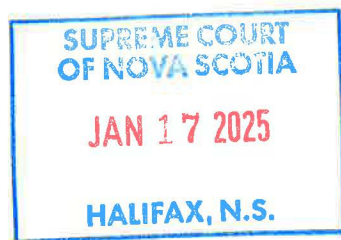




**ksv advisory inc.**



**HFX No. 538745**

**SUPREME COURT OF NOVA SCOTIA**

**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 AND ARRANGEMENT OF BLUE LOBSTER  
CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED AND  
4318682 NOVA SCOTIA LIMITED**

**SECOND REPORT OF KSV RESTRUCTURING INC.  
AS MONITOR**

**January 16, 2025**

<b>Contents</b>		<b>Page</b>
1.0	Introduction .....	1
1.1	Purposes of this Report .....	1
1.2	Restrictions .....	2
1.3	Currency .....	2
2.0	Background .....	2
3.0	Cash Flow Forecast.....	3
4.0	DIP Facility .....	3
4.1	DIP Facility Recommendation.....	5
5.0	Conclusion and Recommendation.....	7
<b>Appendix</b>		<b>Tab</b>
	Amended and Restated Initial Order.....	A
	Revised Cash Flow Forecast and Statutory Reports.....	B
	DIP Term Sheet.....	C
	DIP Facilities' Comparison.....	D



## 1.0 Introduction

1. Pursuant to an Initial Order issued by the Supreme Court of Nova Scotia (the “**Court**”) on December 13, 2024 (the “**Filing Date**”), Blue Lobster Capital Limited (“**Blue Lobster**”), 3284906 Nova Scotia Limited (“**3284**”), 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the “**Companies**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed as monitor in these proceedings (the “**Monitor**”).
2. The comeback motion (the “**Comeback Motion**”) in these CCAA proceedings was heard on December 20, 2024. At the Comeback Motion, the Court issued an Amended and Restated Initial Order (the “**ARIO**”) extending the stay of proceedings to March 8, 2025 and setting a hearing on January 21, 2025 to consider approval of a debtor-in-possession (“**DIP**”) financing facility that the Companies are projected to require to fund their operations and the costs of these proceedings to March 8, 2025 (the “**DIP Facility**”). A copy of the ARIO is provided in Appendix “A”.
3. The Affidavit of Kevin Alexander Rice (the “**Rice Affidavit**”), the President of the Companies, affirmed November 27, 2024, and KSV’s pre-filing report dated November 27, 2024 (the “**Pre-filing Report**”) filed in connection with the initial application, provide, *inter alia*, background information concerning the Companies and their businesses, as well as the reasons that the Companies commenced these proceedings.

### 1.1 Purposes of this Report

1. The purposes of this report (the “**Second Report**”) are to:
  - a) provide background information about the Companies;
  - b) summarize the terms of the DIP Facility in the maximum principal amount of \$300,000 to be made available to the Companies by Royal Bank of Canada (“**RBC**” and, in such capacity, the “**DIP Lender**”), pursuant to an interim financing term sheet (the “**DIP Term Sheet**”);
  - c) discuss the rationale for the charging order sought by the Companies granting a charge in favour of the DIP Lender ranking behind the Administration Charge (as defined in the ARIO) to secure the advances made under the DIP Facility (the “**DIP Lender’s Charge**”); and
  - d) recommend that the Court issue an order (the “**Interim Financing Charging Order**”) approving the DIP Facility and granting the DIP Lender’s Charge.

## **1.2 Restrictions**

1. In preparing this Second Report, the Monitor has relied upon the Companies' unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Companies' management and advisors.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Second Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## **1.3 Currency**

1. All currency references in this Second Report are in Canadian dollars.

## **2.0 Background**

1. The Companies are private companies incorporated under the laws of Nova Scotia.
2. Blue Lobster is primarily a real estate investment company which owns several real properties in Nova Scotia. The primary business of the other Companies is the manufacture and sale of alcoholic beverages (including Ready-To-Drink beverages), including spirits, wine and cider. The Companies sell their beverages to the liquor boards in Ontario, Nova Scotia and Prince Edward Island, as well as to restaurants and directly to consumers.
3. Based on the Companies' records, the Companies were indebted to RBC as of November 23, 2024 in the amount of approximately \$6.1 million, including approximately \$900,000 under an operating line of credit and \$5.2 million under a term loan facility.
4. The Companies' head office is located at 61 Provost Street, New Glasgow, Nova Scotia. The Companies employ 84 individuals, including 46 individuals employed by an affiliate of the Companies.
5. Additional background information about the Companies is provided in the Rice Affidavit.

### 3.0 Cash Flow Forecast

1. As set out in the the Pre-filing Report, the Companies, with the assistance of the Monitor, prepared an initial cash flow forecast (the "**Initial Cash Flow Forecast**") for the period December 15, 2024 to March 15, 2025 (the "**Forecast Period**").
2. Just prior to the Comeback Motion, the Companies filed a revised cash flow forecast (the "**Revised Cash Flow Forecast**") because it was discovered that the manner in which cash in the Companies' accounts had been applied by RBC to the operating line differed from the Companies' assumptions and presentation in the Initial Cash Flow Forecast. This change resulted in a material variance that necessitated that the Cash Flow Forecast be updated.
3. The Monitor appended the Revised Cash Flow Forecast to its report to Court dated December 20, 2024 (the "**First Report**"), which included the statutory reports that are required under the CCAA to be signed by a representative of the Companies and by the Monitor. A copy of the Revised Cash Flow Forecast is provided in Appendix "B" (including the statutory reports).
4. The Revised Cash Flow Forecast reflects that the Companies may need access to interim financing to fund their businesses and the costs of these proceedings during the Forecast Period. The Companies believe that a facility of up to \$300,000 should be sufficient for these purposes.
5. The Revised Cash Flow Forecast has also been reviewed by RBC, as the Companies' proposed DIP Lender, and by the Monitor. The Monitor understands that RBC is prepared to provide the DIP Facility, subject to Court approval of the Interim Financing Charging Order.

### 4.0 DIP Facility<sup>1</sup>

1. The terms of the DIP Facility are set out below. A copy of the DIP Term Sheet is attached as Appendix "C". A summary of the significant terms is outlined below.
  - a. Lender: RBC
  - b. Amount: Up to \$300,000
  - c. Maturity date: The Companies<sup>2</sup> are required to repay all of the obligations under the DIP Facility in full, on the earlier of:
    - i. repayment in full of all amounts owing to RBC under the Loan Agreements;

---

<sup>1</sup> Capitalized terms not otherwise defined in this Second Report have the meanings ascribed to them in the DIP Term Sheet.

<sup>2</sup> The Companies are defined as the Borrowers in the DIP Term Sheet.

- ii. a refinancing or sale of all or substantially all of the assets of the Companies pursuant to the Sale and Investment Solicitation Process (the “SISP”) contemplated in the DIP Term Sheet<sup>3</sup>;
  - iii. termination of the CCAA Proceedings; and
  - iv. June 30, 2025.
- d. Interest rate: Prime commercial lending rate of RBC plus 6% per annum.
- e. Fees: Commitment fee of \$5,000, which shall be paid from the first advance made under the DIP Facility.
- f. Security: All draws on the DIP Facility shall be secured by the DIP Lender’s Charge and shall be guaranteed by Mr. Rice (the Companies’ President), Daniel Allen (a director of 3284) and Tracey Allen (a representative of 3284 (collectively, the “Guarantors”) under their existing guarantees with RBC.
- g. Material Conditions include, among others:
- i. the Court has issued the Interim Financing Charging Order on terms satisfactory to RBC from which all appeal periods have expired or been waived;
  - ii. RBC is satisfied that no material adverse change in respect of the Companies or any Guarantors shall have occurred after the date of the Interim Financing Charging Order;
  - iii. a duly executed copy of the DIP Term Sheet;
  - iv. such financial and other information or documents relating to the Companies or any Guarantors as RBC may reasonably require; and
  - v. such other authorizations, approvals, opinions and documentation as RBC may reasonably require.
- h. Events of Default include, among others:
- i. the Companies fail to perform or comply with any term or condition set out in the DIP Term Sheet;

---

<sup>3</sup> In the event that the Companies have not executed an agreement with a lender or other third party in form and substance acceptable to RBC by February 21, 2025, which will provide for the repayment in full of all obligations owing to RBC under the Loan Agreements, the Companies shall: a) arrange to prepare, with the assistance of their advisors, among others, a teaser document outlining the opportunities available under the SISP, a preliminary list of parties to be solicited and a document outlining the terms and conditions of the SISP (the “SISP Materials”), with such SISP Materials to be provided to RBC for review and approval no later than seven days prior to the date materials are filed by the Companies with the Court for approval of the SISP; b) complete their preparation for the SISP and shall make application for approval of the SISP by the Court no later than March 7, 2025; and c) the Companies shall provide that all transactions under the SISP will be completed no later than June 30, 2025.

