

**BRIDGEMARK GROUP SECURITIES LITIGATION**  
**NOTICE OF AFFINOR GROWERS INC.**  
**SETTLEMENT CLAIMS PROCESS**

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

**To be entitled to compensation under the settlement, you must file a claim at <https://www.affinorsecuritieslitigation.com> by no later than October 31, 2024.**

### **Who this Notice is For**

This notice is directed to everyone who acquired securities of Affinor Growers Inc. ("**Affinor**") [CSE: AFI, OTCQB: **RSSF**, FRA: 1AFO, CUSIP #: 00830Q306, ISIN #: CA00830Q3061] **from and including March 5, 2018, to and including November 26, 2018** (the "**Affinor Class Members**").

### **What the Action is About**

On July 11, 2019, an action styled *TIETZ V BRIDGEMARK FINANCIAL CORP., ET AL.*, Action No. S-197731, was commenced in the Supreme Court of British Columbia (Vancouver) ("**Court**" and "**Action**") against various defendants including Affinor, and its CEO and former CFO, Nicholas Brusatore and Sam Chaudhry (collectively, "**Brusatore and Chaudhry**").

The Action arises from private placements carried out between February and August 2018 in ten different public companies, including Affinor. The Action alleges that the private placements were carried out as part of a fraudulent investment scheme, in which the companies entered into consulting agreements with the subscribers to the private placements and their designated associates as a condition of the subscribers participating in the private placements.

It is alleged these agreements required the payments of lump sum consulting fees, which it is alleged were paid by the companies contemporaneously with the closing of the private placements and provided justification for the companies to issue free trading shares to the subscribers as consultants, under a prospectus exemption. It is alleged that the subscribers quickly sold most of their shares into the

market, at prices which were substantially below the price they had purportedly paid to acquire the private placement shares and below the prevailing market prices for the companies' shares at the time. It is alleged that the sales at these discounted prices resulted in a substantial profit to the subscribers, taking account of the funds paid back to them and their associates as consulting fees as part of the private placement transactions.

The Action also alleges that, as part of this scheme, the companies involved made misrepresentations to the market in the disclosure documents they released concerning the private placements. It is alleged the companies carrying out the private placements represented the private placements were prospectus exempt cash for securities distributions under which the companies raised significant financing, when, in fact, the true substance of the private placements left each company with cash proceeds from its private placement that were substantially less than the amount the company represented to the public it had received.

Specifically, with respect to Affinor, Brusatore and Chaudhry, it is alleged that, among other things, in March 2018, Affinor announced that it had raised a total of approximately \$4 million through a private placement when, in fact, Affinor retained only \$500 thousand of this amount, returning \$3.5 million through prepaid consulting fees to the private placement subscribers, a group of purported consultants who provided no consulting services.

It is alleged that, between March 5, 2018 and November 26, 2018 (the "**Affinor Class Period**"), Affinor released certain disclosure documents that were materially misleading as to the true substance and effects of the private placement. The Plaintiffs

allege this resulted in damage to Affinor Class Members.

The Action alleges the scheme was exposed and the alleged misrepresentations were publicly corrected on November 26, 2018, when, among other things, the Executive Director of the B.C. Securities Commission published a news release announcing an ongoing investigation into the private placements.

The claims pursued against Affinor, Brusatore and Chaudhry in the Action included claims for damages for losses allegedly attributable to their alleged acts and omissions in furtherance of the scheme, and due to Affinor's alleged misleading disclosures. The Plaintiffs claimed Affinor, Brusatore and Chaudhry had liability for those losses.

### **Settlement with Affinor, Brusatore and Chaudhry**

On August 4, 2023, the Plaintiffs and Affinor, Brusatore, Chaudhry and Chaudhry U Consulting Inc., entered a settlement of the allegations made against them in the Action ("**Settlement**" and "**Settling Defendants**"). The Settlement resolves the Action entirely against the Settling Defendants.

**The Settlement provides for settlement funds of CDN \$1,340,000.00 ("Settlement Fund").** The Settlement also provides that the Settling Defendants will cooperate with the Plaintiffs in the prosecution of the Action against non-settling defendants, and the unnamed consultants referred to in the Action.

The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing, or fault on the part of the Settling Defendants, each of whom have denied and continue to deny the allegations made against them in the Action.

### **Class Certification to give effect to Settlement**

On October 6, 2023, the Court certified the Action as a class proceeding against the Settling Defendants solely for settlement purposes. Certification against the Settling Defendants was obtained with their consent and was without prejudice to the rights of non-settling defendants, including their rights to oppose certification of the action against them.

