

IN THE COURT OF KING'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF SAINT JOHN

**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 SOUTH SHORE SEAFOODS LTD.,  
CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER  
SHELLFISH (2012) INC., CAN-AM LOBSTER & SHELLFISH  
LTD., SOUTH SHORE SEAFOODS INTERNATIONAL LTD.,  
BRIDGE LOBSTERS LIMITED, AND ARSENAULT'S FISH  
MART INC. (each a "DEBTOR" and collectively the  
"DEBTORS")**

BETWEEN:

**THE TORONTO-DOMINION BANK**

**APPLICANT**

- and -

**SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S  
SEAFOOD INC., BY THE WATER SHELLFISH (2012) INC.,  
CAN-AM LOBSTER & SHELLFISH LTD., SOUTH SHORE  
SEAFOODS INTERNATIONAL LTD., BRIDGE LOBSTERS  
LIMITED, AND ARSENAULT'S FISH MART INC.**

**RESPONDENTS**

**SEVENTH REPORT OF THE MONITOR,  
DELOITTE RESTRUCTURING INC.**

**DATED APRIL 10, 2024**

## INTRODUCTION

1. On September 21, 2023, Toronto-Dominion Bank (the "**Applicant**") brought an application (the "**Initial Application**") before the Court of King's Bench of New Brunswick Trial Division (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to, amongst other things, obtain a stay of proceedings for the Debtors to allow them to prepare for a going concern sale of the Debtors' business while exploring other restructuring alternatives.
2. On that same day, the Court granted orders (the "**Initial Orders**") in these CCAA proceedings (the "**CCAA Proceedings**") that, amongst other things:
  - i. appointed Deloitte Restructuring Inc. ("**Deloitte**") as the monitor of the Debtors (the "**Monitor**");
  - ii. appointed David Boyd, a representative of Resolve Advisory Services Ltd. as the chief restructuring officer (the "**CRO**") of the Debtors;
  - iii. ordered a stay of proceedings in favor of the Debtors up to and including October 1, 2023 (the "**Stay Period**");
  - iv. granted an administration charge in the amount of \$250,000 (the "**Administration Charge**") in favour of the Monitor, Monitor's counsel, Applicant's counsel, Debtors' counsel (limited to an aggregate maximum amount of \$25,000), and the CRO;
  - v. granted a directors' charge in favour of the directors and officers of the Debtors in the amount of \$375,000 (the "**Directors' Charge**"); and
  - vi. approved an interim financing facility with a maximum borrowing limit of \$3,000,000 (the "**DIP Facility**") provided by the Applicant and granted a charge in favor of the Applicant (the "**DIP Lender's Charge**").
3. Included in the report of the Proposed Monitor dated September 18, 2023 (the "**Pre-Filing Report**"), was the Debtors' 13-week cash flow projection for the period September 23 to December 22, 2023 (the "**Cash Flow Statement**").
4. On September 22, 2023, the Service List was provided with the Pre-Filing Report that contained the Cash Flow Statement.

5. On September 25, 2023, the Service List was provided with the First Report of the Monitor along with the proposed amended and restated orders (the "**September 25 Draft ARIOs**") and the proposed SISP Order to be sought at the hearing scheduled for September 28, 2023 (the "**Comeback Hearing**").
6. On September 27, 2023, the Monitor provided the Court with a supplemental first report (the "**Supplemental Report**") that provided an update on the Debtors' liquidity and financial position after the issuance of the First Report including events that, in the Monitor's view, resulted in a material adverse change in the Debtors' financial position. In addition to the Supplemental Report, the Court was provided with revised amended and restated Initial Orders (the "**Revised ARIOs**") considering the matters disclosed in the Supplemental Report, which, amongst other things, significantly shortened the stay extension and deferred approval of the SISP. Copies of the Supplemental Report and the Revised ARIOs were provided to the Service List on the same day.
7. As part of the Comeback Hearing, the Court granted the Revised ARIOs in these CCAA Proceedings that, amongst other things:
  - i. ordered a stay of proceedings in favor of the Debtors up to and including October 6, 2023 (the "**Revised Stay Period**"); and
  - ii. increased the quantum of the Administration Charge from \$250,000 to \$500,000 in favour of the Monitor, Monitor's counsel, Applicant's counsel, Debtors' counsel (limited to an aggregate maximum amount of \$25,000) and the CRO.
8. On October 4, 2023, the Monitor provided the Court with a second report (the "**Second Report**") that:
  - i. provided an update on the Subject Transactions (as defined in the Second Report);
  - ii. provided an update on the magnitude of Pre-Filing Supplier Payments made by the Debtors;
  - iii. provided an update on the Debtors' financial position;
  - iv. provided an update on of the SISP; and
  - v. requested a further extension of the stay of proceedings to allow the Debtors and the Monitor to continue to work on a longer-term cash flow forecast.