- ii. other than the CCAA proceedings, if any other proceeding is taken to effect a compromise or arrangement with the Companies' creditors, or any Guarantor;
- iii. if in the opinion of RBC there is a material adverse change in the financial condition, ownership or operation of the Companies, or any Guarantor;
- iv. if the Companies fail to meet any of the milestones set out in the SISP section of the DIP Term Sheet;
- v. any order made in the CCAA proceedings or otherwise that would negate or modify the priority for the amounts advanced; and
- vi. if there is any material negative variance, in the opinion of RBC, from the cash flow forecast submitted by the Companies at the commencement of the CCAA Proceeding or any subsequent cash flows submitted to RBC.

#### **4.1 DIP Facility Recommendation**

1. When reviewing the reasonableness of the DIP Facility, the Monitor considered the following factors, as set out in Section 11.2 of the CCAA:
  - a) **Section 11.2(4)(a) - the period during which the Companies are expected to be subject to proceedings under this Act:**
    - i. The Companies are subject to the CCAA proceedings for, at least, the Forecast Period, during which time the Companies are projected to require liquidity to fund their business and operations, as well as the costs of these proceedings. The DIP Facility is projected to be sufficient to fund these costs.
  - b) **Section 11.2(4)(b) - how the Companies' business and financial affairs are to be managed during the proceedings:**
    - i. The Companies will continue to operate in the ordinary course subject to the CCAA, the oversight of the Monitor and in accordance with the Initial Order, during the duration of the proceeding. The Companies are required to provide RBC with reporting concerning their refinancing efforts and financial performance during these proceedings.
  - c) **Section 11.2(4)(c) - whether the Companies' management has the confidence of its major creditors:**
    - i. RBC, as the Companies' senior lender, has agreed to provide the DIP Facility pursuant to the DIP Term Sheet and supports the relief being sought by the Companies.

d) **Section 11.2(4)(d) - whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company:**

- i. Without the cash to be provided under the DIP Facility, the Companies may be unable to continue to operate, which will put at risk their efforts to restructure their businesses and their ability to emerge from these proceedings;
- ii. the Monitor has compared the terms of the DIP Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison is attached hereto as Appendix "D". Based on the Monitor's review, the cost of the proposed DIP Facility is within the range of similar facilities recently approved by the Court and other Canadian courts in CCAA and other restructuring proceedings;
- iii. given the small size of the facility, the cost to identify and negotiate an alternative facility is not warranted in the circumstance of this case. Any such facility would require a senior charge (behind the Administration Charge), which the Monitor anticipates would be opposed by RBC; and
- iv. there are no structuring, facility, standby or other fees being charged by the DIP Lender under the DIP Facility, except for the Commitment Fee, which is immaterial (\$5,000).

e) **Section 11.2(4)(e) – the nature and value of the Companies' property:**

- i. The primary operations of the Companies, excluding Blue Lobster, are the manufacture and sale of alcoholic beverages (including Ready-To-Drink beverages), including spirits, wine and cider. Without funding under the DIP Facility, the Companies may be unable to maintain their operations and, consequently, there would be a material negative impact on the realizable value of the Companies' business and assets in such a situation.

f) **Section 11.2(4)(f) – whether any creditor would be materially prejudiced as a result of the security or charge:**

- i. In the Monitor's view, the DIP Lender's Charge is reasonable and customary, and would not materially prejudice any of the Companies' creditors. RBC is the Companies' major secured creditor, and it is providing the DIP Facility. The DIP Facility assists to facilitate these proceedings and therefore is in the interest of all stakeholders.

g) **Section 11.2(4)(g) – the Monitor's report referred to in paragraph 23(1)(b), if any:**

- i. As discussed in the First Report, the Initial Cash Flow Forecast and the Revised Cash Flow Forecast have been reviewed by the Monitor and RBC for reasonableness.



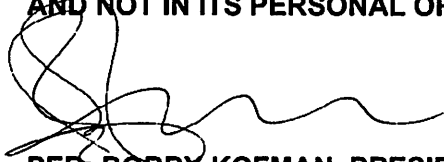
## 5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Interim Financing Charging Order in the form requested by the Companies in its motion material.

\* \* \*

All of which is respectfully submitted,

**KSV RESTRUCTURING INC., IN ITS CAPACITY AS MONITOR OF  
BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA  
SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



**PER: BOBBY KOFMAN, PRESIDENT**

## **Appendix "A"**

OF NOVA SCOTIA  
DEC 20 2024  
HALIFAX, N.S.

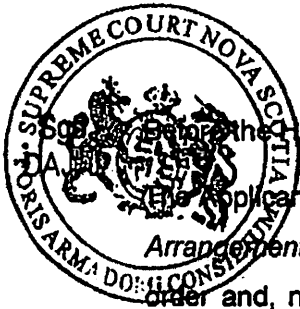
Hfx. No. 538745

**SUPREME COURT OF NOVA SCOTIA**

In the matter of the *Companies' Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the "CCAA")

And in the matter of an application by Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "Applicants") for relief under s. 11 of the CCAA and other relief

**AMENDED AND RESTATED INITIAL ORDER**



Before the Honourable Justice D. Jamieson in chambers:

The Applicants propose to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") and they applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application:

**The Service List attached hereto as Schedule "A"**

The following parties, represented by the following counsel, made submissions:

<b>Party</b>	<b>Counsel</b>
Applicants	Darren D. O'Keefe, O'Keefe & Sullivan Marc Dunning, Burchell Wickwire Bryson LLP
Royal Bank of Canada ("RBC")	Maurice Chiasson, K.C. and Sara Scott, Stewart McKelvey
KSV Restructuring Inc.	Sharon Kour, Reconstruct LLP

On motion of the Applicants and upon reading the affidavits of Kevin Alexander Rice sworn November 27, 2024 and 17 December 2024 (the "Rice Affidavits") and the Exhibits thereto, the affidavit of Marc Dunning sworn on November 27, 2024 (the "Dunning Affidavit") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and such other counsel as appeared, with all parties being duly served as appears from the affidavits of service of Marc Dunning sworn 11 December 2024, 12 December 2024 and 17 December 2024, and on reading the Pre-Filing Report of KSV Restructuring Inc. dated 27 November 2024 the Supplement to the Pre-Filing Report of KSV Restructuring Inc. dated December 10, 2024, and their consent act as the Monitor attached to the within application, the following is ordered and declared:

**Service:**

1. The service of the notice of application in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

**Application:**

2. The Applicants are companies to which the CCAA applies.

**Plan of Arrangement:**

3. The Applicants, in consultation with the Monitor, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "Plan").

**Possession of Property and Operations:**

4. The Applicants shall remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ consultants, agents, experts, accountants,

counsel, and such other persons (collectively "**Assistants**") and the employees currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. The Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable to employees who continue to provide service on or after the date of this Order ("**Active Employees**"), in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- b. all existing and future employee health, dental, life insurance, short- and long-term disability and related benefits (collectively, the "**Group Benefits**") payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits;
- c. with prior written approval of the Monitor, the fees and disbursements for any Assistants retained or employed by the Applicants in respect of these proceedings, at their reasonable standard rates and charges.

6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services; and
- b. payment for goods or services actually supplied to the Applicants prior to and following the date of this Order, provided that to the extent such expenses were

incurred prior to the date of this Order, the Applicants shall only be entitled to pay such amounts if they are determined by the Applicants, in consultation with the Monitor, to be necessary to the continued operation of the Business or preservation of the Property and such payments are approved in advance by the Monitor or by further Order of this Court. Notwithstanding the foregoing, any such payments shall not exceed the amount of \$125,000.00.

7. The Applicants shall remit or pay, in accordance with legal requirements or on terms as may be agreed to between the Applicants and the applicable authority:

- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of: i) employment insurance, ii) Canada Pension Plan, iii) Quebec Pension Plan, and iv) income taxes;
- b. all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- c. any amount payable to the Crown in right of Canada or of any Province or any regulatory or administrative body or any other authority, in all cases in respect of municipal realty, municipal business, or other taxes, assessments or levies of any nature or kind which are: i) entitled at law to be paid in priority to claims of secured creditors; ii) attributable to or in respect of the ongoing Business carried on by the Applicants; and iii) payable in respect of the period commencing on or after the date of this Order.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases, including, for greater certainty, common area maintenance charges, utilities and realty taxes, and any other amounts payable to the landlord under the lease, or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period

commencing from and including the date of this Order, in accordance with its existing lease agreements. On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

9. Except as specifically permitted herein or by further order of this Court, the Applicants are hereby directed, until further order of this Court: i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their respective creditors as of this date without prior written consent of the Monitor; ii) to grant no security interests, trusts, liens, charges, or encumbrances upon or in respect of any of its Property; and iii) to not grant credit or incur liabilities except in the ordinary course of the Business or with the prior written approval of the Monitor.

**Restructuring:**

10. The Applicants shall, subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:

- a. permanently or temporarily cease, downsize or shut down any of its business or operations; and
- b. pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any refinancing.

**No Proceedings Against the Applicants or the Property:**

11. Until and including 08 March 2025 or such later date as this Court may order (the "**Stay Period**"), no claim, grievance, application, action, suit, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association (each, a "**Proceeding**") shall be commenced, continued, or enforced against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

**No Exercise of Rights or Remedies:**

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; iii) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety, or the environment; iv) prevent the filing of any registration to preserve or perfect a security interest; or v) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Applicants shall not be required to file a defence during the stay period.

