INC.**

Defendant

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**  
(Certification by Consent)

**THIS MOTION** is brought by Daniel Relvas for an order certifying this action as a class proceeding pursuant to s. 5 of the *Class Proceedings Act, 1992*, S.O. 1992 c. 6 (the “CPA”).

**ON READING** the materials filed on this motion, the submissions of the Plaintiff, and upon being advised by counsel that the Defendant consents to this order:

1. **THIS COURT DECLARES** that for the purposes of this Order, except to the extent that they are modified in this Order, the definitions set out in the Second Fresh as Amended Statement of Claim and amended by the Third Fresh as Amended Statement of Claim (the “Claim”) apply to and are incorporated into this Order.

2. **THIS COURT ORDERS** that the claims asserted by the Class (as defined below) as against the Defendant are statutory law secondary market claims under s. 138.3 of the Ontario *Securities Act* (“OSA”) for damages relating to the purchasing of the Defendant’s securities after the release of its Management’s Discussion and Analysis for the Three and Nine Months Ended September 30, 2018, dated November 12, 2018, and being publicly corrected in a news release published by the Defendant entitled, “Auxly announces termination of FSD Pharma Joint Venture” on February 7, 2019, all as pleaded in the Claim.

3. **THIS COURT ORDERS** that the Class is defined as:

all persons, other than Excluded Persons, who acquired Auxly's securities between November 12, 2018 and February 6, 2019, and held some or all of those securities after February 6, 2019.

Excluded Persons means any executive level employee of FSD Pharma Inc. or Auxly Cannabis Group Inc. and their immediate families.

4. **THIS COURT ORDERS** that the following issues are certified as common issues for the Class:

- (i) Did the Defendant release its Management’s Discussion and Analysis and corresponding financial statement for the Three and Nine Months Ended September 30, 2018 on November 12, 2018, containing one or more misrepresentation by omitting material facts about the status of the build-out of the JV Facility which, if disclosed, would have indicated (a) that the project was then significantly behind schedule, (b) that FSD was in breach of the Definitive Agreement, and (c) that there was substantial risk that the entire build-out project would be terminated or not completed within the time period or within the budget as represented within the impugned documents?
- (ii) If the answer to common issue (i) is “yes”, were one or more of the alleged misrepresentations publicly corrected on February 7, 2019, in a news release published by the Defendant entitled, “Auxly announces termination of FSD Pharma Joint Venture”?
- (iii) If the answer to common issues (i) and (ii) are “yes”, is the Defendant relieved of liability pursuant to any of the defenses provided for under section 138.4 of the *OSA*?

(iv) If the answers to common issue (i) and (ii) are “yes” and the answer to common issue (iii) is “no” or “partially”:

a) What are the aggregate assessed damages for the Class pursuant to sections 138.5(1) and (2) of the *OSA*?

b) What portion of the assessed damages, if any, has the Defendant proven is attributable to a change in the market price of the Defendant’s securities that is unrelated to the alleged misrepresentations, pursuant to section 138.5(3) of the *OSA*?

c) What are the damages per share?

5. **THIS COURT ORDERS** that leave is hereby granted to issue the proposed Third Amended Statement of Claim in the form attached hereto as **Schedule “A”**.

6. **THIS COURT ORDERS** that Daniel Relvas shall be appointed as the representative plaintiff for the Class.

7. **THIS COURT GRANTS** leave to proceed under section 138.3 of the *OSA* to Daniel Relvas to proceed with the cause of action alleged in the Third Amended Statement of Claim.

8. **THIS COURT ORDERS** that Morganti & Co., P.C, is appointed as “Class Counsel”.

9. **THIS COURT ORDERS** that the plaintiff’s Litigation Plan attached hereto as **Schedule “B”** is approved.

10. **THIS COURT ORDERS** that the Class shall be given notice of the certification of this action as a class proceeding, including notice of their right to opt-out of the class proceeding, and the manner and deadline for doing so, all pursuant to the Short Form Notice of Certification attached hereto as **Schedule “C”**, the Long Form Notice of Certification attached hereto as **Schedule “D”** (collectively, the “**Notices**”), and the Notice Plan (included at Article 4.01 of the Litigation Plan attached as Schedule “B”), which this court deems to be adequate notice to all Class members.

11. **THIS COURT ORDERS** that the opt-out procedure set out in the Notices, the Litigation Plan, and the Opt-Out Form attached hereto as **Schedule “E”**, are approved.

12. **THIS COURT ORDERS** that the deadline for Class members to opt out of the class proceeding shall be March 31, 2023.

13. **THIS COURT ORDERS** that within 30 days after the expiration of the opt-out period, Class Counsel will file with the court and serve on the parties an affidavit confirming their compliance with the notice requirements set out above and listing the names and addresses of those persons, if any, who have opted out of this class action.

14. **THIS COURT ORDERS** that there are no costs associated with this Motion.

A handwritten signature in blue ink, appearing to read 'Morgan J.', is centered on the page. The signature is fluid and cursive.

---

**Morgan J.**