9. On October 5, 2023, the Court granted an order (the "**Stay Extension Order**") extending the stay of proceedings to October 25, 2023 and scheduled the next motion in these CCAA Proceedings for the same day.
10. On October 16, 2023, the Monitor provided the Court with a third report (the "**Third Report**") that requested an order increasing the authorized borrowings under the DIP Facility from the principal amount of \$3,000,000 to \$4,000,000, which increase would be secured by the DIP Lender's Charge (the "**DIP Increase Order**").
11. On October 17, 2023, the Court granted the DIP Increase Order.
12. On October 23, 2023, the Monitor provided the Court with a fourth report (the "**Fourth Report**") that:
  - i. provided an update on the activities of the Debtor and the Monitor since the First Report;
  - ii. provided an update on the Subject Transactions;
  - iii. provided an overview of the Second Cash Flow Statement;
  - iv. requested further amendments to the Amended and Restated Initial Orders (the "**Second ARIOs**") including an extension of the stay of proceedings until January 31, 2024; and
  - v. requested the SISP Order.
13. On October 25, 2023, the Court granted the Second ARIOs and the SISP Order.
14. On December 20, 2023, the Monitor provided the Court with a fifth report (the "**Fifth Report**") that:
  - i. provided an update on the activities of the Debtors and the Monitor since the Fourth Report;
  - ii. provided an update on the financial position of the Debtors; and
  - iii. provided an update on the SISP, including the results at the Phase 1 Bid Deadline.

15. On January 24, 2024, the Monitor provided the Court with a sixth report (the "**Sixth Report**") that:
  - i. provided an update on the activities of the Debtors and the Monitor since the Fifth Report;
  - ii. provided an update on the financial position of the Debtors, including the Third Cash Flow Statement covering the period January 15 to May 5, 2024;
  - iii. provided an update on the SISP, including:
    - a) the results of the Phase 2 Bid Deadline;
    - b) the Monitors recommendation that the Court approve the Transaction for the Purchased Assets with the Purchaser; and
    - c) the Monitors request for the AVO.
  - iv. requested the Ancillary Order that amongst other things:
    - a) approved the activities of the Monitor as contained in the Fifth Report and Sixth Report;
    - b) extended the stay of proceedings to April 30, 2024;
    - c) enhanced the powers of the Monitor to allow it to assign any of the Debtors into bankruptcy, if deemed necessary; and
    - d) sealing certain aspects of the Transaction as contained within the Confidential Supplement.
  - v. requested the Priority Claims Order approving the Priority Claims Process.
16. On January 29, 2024, the Court granted the AVO, the Ancillary Order, and the Priority Claims Order.
17. On March 19, 2024, the Monitor filed an amended AVO with the Court (the "**Amended AVO**") that, amongst other things:
  - i. extended the closing date of the Transaction to March 22, 2024; and
  - ii. amended the AVO to allow for the conveyance of real property to the Purchaser.
18. On March 19, 2024, the Court granted the Amended AVO.