**No Interference with Rights:**

13. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicants, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the written consent of the Applicants and the Monitor, or leave of this Court.

**Continuation of Services:**

14. During the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the Business or the Applicants, are hereby restrained until further order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Applicants, and the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of



the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

**Non-Derogation of Rights:**

15. Notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

**Proceedings Against Directors and Officers:**

16. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court, these proceedings are dismissed by final order of this Court, or with leave of this Court.

**Appointment of Monitor:**

17. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicants, the Property, and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Applicants and its shareholders, officers, directors, employees and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations, and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Applicant's receipts and disbursements;

- b. report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the activities of the Applicants, and such other matters as may be relevant to the proceedings herein;
  - c. advise the Applicants in its development of the Plan and any amendments to the Plan, and, to the extent deemed appropriate by the Monitor, assist in its negotiations with creditors, customers, vendors, and other interested Persons;
  - d. assist the Applicants, to the extent deemed appropriate by the Monitor, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - e. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents and to the Business of the Applicants, to the extent that is necessary to adequately assess the Applicant's Business and financial affairs or to perform its duties arising under this Order;
  - f. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order, including any affiliate of, or person related to the Monitor;
  - g. be at liberty to perform such other duties as are required by this Order or by this Court from time to time.
19. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.
20. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.
21. Nothing herein shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the

Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Nova Scotia Environment Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

22. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

23. The Monitor, counsel to the Monitor, and all counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case not to exceed their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a semi-monthly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

24. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.

25. The Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$175,000, as security for their

professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 27 hereof.

26. The filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

27. The Administration Charge shall constitute a charge on the Property of the Applicants and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

28. That except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any further Encumbrances over any Property that ranks in priority to, or *pari passu* with the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor, RBC and the beneficiaries of the Administration Charge, or further Order of this Court.

29. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- a. the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

- b. none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- c. the payments made by the Applicant pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

30. That any charge created by this Order over leases of real property in Canada shall only be a charge in the Applicants' interest in such real property leases.

**Refinance or Sale Process:**

31. That the Applicants with the assistance of the Monitor are hereby authorized and empowered to take such steps as are deemed necessary or desirable to, subject the approval of this Court, carry out and perform a refinancing transaction whereby the Applicants' obligations to RBC (as they exist at the time of any repayment, including all accrued interest, professional costs and other costs) are repaid in full, or such other transaction satisfactory to RBC (the "Refinancing Process"), and in so doing the Monitor shall incur no liability or obligation as a result of assisting the Applicants with the Refinancing Process or in carrying out the other provisions of this Order, save and except for gross negligence or willful misconduct on its part. Any payments made by the Applicants pursuant to this paragraph and any Order of this Court do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law and shall be received by RBC free and clear of the claims of other creditor of the Applicants.

**Service and Notice:**

32. The Monitor shall: i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

33. The Applicants and the Monitor may give notice of this Order, any other materials and orders in these proceedings, and any notices, and provide correspondence, by forwarding originals or true copies by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and any such notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

34. The Applicants and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at <https://www.ksvadvisory.com/experience/case/blue>.

**General:**

33. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

34. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, construction lien trustee, or a trustee in bankruptcy of the Applicants, the Business or the Property.

35. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.


36. Each of the Applicants and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of

the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

37. Any interested party, including the Applicants and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the *Civil Procedure Rules* or as this Court may order.

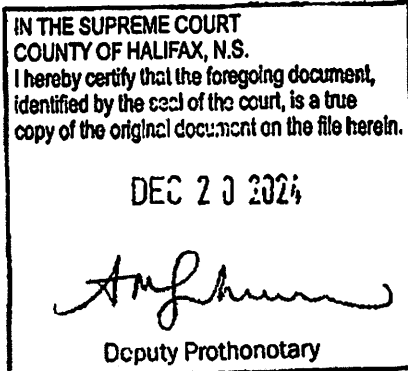
38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Standard Time on the date of this Order.

Issued December 20 2024.



Prothonotary

ALEXIS SCHURMAN  
Deputy Prothonotary



**Schedule "A"**

**Service List**

<b>Name</b>	<b>Contact</b>
<p><b>Blue Lobster Capital Limited</b> <b>3284906 Nova Scotia Limited</b> <b>3343533 Nova Scotia Limited</b> <b>4318682 Nova Scotia Limited</b></p> <p><b>Applicants</b></p>	<p><b>Darren O'Keefe, Lawyer for the Applicants</b> O'Keefe Sullivan 80 Elizabeth Avenue, Suite 202 St. John's, NL A1A 1W7 Email: dokeefe@okeefesullivan.com</p> <p><b>Marc Dunning, Lawyer for the Applicants</b> <b>(Local Counsel)</b> Burchell Wickwire Bryson LLP 1900-1801 Hollis Street Halifax, NS B3J 3N4 Email: mdunning@bwblp.ca</p>
<p><b>KSV Restructuring Inc.</b> 220 Bay Street, Suite 1300 Toronto, ON M5J 2W3</p> <p><b>Monitor</b></p>	<p><b>Bobby Kofman</b> Email: bkofman@ksvadvisory.com</p> <p><b>Mitch Vininsky</b> Email: mvininsky@ksvadvisory.com</p> <p><b>Sharon Kour, Lawyer for the Monitor</b> Reconstruct LLP 120 Adelaide Street West, Suite 2500 Toronto, ON M5H 1T1 Email: skour@reconllp.com</p>
<p><b>Royal Bank of Canada</b> 700-1871 Hollis Street Halifax, NS B3J 0C3</p>	<p><b>Dave Northrup</b> Email: dave.northrup@rbc.com</p> <p><b>Maurice P. Chlasson, KC</b> Email: mchiasson@stewartmckelvey.com</p> <p><b>Sara Scott</b> Email: sscott@stewartmckelvey.com</p> <p><b>Colton Smith</b> Email: csmith@stewartmckelvey.com</p> <p><b>Stewart McKelvey</b> Queen's Marque 600-1741 Lower Water Street Halifax, NS B3J 0J2</p>



Name	Contact
<b>Ernst &amp; Young Inc.</b> Benjamin Place 11 Englehart Street, Suite 200 Dieppe, NB E1A 7Y7	<b>Steven J. McLaughlin</b> Email: Steven.J.McLaughlin@parthenon.ey.com  <b>Drew MacCormack</b> Email: Drew.Maccormack@parthenon.ey.com
<b>Bank of Nova Scotia</b> 1709 Hollis Street, 6 <sup>th</sup> Floor Halifax, NS B3J 1W1	<b>Stephen Kingston, Recognized Agent</b> McInnes Cooper 1969 Upper Water Street, Suite 1300 Halifax, NS B3J 3R7 Email: stephen.kingston@mcinnescooper.com
<b>Tesla Motors ULC</b> 1325 Lawrence Avenue, East Toronto, ON M3A 1C6	<b>Christopher MacIntyre, Recognized Agent</b> McInnes Cooper 1969 Upper Water Street, Suite 1300 Halifax, NS B3J 3R7 Email: chris.macintyre@mcinnescooper.com
<b>Penske Truck Leasing Canada Inc. / Locations de Camions Penske Canada Inc.</b> 7405 East Danbro Crescent Mississauga, ON L5N 6P8	<b>Robert Eidinger</b> Eidinger & Associates 1350 rue Sherbrooke ouest, suite 320 Montreal, PQ H3G 1J1 Email: robert.eidinger@eidinger.ca
<b>Toyota Credit Canada</b> 80 Micro Court, Ste. 200 Markham, ON L3R 9Z5	<b>Gavin MacDonald, Recognized Agent</b> Cox & Palmer Nova Centre, South Tower 1500-1625 Grafton Street Halifax, NS B3J 3E5 Email: gmacdonald@coxandpalmer.com
<b>L. Burge Services Limited</b> 179 Foord Street Stellarton, NS B0K 1S0	<b>Ray O'Brien, Recognized Agent</b> O'Brien Law 179 Foord Street Stellarton, NS B0K 1S0 Email: ray@oblenislaw.com
<b>Shell Canada Products Limited</b> 2000 Barrington Street, Suite 1101-C Halifax, NS B3J 3K1	<b>Barry Horne</b> Miller Thompson, LLP 40 King Street West, Suite 5800 Toronto, ON M5H 3C2 Email: bhorne@millerthomson.com
<b>Crews Automotive Incorporated</b> 1917 Drummond Road Westville, NS B0K 2A0	<b>Kenneth Crews, Recognized Agent</b> Email: kennycraws@yahoo.ca