In granting certification against the Settling Defendants, the Court certified a class of everyone who purchased Affinor shares during the Affinor Class Period and in the following Issuers in the following periods (collectively, the "**Class**"):

- Kootenay Zinc Corp., between January 30,

2018 and November 26, 2018;

- Affinor Growers Inc., between March 5, 2018 and November 26, 2018;
- Green 2 Blue Energy Corp., between April 12, 2018 and November 26, 2018;
- Beleave Inc. between April 24, 2018 and November 26, 2018;
- Citation Growth Corp., between May 17, 2018 and November 26, 2018;
- Cryptobloc Technologies Corp., between May 18, 2018 and November 26, 2018;
- BLOK Technologies Inc., between June 1, 2018 and November 26, 2018;
- PreveCeutical Medical Inc., between April 9, 2018 and November 26, 2018;
- KOPR Point Ventures Inc. between July 25, 2018 and November 26, 2018.

The Class was certified for settlement purposes to include persons who purchased shares in the defendant issuers other than Affinor because those persons' claims in conspiracy against Affinor were settled by the Settlement.

### **Approval of the Settlement**

At the same time as the B.C Court certified the Action as against the Settling Defendants, the Settlement was approved as fair, reasonable and in the best interests of the Class.

Affinor Class Members continue to have claims against non-settling defendants. This includes defendants who participated in Affinor's March 2018 private placement at issue in the Action, those involved in the subsequent sale of Affinor's private placement shares, and other defendants who entered or arranged the consulting agreements with Affinor as part of its March 2018 private placement transaction.

### **Settlement Administration Plan**

The manner of administering the Settlement and distributing the Settlement Fund to Affinor Class Members (the "**Affinor Settlement Administration Plan**") was approved by the B.C. Court on July 3, 2024. At the same time, the Court approved the payment from the Settlement Fund to Class Counsel of \$469,129.35 in legal fees, taxes, and expenses (the "**Approved Legal Expenses**").

The Affinor Settlement Administration Plan only provides for cash compensation to Affinor Class Members.

The Affinor Settlement Administration Plan provides that the Settlement Fund, net of the costs of administration and the Approved Legal Expenses, will be distributed *pro rata* to Authorized Claimants based on their Notional Entitlements (the terms Authorized Claimant and Notional Entitlement are defined in the Affinor Settlement Administration Plan).

The Affinor Settlement Administration Plan provides that Notional Entitlements of Authorized Claimants will be the difference between their acquisition cost and either their actual disposition proceeds or a deemed disposition at a price established by reference to the trading price of Affinor shares on the CSE during the 10 trading days following the end of the Class Period.

Affinor Class Members are encouraged to review the Affinor Settlement Administration Plan at [www.bridgemarkclassaction.com](http://www.bridgemarkclassaction.com).

### **Copies of Important Documents**

Copies of select court documents the Court's Orders, the Settlement Agreement, the Affinor Settlement Administration Plan, and its accompanying guide may be found on the websites: <https://www.affinorsecuritieslitigation.com> and [www.bridgemarkclassaction.com](http://www.bridgemarkclassaction.com).

### **How to Make a Claim**

To be entitled to compensation under the Settlement, you must file a claim at: <https://www.affinorsecuritieslitigation.com> by no later than **October 31, 2024**.

### **Excluding Yourself from the Settlement and the Action**

Under the Affinor Settlement Administration Plan, Affinor Class Members who do not wish to participate in this Settlement and the Action may exclude themselves from both by "opting out" by no later than **October 31, 2024**.

If you opt-out, you cannot get any money from the Settlement or other benefits from the Action.

In order for your opt-out to be valid, it must: (1) contain a statement of intention to opt out of the

Settlement and Action by you or a person authorized to bind you; (2) state the number of Affinor shares that you held at the close of trade on March 2, 2018; (3) state the number of Affinor shares bought and sold between March 5, 2018 and November 26, 2018; (4) state the number of Affinor shares sold after November 26, 2018 and up to the date of the request to opt out; (5) contain your name, address, telephone number and email address; and (6) contain such other information as the Court may require. It may also be necessary to provide supporting documents to evidence your share transactions, if requested.

Under the Affinor Settlement Administration Plan, other Class members are not entitled to opt-out of the Settlement and the Action at this time and will be bound by the terms of the Settlement.

If you opt-out, you will no longer be part of the Action against any of the Defendants and will not be entitled to participate in any future recovery.

*Publication of this notice was authorized by the Supreme Court of British Columbia*

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE ACTION OR THE SETTLEMENT.

All inquiries should be directed to Class Counsel at [mm@hbmlaw.com](mailto:mm@hbmlaw.com).