## PURPOSE

19. The purpose of this seventh report (the "**Seventh Report**") is to provide information to the Court on:
  - i. the Debtors' activities since the Sixth Report;
  - ii. the Monitor's activities since the Sixth Report;
  - iii. an update on the financial position of the Debtors;
  - iv. the Debtor's updated cash flow forecast for the period April 1 to August 30, 2024 (the "**Fourth Cash Flow Statement**");
  - v. an update on the SISP, including information regarding the Transaction;
  - vi. an update on the Priority Claims Process;
  - vii. the Monitor's request for an order (the "**Ancillary Order**"):
    - a) approving the activities of the Monitor to date as outlined in the Seventh Report;
    - b) extending the stay of proceedings to August 31, 2024; and
    - c) declaring that the Debtors meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Regulations**") issued pursuant to the *Wage Earner Protection Program Act* (the "**WEPP**").

## TERMS OF REFERENCE AND DISCLAIMER

20. In preparing this Seventh Report and making the comments herein, the Monitor has been provided with, and has relied upon, audited and unaudited financial information, books and records and financial information prepared by the Debtors, discussions with management of the Debtors ("**Management**"), discussions with the CRO, and information from other third-party sources (collectively, the "**Information**"). Except as described in this Seventh Report in respect of the Fourth Cash Flow Statement:
- i. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Generally Accepted Assurance Standards ("**Canadian GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under Canadian GAAS in respect of the Information.
  - ii. Some of the Information referred to in this Seventh Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
21. Future oriented financial information referred to in this Seventh Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
22. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Seventh Report concerning the Debtors and their businesses are based on the Information and not independent factual determinations made by the Monitor.

23. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Amounts converted from United States dollars have been converted at an exchange rate of 1.35:1.
24. Capitalized terms not otherwise defined herein are as defined in the various materials filed with the Court in these CCAA Proceedings which can be found on the Monitor's website at: <https://www.insolvencies.deloitte.ca/SouthShoreSeafoods> (the "**Monitors Website**").

### **ACTIVITIES OF THE DEBTORS**

25. Since the Sixth Report, the activities of the Debtors have included, but have not been limited to the following:
- i. working in conjunction with the Monitor and the CRO to collect outstanding accounts receivable and sell remaining inventory;
  - ii. assisting the Monitor and the Purchaser in addressing due diligence questions, information requests and site visits;
  - iii. providing regular updates, and financial information to the Monitor, the CRO and the Applicant; and
  - iv. working in consultation with the Monitor to update weekly cash flow variance reports.
26. The Monitor wishes to advise the Court that it continues to receive co-operation from Management and the CRO in assisting it with the administration of these CCAA Proceedings.

### **ACTIVITIES OF THE MONITOR**

27. Since the Sixth Report, the activities of the Monitor have included, but have not been limited to the following:
- i. reviewing and approving all disbursements of the Debtors;
  - ii. reviewing the Debtors' financial reporting regarding availability under the DIP Facility;
  - iii. participating in weekly calls with Management to discuss working capital monetization and other operating issues;
  - iv. working in conjunction with Management to file certain accounts receivable insurance claims with EDC;
  - v. completing the requirements under the Priority Claims Order;



- vi. participating in calls with key stakeholders and/or their representatives;
- vii. participating in weekly calls with the Applicant;
- viii. participating in meetings and calls with BDC;
- ix. preparation of and review weekly variance reports pertaining to the consolidated receipts and disbursements of the Debtors as compared to that contained within the Third Cash Flow Statement;
- x. participating in discussions with the Purchaser and legal counsel regarding the Transaction;
- xi. participating in discussions with related and third parties regarding the monetization of Debtors assets that are excluded from the Transaction;
- xii. filing the Amended AVO with the Court; and
- xiii. filing the Seventh Report with the Court.