Name	Contact
<b>Saint-Famille Wines Limited</b> 106 Greenpark Close, Unit 612 Halifax, NS B3S 0A4	<b>Michael MacKenzie</b> Atlantica Law Group 99 Water Street Windsor, NS B0N 2T0 Email: mmackenzie@atlanticalaw.ca
<b>Suzanne Corkum</b> 106 Greenpark Close, Unit 612 Halifax, NS B3S 0A4	<b>Michael MacKenzie</b> Atlantica Law Group 99 Water Street Windsor, NS B0N 2T0 Email: mmackenzie@atlanticalaw.ca
<b>Kevin Alexander Rice</b> <b>Daniel Ronald Allen</b> <b>Tracey Lynn Allen</b>	<b>Paul Radford, KC</b> Patterson Law 2100-1801 Hollis Street Halifax, NS B3J 3N4 Email: pradford@pattersonlaw.ca
<b>Canada Revenue Agency</b> Insolvency Intake Centre Shawinigan – Sud National Verification and Collections Centre 4695 Shawinigan-Sud Boulevard Shawinigan, QC G9P 5H9	<b>Deanna Frappier, KC</b> Email: deanna.frappier@justice.gc.ca  <b>Caitlin Ward</b> Email: caitlin.ward@justice.gc.ca
<b>Office of the Superintendent of Bankruptcy</b> <b>Maritime Centre</b> 1505 Barrington Street, 16 <sup>th</sup> Floor Halifax, NS	Email: ic.osbccaa-laccbsf.ic@canada.ca

**Email List**

dokeefe@okeefesullivan.com; mdunning@bwblp.ca; bkofman@ksv advisory.com;  
 mvininsky@ksv advisory.com; skour@reconllp.com; dave.northrup@rbc.com;  
 mchiasson@stewartmckelvey.com; sscott@stewartmckelvey.com;  
 csmith@stewartmckelvey.com; Steven.J.McLaughlin@parthenon.ey.com;  
 Drew.Maccormack@parthenon.ey.com; stephen.kingston@mcinnescooper.com;  
 chris.macintyre@mcinnescooper.com; robert.eidinger@eidinger.ca;  
 gmacdonald@coxandpalmer.com; ray@oblenislaw.com; bhone@millerthomson.com;  
 kennycraws@yahoo.ca; mmackenzie@atlanticalaw.ca; pradford@pattersonlaw.ca;  
 deanna.frappier@justice.gc.ca; caitlin.ward@justice.gc.ca; ic.osbccaa-laccbsf.ic@canada.ca;

## **Appendix "B"**

Notes	Week ending	Week 1 2024-12-21	Week 2 2024-12-28	Week 3 2025-01-04	Week 4 2025-01-11	Week 5 2025-01-18	Week 6 2025-01-25	Week 7 2025-02-01	Week 8 2025-02-08	Week 9 2025-02-15	Week 10 2025-02-22	Week 11 2025-03-01	Week 12 2025-03-08	Week 13 2025-03-15	Total
	Opening Cash Balance	206,890	118,603	239,844	66,016	64,731	174,375	101,508	209,631	142,110	257,618	164,742	253,628	160,660	206,890
	LoC Available	120,000	120,000	120,000	120,000	120,000	60,000	-	-	-	-	-	-	-	-
	Total Cash Available	326,890	238,603	359,844	186,016	184,731	114,375	101,508	209,631	142,110	257,618	164,742	253,628	160,660	326,890
	<b>Cash Inflows</b>														
1	Trade Sales	132,511	168,123	35,154	81,000	126,000	128,500	126,000	148,000	148,000	160,500	158,000	159,500	159,500	1,730,788
2	Direct Sales	22,947	19,500	21,500	24,487	24,487	24,487	31,258	32,258	32,258	32,258	32,258	32,258	32,258	362,213
3	Shopify	11,774	5,150	5,150	5,150	5,150	5,150	5,150	6,150	6,150	6,150	6,150	6,150	6,150	79,574
4	Other Sales	9,960	9,251	9,251	9,251	9,251	9,251	9,251	16,640	16,640	16,640	16,640	16,640	16,640	165,309
	RBC Line of Credit	-	-	-	-	60,000	60,000	-	-	-	-	-	-	-	120,000
	Total Cash Inflows	177,192	202,024	71,055	119,888	224,888	227,388	171,659	203,048	203,048	215,548	213,048	214,548	214,548	2,457,884
	<b>Cash Outflows</b>														
5	Salaries, wages, and benefits	108,421	-	73,421	-	73,421	-	73,421	-	73,421	-	73,421	-	73,421	548,950
	Payroll - CRA source remittances	15,325	7,239	-	7,239	15,873	7,239	-	7,239	15,873	7,239	10,000	7,239	15,873	116,378
	Equitable Life Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees:														
	Professional Fees - Legal Counsel	15,840	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	135,840
	Professional Fees - Monitor	-	-	-	-	48,000	-	-	-	48,000	-	-	-	48,000	144,000
	Professional Fees - Monitor Legal Counsel	-	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	120,000
	Professional Fees - Review Engagement	29,957	-	-	-	-	-	-	-	-	-	-	-	-	29,957
	Professional Fees - Accounting	-	-	19,000	-	-	-	16,500	-	-	-	16,500	-	-	52,000
	Professional Fees - RBC Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	-	-	6,356	-	-	-	-	6,356	-	-	6,356	-	4,920	23,988
	HST	-	-	-	-	-	-	75,000	-	-	-	75,000	-	-	150,000
	Excise Tax	-	-	-	-	-	-	30,000	-	-	-	30,000	-	-	60,000
6	RBC LoC and Debt Servicing														
	General Operating Expenses	4,877	10,960	3,006	23,434	11,131	7,500	7,006	18,776	7,606	8,777	7,001	10,654	7,002	127,728
	Inventory & Raw Materials Purchases	81,059	37,584	80,100	27,500	112,569	48,782	52,855	78,156	68,656	81,656	58,656	78,687	89,187	893,448
7	Advertising & Promotion	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
	Contingency	10,000	25,000	53,000	53,000	53,000	23,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	322,000
	Total Cash Outflows	265,479	80,783	244,883	121,173	403,994	94,521	279,782	135,527	318,556	122,672	301,935	121,580	343,404	2,834,289
	Intercompany Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash surplus (deficit)	-	88,287	121,241	173,828	1,285	179,106	132,867	108,123	67,521	115,508	92,876	88,886	92,968	376,405
	Cumulative cash surplus (deficit)	-	88,287	32,955	140,873	142,158	321,265	188,398	296,521	229,000	344,507	251,631	340,518	247,550	376,405
	Ending Cash + LoC Available	238,603	359,844	186,016	184,731	5,625	18,492	209,631	142,110	257,618	164,742	253,628	160,660	289,516	

**Notes to Cash Flow Forecast**

**Purpose** This statement of projected cash flow (the "Forecast") has been prepared on a consolidated basis in respect of Blue Lobster Capital Limited, 328496 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited in accordance with section 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA") for the period December 15, 2024 to March 15, 2025 (the "Period").

- Note 1** Trade Sales refers to sales to liquor boards including NSLC, PEI, and LCBO  
Payments up to Dec 13 are based on purchase orders fulfilled  
Payment amounts after Dec 14 are based on average prior year December sales
- Note 2** Direct Sales refers to sales to direct customers including restaurants  
Payment are based on average prior year December sales; payment terms for 85% of sales are on receipt
- Note 3** Shopify Sales refers to sales made to direct customers through web or in store retail  
Sales is calculated as average \$10,000 per week based on historical results; payment terms are due on receipt/cash basis
- Note 4** Other Sales refers to sales to private liquor stores  
Payment are based on average prior year December sales; payment terms vary
- Note 5** Future payroll is based on the last payroll run
- Note 6** Payments are scheduled for prior to Dec. 1
- Note 6** For the purposes of this model we are assuming that credit card amounts owing as of the filing date are not being serviced.  
Debt service has not been included in the model including loans, mortgages, credit cards).
- Note 7** Advertising and promotion expenses are based on 75% of prior year average expenditures for the period.

**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY**

**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 BLUE LOBSTER CAPITAL LIMITED,  
3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA  
LIMITED AND 4318682 NOVA SCOTIA LIMITED**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)**

The management of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") has developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 18th day December, 2024, for the period December 15, 2024 to March 15, 2025 (the "**Cash Flow Forecast**"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Cash Flow Forecast as described in the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow Forecast.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose outlined in the Cash Flow Forecast using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Halifax, NS this 20th day of December, 2024.

**BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA  
SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED**



Per: Alex Rice

**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY**

**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 BLUE LOBSTER CAPITAL LIMITED,  
3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA  
LIMITED AND 4318682 NOVA SCOTIA LIMITED**

**PROPOSED MONITOR'S REPORT ON CASH FLOW  
STATEMENT**

(paragraph 23(1)(b) of the CCAA)

The attached consolidated statement of projected cash-flow of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") as of the 18<sup>th</sup> day of December, 2024, consisting of a weekly projected cash flow statement for the period December 15, 2024 to March 15, 2025 (the "**Cash Flow Forecast**") has been prepared by the management of the Applicants for the purpose described in the Cash Flow Forecast, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicants. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions;  
or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in the Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, ON this 20th day of December, 2024.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,**

solely in its capacity as proposed monitor of

Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited

## **Appendix "C"**





**RBC**  
**Royal Bank™**

---

**Dave Northrup**  
Senior Manager  
Special Loans and Advisory Services - Atlantic

**Royal Bank of Canada**  
700 – 1871 Hollis Street  
Halifax, Nova Scotia B3J 0C3  
Tel: (902) 403-0619  
Email: dave.northrup@rbc.com

January 14, 2025

**Private & Confidential**

Blue Lobster Capital Limited  
3284906 Nova Scotia Limited  
3343533 Nova Scotia Limited  
4318682 Nova Scotia Limited  
99 Wyse Road  
Dartmouth, Nova Scotia  
B3A 1N6

**Attn: Alex K. Rice:**

**ROYAL BANK OF CANADA** (the "Bank") hereby offers to the Borrowers, on a joint and several basis, the Credit Facilities (as described below) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). Unless otherwise provided, all dollar amounts are in Canadian currency.

This offer of Credit Facilities is made in the course of the proceedings commenced by the Borrowers under the *Companies' Creditors Arrangement Act* (Canada) in Hfx. No. 538745 (the "CCAA Proceedings") in the Nova Scotia Supreme Court (the "Court").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

**BORROWERS**

Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (the "Borrowers").

## **CREDIT FACILITIES**

\$300,000 non-revolving term facility by way of RBP based loans ("RBP Loans") with a variable interest rate (per annum): RBP + 6% (the "Credit Facilities").

## **COMMITMENT FEE**

The Borrowers shall pay a commitment fee to the Bank of \$5,000 which shall be paid from the first advance made under the Credit Facilities.

## **AVAILABILITY**

The Borrowers may borrow up to the amount of the Credit Facilities, provided the Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of the Credit Facilities at any time from time to time pursuant to an order of the Court in the CCAA Proceedings.

## **REPAYMENT**

The Credit Facilities shall be repaid in full, with accrued interest and all costs of the Bank associated with the RBP Loans, on the earlier of:

- (a) the repayment in full of all amounts owing to the Bank under the Loan Agreements,
- (b) the sale of all or substantially all of the assets of the debtors pursuant to the SISP,
- (c) the termination of the CCAA Proceedings, and
- (d) June 30, 2025.

## **SECURITY**

Security for the Credit Facilities (collectively, the "Security"), shall include:

- (a) A first priority charge ordered by the Court in favour of the Bank in and to all present and future-acquired properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "Charge"), subject only to an administration charge in the maximum aggregate amount of \$175,000 pursuant to an Order of the Court in the CCAA Proceedings (the "Charge Order");

- (b) Acknowledgment from the Borrowers, in their capacity as guarantors of each other, Alex K. Rice, Daniel Allen and Tracey Allen (the "Guarantors") confirming that the guarantees previously granted to the Bank shall also apply to the amounts under the Credit Facilities hereunder; and
- (c) Such other assignments, authorizations, undertakings, contracts, or agreements required by the Bank.

#### **CONDITIONS PRECEDENT**

Unless waived in writing by the Bank, in no event will the Credit Facilities or any part thereof be available unless:

- (a) the Court has issued an order granting the Charge on terms satisfactory to the Bank (the "Order") from which all appeal periods have expired or been waived;
- (b) the Bank is satisfied that no material adverse change in respect of the Borrowers or any Guarantors shall have occurred after the date of the Charge Order;
- (c) a duly executed copy of this Agreement;
- (d) such financial and other information or documents relating to the Borrowers or any Guarantors as the Bank may reasonably require;
- (e) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- (f) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- (g) no Borrowing under the Credit Facilities will be made available unless the Bank has received a Borrowing Request substantially in the form of Schedule "C".

#### **SISP**

The Bank expects that the Borrowers will immediately begin preparation for a sale and investment solicitation process (the "SISP") aimed at seeking offers for the sale of all or substantially all of

the business assets of the Borrowers or significant investments in the businesses carried on by the Borrowers. Preparation for the SISP will run concurrent with the refinancing efforts of the Borrowers.

In the event that the Borrowers have not executed an agreement with a lender or other third party in form and substance acceptable to the Bank by February 21, 2025, which will provide for the repayment in full of all obligations owing to the Bank under the Loan Agreements, the Borrowers shall complete their preparation for the SISP and shall make application for approval of the SISP by the Court no later than March 7, 2025. The Borrowers shall provide that all transactions under the SISP will be completed no later than June 30, 2025.

As part of the preparations for the SISP, the Borrowers shall arrange to prepare, with the assistance of their advisors, among others, a teaser document outlining the opportunities available under the SISP, a preliminary list of parties to be solicited and a document outlining the terms and conditions of the SISP (the "SISP Materials"). The SISP Materials shall be provided to the Bank for review and approval no later than seven days prior to the date materials are filed by the Borrowers with the Court for approval of the SISP.

## REPORTING REQUIREMENTS

While the Credit Facilities, or any portion thereof remain outstanding, the Borrowers shall provide the following to the Bank and its advisors:

1. bi-weekly reporting to the Bank and its advisors, Ernst & Young Inc. ("EY"), noting their compliance with the 13-week cashflow statement filed with the Court, including commentary on any variances in excess of 10%;
2. on a monthly basis:
  - (a) trial balance (in Microsoft excel format, if available);
  - (b) aged accounts receivable listing by invoice and customer including invoice date (in Microsoft excel format, if available);
  - (c) aged accounts payable listing by invoice and customer including invoice date (in Microsoft excel format, if available);
  - (d) list of accrued liabilities (in Microsoft excel format, if available);

- (e) detailed inventory listing by sku reflecting quantity, cost per unit and extended value (in Microsoft excel format, if available);
  - (f) payroll statement of account with the Canada Revenue Agency ("CRA") with evidence of payroll remittances for the month ended;
  - (g) payroll and vacation pay accrued liability as at month-end; and
  - (h) Workers Compensation statement of account with evidence of payment for the month ended;
3. bi-weekly reporting to the Bank in respect of the Borrowers' refinancing efforts, including copies of all discussion papers, letters of intent and financing offers received;
  4. the details of any payment arrangement with CRA in relation to outstanding arrears for source deductions, HST and excise taxes (for all entities in the corporate group, whether they are entities under CCAA protection or not); and
  5. response to any request for additional information from the Bank and EY, both acting reasonably.

---

**GOVERNING LAW JURISDICTION**

Province of Nova Scotia.

**ACCEPTANCE**

This Agreement is open for acceptance until January 22, 2025, after which date it will be null and void, unless extended by the Bank in its sole discretion.

**ROYAL BANK OF CANADA**

Per: *Dave Northrup*  
Name: Dave Northrup  
Title: Senior Manager, Special Loans & Advisory Services

We acknowledge and accept the terms and conditions of this Agreement on this \_\_\_\_ day of January, 2025.

**BLUE LOBSTER CAPITAL LIMITED**

Per: *K Alex Tri*  
Name:  
Title:

**3284906 NOVA SCOTIA LIMITED**

Per: *K Alex Tri*  
Name:  
Title:

**3343533 NOVA SCOTIA LIMITED**

Per: K Alex Tri  
Name:  
Title:

**4318682 NOVA SCOTIA LIMITED**

Per: K Alex Tri  
Name:  
Title:

The undersigned, as Guarantors, as of this \_\_\_\_ day of January, 2025, hereby acknowledge, confirm and agree that our guarantees in favour of the Bank for any and all obligations of the Borrowers to the Bank shall apply to and in respect of all obligations of the Borrowers under this Agreement between the Borrowers and the Bank, dated January 14, 2025, as may be further amended, restated, supplemented or replaced from time to time. The undersigned also acknowledge that it has received a copy of each of the foregoing documents.

**BLUE LOBSTER CAPITAL LIMITED**

Per: K Alex Tri  
Name:  
Title:

**3284906 NOVA SCOTIA LIMITED**

---

Per: K Alex Rice  
Name:  
Title:

**3343533 NOVA SCOTIA LIMITED**

Per: K Alex Rice  
Name:  
Title:

**4318682 NOVA SCOTIA LIMITED**

Per: K Alex Rice  
Name:  
Title:

K Alex Rice  
Alex K. Rice

Daniel Allen  
Daniel Allen

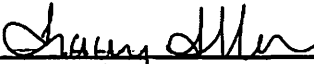


Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and  
4318682 Nova Scotia Limited – DIP Facility Letter

January 14, 2025

Page 9

---



---

Tracey Allen

**Attachments:**

- Terms and Conditions

- Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Borrowing Request

---

## **TERMS AND CONDITIONS**

The Bank is requested by the Borrowers to make the Credit Facilities available to the Borrowers in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrowers, jointly and severally agree, as follows:

### **REPAYMENT**

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.

### **EVIDENCE OF INDEBTEDNESS**

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrowers by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrowers to the Bank pursuant to this Agreement. The Borrowers authorize and direct the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrowers for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

### **GENERAL COVENANTS**

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrowers covenant and agree with the Bank that the Borrowers:

- (a) will pay all sums of money when due under the terms of this Agreement;
- (b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- (c) will file all material tax returns which are or will be required to be filed by them, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax; the payment of which is being contested;
- (d) will give the Bank 30 days prior notice in writing of any intended change in any ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- (e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- (f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrowers and hold the Bank harmless from and against any losses, costs

or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrowers;

- (g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- (h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- (i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- (l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- (m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- (n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrowers' premises, properties and assets and examine and obtain copies of the Borrowers' records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrowers' affairs with the auditors, counsel and other professional advisers of the Borrowers. The Borrowers hereby authorize and direct any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank;
- (o) will not use the proceeds of the Credit Facilities for the benefit or on behalf of any Person other than the Borrowers; and
- (p) will comply strictly with the terms of any orders issued by the Court in relation to the CCAA Proceedings.

#### **FEES, COSTS AND EXPENSES**

The Borrowers agree to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrowers agree to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or

---

protection of its rights in connection with this Agreement and the Security. The Borrowers shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on the Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

#### **GENERAL INDEMNITY**

The Borrowers hereby agree to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrowers or any Guarantor, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrowers or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrowers or any Guarantor.

#### **AMENDMENTS AND WAIVERS**

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrowers and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrowers will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrowers' account.

#### **SUCCESSORS AND ASSIGNS**

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrowers shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrowers and any Guarantor (including, any such information provided by the Borrowers, and any Guarantor to the Bank) and shall not be liable for any such disclosure.

#### **GAAP**

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of

---

presentation, as appropriate, including, without limitation, the application of accrual accounting. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

#### **SEVERABILITY**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

#### **GOVERNING LAW**

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrowers irrevocably submit to the non-exclusive jurisdiction of the courts of such Province and acknowledge the competence of such courts and irrevocably agree to be bound by a judgment of any such court.

#### **DEFAULT BY LAPSE OF TIME**

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrowers, or any Guarantor, in default thereof.

#### **SET-OFF**

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrowers, or to which the Borrowers are beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrowers due to the Bank under the Credit Facilities and the other obligations of the Borrowers under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

#### **NOTICES**

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrowers. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrowers' business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrowers, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrowers, in which case the letter shall be deemed to be received on the date of delivery. The Borrowers must advise the Bank at once about any changes in any Borrower's address.

#### **CONSENT OF DISCLOSURE**

The Borrowers hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrowers.

---

## **NON-MERGER**

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

## **JOINT AND SEVERAL**

The obligations of the Borrowers under this Agreement shall be joint and several.

## **COUNTERPART EXECUTION**

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

## **ELECTRONIC MAIL AND FAX TRANSMISSION**

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrowers or any Guarantor, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrowers received by electronic mail or fax transmission is a reliable communication from the Borrowers.

## **ELECTRONIC IMAGING**

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

## **REPRESENTATIONS AND WARRANTIES**

Each of the Borrowers, jointly and severally, represents and warrants to the Bank that:

- (a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- (b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- (c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- (d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its

---

financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and

- (e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing hereunder.

#### **LANGUAGE**

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressement demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

#### **WHOLE AGREEMENT**

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrowers and the Bank with respect to the Credit Facilities.

#### **EXCHANGE RATE FLUCTUATIONS**

If, for any reason, the amount of Borrowings, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrowers shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

#### **JUDGEMENT CURRENCY**

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgement Currency") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose, "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrowers will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrowers under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

## **EVENTS OF DEFAULT**

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to seek an order of the Court to cancel any Credit Facility, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- (a) failure of the Borrowers to pay any principal, interest or other amount when due pursuant to this Agreement;
- (b) failure of the Borrowers, or any Guarantor, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- (c) any of the Borrowers, or any Guarantor, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent other than in the CCAA Proceedings;
- (d) other than the CCAA Proceedings, if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrowers, or any Guarantor, or to have the Borrowers, or any Guarantor, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrowers, or any Guarantor, or if any encumbrancer takes possession of any part thereof;
- (e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrowers, or any Guarantor;
- (f) if any representation or warranty made by the Borrowers, or any Guarantor, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect;
- (g) if the Borrowers, or any Guarantor, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated;
- (h) if the Borrowers fail to meet any of the milestones set out in the SISP Section of this Agreement;
- (i) any order is made in the CCAA Proceedings or otherwise that would negate or modify the priority for the amounts advanced hereunder (other than the administration charge in the maximum aggregate amount of \$175,000 as provided for in the Charge Order); or
- (j) if there is any material negative variance, in the opinion of the Bank, from the cash flow forecast submitted by the Borrower at the commencement of the CCAA Proceeding or any subsequent cash flows submitted to the Bank.

Should the Court issue an order allowing the Bank to demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrowers shall



immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

## **Schedule "A"** **DEFINITIONS**

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

**"Applicable Laws"** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable

**"Borrowing"** means each use of the Credit Facilities and all such usages outstanding at any time are **"Borrowings"**;

**"Business Day"** means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed in the Province of Nova Scotia;

**"CCAA Proceedings"** means proceedings commenced by the Borrowers before the Court under Hfx. No. 538745;

**"Contaminant"** includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

**"Environmental Activity"** means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

**"Environmental and Health and Safety Laws"** means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

**"Equivalent Amount"** means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

**"Guarantor"** means any Person who has guaranteed the obligations of the Borrowers under this Agreement;

**"Loan Agreements"** mean any agreement executed by any of the Borrowers in favour of the Bank prior to the commencement of the CCAA Proceedings pursuant to which any of the Borrowers is indebted to the Bank;

**"Maturity Date"** means the date on which the Credit Facilities are due and payable in full;

**"Permitted Encumbrances"** means, in respect of any Borrower:

a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the

value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of such Borrower in the ordinary course of business; and

b) Security granted in favour of the Bank;

**"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

**"Potential Prior-Ranking Claims"** means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

**"Release"** includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

**"RBP"** means the annual rate of interest announced by the Bank from time to time as a reference rate for determining interest rates on commercial loans made in Canadian dollars in Canada.

## **Schedule "B"**

### **CALCULATION AND PAYMENT OF INTEREST AND FEES**

#### **LIMIT ON INTEREST**

The Borrowers shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrowers under any facility be less than zero.

#### **OVERDUE PAYMENTS**

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 6% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

#### **EQUIVALENT YEARLY RATES**

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

#### **TIME AND PLACE OF PAYMENT**

Amounts payable by the Borrowers hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

#### **RBP LOANS**

Interest on each RBP Loan will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

**Schedule "C"**

**BORROWING REQUEST**

The Borrower hereby requests the following be established under the Credit Facilities:

Date of Borrowing:	
Amount of Borrowing: (must be a multiple of \$50,000)	\$ [insert amount]
Interest Rate (per annum):	RBP + 6%

Dated this \_\_\_\_ day of \_\_\_\_\_, 2025.

**BLUE LOBSTER CAPITAL LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

**3284906 NOVA SCOTIA LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

**3343533 NOVA SCOTIA LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

**4318682 NOVA SCOTIA LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

## **Appendix "D"**



**Approved Debtor-in-Possession Financing Facilities for Canadian Debtors**  
Current as at November 4, 2024

Debtor	Lender	Proceeding Type	Trustee	Filing Date	Jurisdiction	Industry	Commitment (\$MM)	Fees	Interest Rate	Notes
Chesswood Group Ltd. et al.	RBC and other pre-filing lenders	CCAA	FTI	29-Oct-24	Ontario	Financial Services	US65	Upfront fee of U.S.\$420,000; Annual administrative fee of Cdn.\$30,000; reasonable fees and expenses of the DIP lender	Prime plus an applicable margin of 400 bps per annum	
Mizrahi Development Group (1451 Wellington) Inc.	TCC Mortgage Holdings Inc.	CCAA	MNP	15-Oct-24	Ontario	Real Estate	25.00	Commitment Fee of 1.5% (\$375,000); reasonable fees and expenses of the DIP lender	10.0%	
Tokyo Smoke	T5 Investments Corp.	CCAA	A&M	28-Aug-24	Ontario	Cannabis	8.00	1% commitment fee (\$80,000); fees and expenses of the DIP lender	13.0%	
BC Tree Fruits Cooperative, BC Tree Fruits Industries, Growers Supply Company Limited	CIBC	CCAA	A&M	13-Aug-24	British Columbia	Food Manufacturing	4.05	Fees and expenses of the DIP lender	10.0%	
Freedom Cannabis Inc.	JL Legacy Ltd.	CCAA	EY	08-Aug-24	Alberta	Cannabis	3.00	2% commitment fee (\$60,000); fees and expenses of the DIP lender	15.0%	
Galaxie Brands Corporation	The Vancor Group Inc.	CCAA	KPMG	06-Aug-24	Ontario	Cannabis	1.65	2% commitment fee; fees and expenses of the DIP lender	14.0%	
VBI Vaccines Inc. et al.	K2 HealthVentures LLC	CCAA	EY	30-Jul-24	British Columbia	Healthcare	2.50	Commitment fee of 2% (\$50,000)	17.5%	
Delta 9 Cannabis Inc. et al.	FIKA Herbal Goods	CCAA	A&M	15-Jul-24	Saskatchewan	Cannabis	16.00	Reasonable fees and expenses of the DIP lender	TD Bank's prime rate plus 3%	
Taiga Motors Corporation et al.	EDC	CCAA	Deloitte	10-Jul-24	Quebec	Manufacturing	4.40	First commitment fee of 2.4% of the Pre-Phase 1 Milestone Facility Amount (\$2,100,000) payable on the initial DIP Advance. Second commitment fee of 2.4% of the Post-Phase 1 Milestone Facility Amount (\$2,300,000) payable on the date of the first DIP Advance that takes place after August 16, 2024.	prime plus 7	
good natured Products Inc. et al.	Wells Fargo	CCAA	A&M	28-Jun-24	British Columbia	Manufacturing	providing increased loan availability	Fee of 100,000; reasonable fees and expenses of the DIP lender		



National Traffic Safety Management Inc.	FundThrough Inc.	NOI	TDB	05-Apr-24	Ontario	Technology	2.00	- 0.10% daily fee multiplied by the face value of the invoices due and payable at the invoice due date. - Default fee of 0.1315% daily fee after the invoice due date. - Facility fee equal to \$20,000, which shall be fully earned upon Court approval of the FundThrough Term Sheet. - Upfront Fee of the greater of 1% of the initial advance or \$10,000 due prior to funding.		
Atlas Global Brands Inc. et al.	Shalcor Management Inc.	CCAA	EY	20-Jun-24	Ontario	Cannabis	7.00	Commitment fee of 3% (\$210,000); fees and expenses of the DIP lender	13.0%	
Karwood Estates Inc. and Gregg Construction Limited	Pillar Capital Corp.	CCAA	Grant Thornton Crowe Mackay	05-Jun-24	Newfoundland	Real Estate / Construction	2.35	Facility fee of 3%, due diligence fee of 5,000, reasonable fees and expenses of the DIP lender	13.5%	
Cloud Diagnostics Canada ULC	10 individual lenders	NOI	Grant Thornton Crowe Mackay	05-Jun-24	British Columbia	Technology	0.70	Closing fee of 84,000	11.0%	
Altek Industrial Supply Ltd. et al.	CIBC	CCAA	PwC	24-May-24	Alberta	Distribution	2.00	Reasonable fees and expenses of the DIP lender	10.0%	
Eastern Meat Solutions Inc. et al.	BMO	CCAA	Deloitte	17-May-24	Ontario	Food Manufacturing	3.35	2% commitment fee (\$67,000); 2% standby fee on undrawn amounts	12.0%	
IntelGenx Technologies Corp. and IntelGenx Corp.	atai Life Sciences AG	CCAA	EY	17-May-24	Quebec	Healthcare	8.00	Reasonable fees and expenses of the DIP lender	Prime rate of NBC of 7.2%	
Cannmart Labs Inc.	Lifest Wellness Inc.	CCAA	msi Spergel Inc. (GRIP)	02-May-24	Ontario	Cannabis	0.40	Commitment fee of 8,000	10.0%	
Teal Jones Group	Wells Fargo et al.	CCAA	PwC	25-Apr-24	British Columbia	Lumber		d the amount provided by the US\$300,000	9.5%	
Ted Baker Canada Inc. et al.	CIBC	CCAA	A&M	24-Apr-24	Ontario	Retail	7.00	US\$300,000	9.95% per annum for Advances denominated in Canadian Dollars and 11.75% per annum for Advances denominated in US Dollars	
Enerstar Petroleum Corp.	Luxur Resources Inc.	NOI	Grant Thornton	25-Mar-24	Alberta	Oil & Gas	0.40		12.0%	
Heritage Cannabis Holding Corp.	BJK Holdings Ltd.	CCAA	KPMG	02-Apr-24	Ontario	Cannabis	1.50		12.5%	
Pride Group Holdings Inc.	RBC as agent	CCAA	EY	27-Mar-24	Ontario	Transportation	30.00	Commitment fee of \$500,000	12.5%	
Saltwire Network Inc., The Halifax Herald Limited et al.	Fiera Private Debt Fund GP Inc.	CCAA	KSV	13-Mar-24	Nova Scotia	Media	1.50	\$5,000 commitment fee	8.0%	
Hempsana Inc.	Movengo Developments Inc.	NOI	B. Riley Farber	11-Mar-24	Ontario	Cannabis	0.50	7% commitment fee	8.0%	
Skylink Express Inc.	Momentum Decisive Solutions Canada Inc	CCAA	KSV	11-Mar-24	Ontario	Logistics	2.50		15.0%	
Anfis Enterprises Inc. and 9407-5173 Québec Inc.	Dicepizza S de RL de CV	CCAA	Raymond Chabot	12-Mar-24	Ontario	Real Estate	0.10		Prime plus 5%	
Go-For Industries Inc.	Trinity Capital Inc.	NOI	KSV	20-Mar-24	Ontario	Transportation	0.75	Commitment fee of 2%	17.3%	

Canadian Overseas Petroleum Limited et al.	Summit Partners Credit Fund II, L.P., Summit Investors Credit III, LLC, and Summit Investors Credit III (UK), L.P.	CCAA	KSV	08-Mar-24	Alberta	Oil & Gas	US11	commitment fee equal to 0.75% of the commitments and an exit fee equal to 0.75% of the commitments	Secured Overnight Financing Rate plus 5%
BZAM Ltd.	Cortland Credit Lending Corporation as agent	CCAA	KSV	28-Feb-24	British Columbia	Cannabis	1.00	Commitment fee of 98,000	the greater of: (A) the TD Prime Rate plus 8.05% per annum; and (B) 12% per annum
Livewire Communications Inc.	10Point1 Inc. and 1281000 Ontario Limited	NOI	Albert Gelman	02-Feb-24	Ontario	Professional Services	0.50	Commitment fee of 10,000	8.0%
Bifano Consolidated Inc.	BNS	CCAA	A&M	28-Feb-24	British Columbia	Agriculture	1.50	Commitment fee of 20,000	15.0%
Collision Kings Group Inc. et al.	TD Bank	CCAA	FTI	07-Feb-24	Manitoba	Automotive	1.13	Commitment fee of 25,000	Prime plus 4.8% (currently 12%)
Lynx Air Holdings Corporation and 1263343 Alberta Inc., DBA Lynx Air	Indigo Northern Ventures LP	CCAA	FTI	22-Feb-24	Alberta	Transportation	TBD	Up front fee of 3% of the maximum amount	20.0%
Balboa Inc. et al.	Harbour Mortgage Corp.	CCAA	KSV	23-Jan-24	Ontario	Real Estate	12.00	a non-refundable commitment fee in the amount of \$240,000.00 which shall be paid from the initial Advance; if the loan is extended by the Lender at its sole discretion for a period not to exceed 6 months, an extension fee of \$120,000.00 will be payable in full on the Repayment Date	the greater of Royal Bank prime rate + 4.80% or 12.00% per annum
SimEx Inc., Iwerks Entertainment, Inc., and SimEx-Iwerks Myrtle Beach, LLC	RBC	CCAA	Deloitte	19-Jan-24	Ontario	Entertainment	US0.6		RBUSBR + 2%
Fresh City Farms Inc. and Mama Earth Organics Inc.	1000691958 Ontario Inc. and Bennett Church Hill Capital Inc.	CCAA	PwC	18-Jan-24	Ontario	Retail	2.50	Commitment fee of 3.5% due on maturity	12.0%
2039882 Ontario Limited o/a Shelter Cove	CC 108 Lender Limited Partnership by its general partner REL-BC Holdings Ltd.	CCAA	PwC	23-Jan-24	Ontario	Other	2.50	25,000 initial funding fee to be deducted from the initial advance and 50,000 to be deducted from each advance at a rate equal to 2,000 on each 100,000 until the advance fee is paid in full, with any remaining balance payable on maturity	12.0%
Black Press Ltd. et al.	Canso Investment Counsel Ltd.	CCAA	KSV	15-Jan-24	British Columbia	Media	5.50		10.0%
Safari Flower Company	NE SPEC II LP	CCAA	EY	12-Jan-24	Ontario	Cannabis	1.00	Commitment fee of \$30,000	14.0%
Humble & Fume Inc.	1000760498 Ontario Inc.	CCAA	Deloitte	05-Jan-24	Ontario	Cannabis	US2.5		12.0%
Athabasca Minerals Inc.	JMAC Energy Services LLC	NOI	KSV	13-Nov-23	Alberta	Mining	2.85		18.0%
Donmar Properties Ltd. and 10058984 Manitoba Ltd.	y Morcourt Properties Ltd.	CCAA	EY	10-Apr-23	Manitoba	Real Estate	0.76		8.0%
The Good Fat Co.	1000747000 Ontario Inc.	NOI	Richter	02-Jan-24	Ontario	Food & Accommodation	0.20		7.2%
Myra Falls Mine Ltd.	Trafigura US Inc.	CCAA	FTI	18-Dec-23	British Columbia	Mining	21.00	Fee of \$210,000, representing 1.00%	11.0%
Candesto Enterprises Corp. et al.	Durisol Ltd.	CCAA	A&M	20-Dec-23	Alberta	Professional Services	1.30	Engagement fee of \$75,000	8.5%
Duvaltex Inc.	Wells Fargo	CCAA	EY	14-Dec-23	Quebec	Manufacturing	14.00		Basic rate plus 2.5%

Mastermind GP Inc.	CIBC	CCAA		23-Nov-23	Ontario	Retail	36.25	Forbearance fee of of 1.25% of the outstanding balance under the CIBC Revolving Loan Facility and the BCAP Loan	CIBC's prime interest rate plus 0.75%	CIBC was the company's existing lender and agreed to forbear and provide a DIP loan
Tergeo Mineraux Critiques Inc. et al.	Investissement Québec	CCAA	Raymond Chabot	10-Nov-23	Quebec	Mining	2.60	Commitment fee of 3%	18.0%	
MAV Beauty Brands Inc. et al.	RBC as administrative agent	CCAA	A&M	14-Nov-23	Ontario	Distribution	3.90	Reasonable fees and expenses of the DIP lender	SOFR plus 5.1%	
Simply Green Home Services Inc., Crown Crest Capital Management Corp., et al.	Peoples Trust Company	CCAA	KPMG	09-Nov-23	Ontario	Professional Services	15.00	Commitment fee of \$150,000	9.5%	
Harbour Grace Ocean Enterprises Ltd. and Laurenceton Holdings Ltd.	Gray Enterprise Ltd.	CCAA	PwC	02-Nov-23	Newfoundland	Construction	1.00	Commitment fee of 1.5%	13.0%	
South Shore Seafoods Ltd. et al.	TD Bank	CCAA	Deloitte	21-Sep-23	New Brunswick	Distribution	10.00	-	Prime rate or US base rate plus 1%	
Datatax Business Services Limited	BMO	NOI	KPMG	14-Aug-23	Alberta	Professional Services	16.25	-	Prime plus 1.15%	
Quebec Parmentier Inc. et al.	Caisse Desjardins de la RiveNord du Saguenay	CCAA	MNP	10-Oct-23	Quebec	Distribution	2.25	unclear	unclear	
Tacora Resources Inc.	Cargill, Incorporated	CCAA	FTI	10-Oct-23	Ontario	Mining	75.00	Exit fee of \$2,250,000 (3%)	10.0%	
Quality Sterling Group	Ironbridge Equity Partners	CCAA	RSM	17-Aug-23	Ontario	Other	7.00	Reasonable fees and expenses of the DIP lender	12.0%	
Aventura Phase VII Inc. et al.	TBD	CCAA	Raymond Chabot	28-Aug-23	Quebec	Real Estate / Construction	6.00	unclear	unclear	It appears the DIP loan was approved in advance, prior to locating a DIP lender
Ideal Protein Group	BMO & Caisse Desjardins as agents	CCAA	EY	15-Aug-23	Quebec	Manufacturing	4.00	-	same interest rate as existing term loan	
Aereus Technologies Inc.	1000608245 Ontario Inc.	NOI	Farber	31-Jul-23	Ontario	Manufacturing	0.78	Commitment fee of \$16,400 (2%)	15.0%	
Lighthouse Immersive Inc. and Lighthouse Immersive USA Inc.	SCS Finance, Inc.	CCAA	B. Riley Farber	27-Jul-23	Ontario	Entertainment	US 3.5	Reasonable fees and expenses of the DIP lender	10.0%	
NextPoint Financial Inc. et al.	BP Commercial Funding Trust and Drake Enterprises Ltd.	CCAA	FTI	25-Jul-23	British Columbia	Financial Services	25.00	Commitment fee of 1%	SOFR plus 6.5%	
Aleafia Health Inc. et al.	Red White & Bloom Brands Inc.	CCAA	KSV	25-Jul-23	Ontario	Cannabis	6.60	Commitment fee of \$198,000 (3%)	12.5%	
Bron Media Corp. et al.	Creative Wealth Media Lending LP 2016	CCAA	Grant Thornton	19-Jul-23	British Columbia	Media	6.20	Commitment fee of \$124,000 (2%)	15.0%	
Gesco Industries Inc., Gesco GP ULC and Tierra Sol Ceramic Tile Ltd.	BNS	CCAA	PwC	19-May-23	Ontario	Manufacturing & Distribution	8.60	Commitment fee of \$50,000; reasonable fees and expenses of DIP lender	Prime plus 6%	
Joseph Richard Hospitality Group Ltd. et al.	Canadian Western Bank	CCAA	EY	17-Jul-23	British Columbia	Food & Accommodation	0.50	-	Prime plus 5%; default interest rate of prime plus 10%	
OGEN Ltd. and OGEN Holdings Ltd.	Hawksworth Holdings Ltd. and G. Edwards Holdings Ltd.	NOI	KSV	26-Jun-23	Alberta	Cannabis	0.50	-	15.0%	

									(a) commitment fee of 4.25%; (b) standby charge on the unused portion of the Interim Loan Facility equal to 3.5% per annum multiplied by the difference between \$150,000 and the amounts outstanding under the Interim Loan Facility; and (c) break fee of 5.0% of \$150,000 if an alternative DIP loan is approved		
Dynaleo Inc. and Dynaleo Group Services Inc.	Travelers Capital Corp.	NOI	Harris & Partners	23-May-23	Alberta	Cannabis	0.15		1225.0%		
Swarmio Inc. et al.	Triaccess Ltd.	CCAA	Grant Thornton	21-Jun-23	Ontario	Technology	1.50	Commitment fee of \$28,000 (2%); reasonable fees and expenses of DIP lender	12.0%		
Fire & Flower Holding Corp.	2707031 Ontario Inc.	CCAA	FTI	05-Jun-23	Ontario	Cannabis	9.80	Exit fee of \$400,000; reasonable fees and expenses of the DIP lender	12.0%		
Ébénisterie St-Urbain Ltée et Woodlore International Inc.	9414-0050 Québec inc.	CCAA	Raymond Chabot	12-May-23	Quebec	Manufacturing	0.70			Basic rate increased by 1% annually, payable monthly	
Plant-Based Investment Corp.	1000492681 Ontario Inc.	CCAA	Spergel	01-May-23	Ontario	Financial Services	0.50	Commitment fee of \$10,000; reasonable fees and expenses of DIP lender	12.0%		
Phoena Holdings Inc. et al	Cortland Credit Lending Corporation	CCAA	EY	04-Apr-23	Ontario	Cannabis	3.10	Commitment fee of \$62,000; reasonable fees and expenses of DIP lender	Prime plus 20%		
J.W. Carr Holdings Ltd. et al.	MGB Investments Ltd.	CCAA	EY	20-Apr-23	Alberta	Real Estate	2.70	Closing fee of \$25,000; undrawn amount fee of 2% per annum on undrawn amounts	12.0%		
GreenSpace Brands Inc.	Pivot Financial I Limited Partnership Inc.	CCAA	PwC	06-Apr-23	Ontario	Food & Accommodation	2.60	Upfront fee of \$10,000, reasonable fees and expenses of the DIP lender	14.0%		
FlexTy Solutions Inc. and FlexTy Holdings Inc.	BHG-BC Holdings Ltd.	NOI	Farber	27-Mar-23	Ontario	Technology	1.10	Commitment fee of 2.5%	14.7%		
Donmar Properties Ltd. and 10058984 Manitoba Ltd.	Morcourt Properties Ltd.	CCAA	EY	18-Apr-23	Manitoba	Real Estate	0.76		8.0%		
Rambler Metals and Mining Canada Inc. and 1948565 Ontario Inc.	RMM Debt Limited Partnership	CCAA	Grant Thornton	27-Feb-23	Newfoundland	Mining	US 5	Standby fee of 2.5%	17.0%		
B.S.K. Group Inc.	4300769 Canada Inc.	NOI	EY	03-Mar-23	Quebec	Retail	0.60				
LoyaltyOne Co. (dba AIR MILES*)	BMO	CCAA	KSV	10-Mar-23	Ontario	Other	US 70	Upfront fee of 2% and standby fee of 1.25% Reasonable fees and expenses of the lender	Currently 14.25%, being the Base Rate (currently 8.25%) plus 6%		
Dynamic Technologies Inc. et al.	Promising Experts Limited	CCAA	FTI	09-Mar-23	Alberta	Professional Services	2.60		12.0%		
Polar Window of Canada Ltd. et al.	TD Bank	CCAA	Deloitte	10-Feb-23	Manitoba	Distribution	1.20	35,000 facility fee			
Tehama Inc.	14667913 Canada Inc.	CCAA	Deloitte	20-Jan-23	Ontario	Technology	0.50	Reasonable fees and expenses of the lender	5.0%		
Groupe Vertendre	Immofinn SEC	CCAA	Raymond Chabot	20-Jan-23	Quebec	Real Estate	0.25				
Forex Inc. et al.	Les Placements Al-Vi Inc.	CCAA	PwC	07-Feb-23	Quebec	Manufacturing	10.63	Reasonable fees and expenses of the lender	10.0%		
Acerus Pharmaceuticals Corporation et al.	First Generation Capital Inc.	CCAA	EY	26-Jan-23	Ontario	Healthcare	7.00	Reasonable fees and expenses of the lender	8.0%		