#### **FINANCIAL POSITION OF THE DEBTORS**

- 28. In its Sixth Report, the Monitor provided the Court with the Third Cash Flow Statement representing Management's best estimate of the consolidated projected receipts and disbursements for the 16-week period January 15 to May 5, 2024.
- 29. The actual receipts and disbursements of the Debtors for the period January 15 to March 31, 2024 as compared to the Third Cash Flow Statement (the "**Variance Report**") is summarized in the table below. To maintain alignment with the Third Cash Flow Statement, amounts converted from United States dollars have been converted at an exchange rate of 1.35:1

| <b>South Shore Seafoods Group<br/>Variance Report</b> |   |   |                    |                 |
|---|---|---|--------------------|-----------------|
| <b>Opening<br/>Ending<br/>Description</b>             | <b>15-Jan-24<br/>31-Mar-24<br/>Forecast</b> | <b>15-Jan-24<br/>31-Mar-24<br/>Actual</b> | <b>Variance</b>    | <b>Variance</b> |
| <b>Opening line of credit position</b>                | (5,889,797)                                 | (5,887,708)                               | 2,089              | 0%              |
| <b>Operating inflows</b>                              |   |   |                    |                 |
| Collection of existing accounts receivable            | 1,898,233                                   | 912,426                                   | (985,807)          | -52%            |
| Collection of new sales                               | 363,665                                     | 266,936                                   | (96,729)           | -27%            |
| Collection of HST                                     | 133,193                                     | 124,998                                   | (8,195)            | -6%             |
| Transaction proceeds to repay DIP Facility            | 6,007,033                                   | -   | (6,007,033)        | -100%           |
| Other   | 160,476                                     | 350,215                                   | 189,739            | 118%            |
|   | <u>8,562,600</u>                            | <u>1,654,574</u>                          | <u>(6,908,025)</u> | <u>-81%</u>     |
| <b>Operating outflows</b>                             |   |   |                    |                 |
| Payment of existing post-filing accounts payable      | 58,197                                      | 35,004                                    | 23,192             | 40%             |
| Critical pre-filing cost of goods sold                | 30,338                                      | -   | 30,338             | 100%            |
| Cost of goods sold                                    | 59,834                                      | 22,622                                    | 37,212             | 62%             |
| Fixed operating expenses                              | 358,821                                     | 81,083                                    | 277,738            | 77%             |
| Compensation, remittances and benefits                | 282,255                                     | 295,342                                   | (13,087)           | -5%             |
| Operating leases                                      | 4,480                                       | 4,480                                     | -                  | 0%              |
| Insurance   | 178,743                                     | 174,126                                   | 4,618              | 3%              |
| Bank charges  | 10,103                                      | 9,305                                     | 798                | 8%              |
| Rent and Property taxes                               | 18,093                                      | 18,288                                    | (195)              | -1%             |
| Other   | 176,120                                     | 160,691                                   | 15,429             | 9%              |
|   | <u>1,176,984</u>                            | <u>800,941</u>                            | <u>376,043</u>     | <u>32%</u>      |
| <b>Non-operating outflows</b>                         |   |   |                    |                 |
| Interest payments                                     | 435,060                                     | 445,911                                   | (10,851)           | -2%             |
| Repayment of advance from R. Arsenault                | 65,000                                      | 65,000                                    | -                  | 0%              |
|   | <u>500,060</u>                              | <u>510,911</u>                            | <u>(10,851)</u>    | <u>-2%</u>      |
| <b>Restructuring items</b>                            |   |   |                    |                 |
| Professional fees                                     | 672,548                                     | 495,529                                   | 177,019            | 26%             |
| <b>Intercompany</b>                                   |   |   |                    |                 |
| Inflow  | -   | 4,268,153                                 | 4,268,153          | n/a             |
| Outflow   | -   | 4,266,260                                 | (4,266,260)        | n/a             |
|   | -   | 1,893                                     | 1,893              | n/a             |
| Net weekly cash flow                                  | 6,213,008                                   | (150,913)                                 | (6,363,921)        | -102%           |
| <b>Ending line of credit position</b>                 | <u>323,210</u>                              | <u>(6,038,622)</u>                        | <u>(6,361,832)</u> | <u>1968%</u>    |

30. The Monitor offers the following commentary regarding material variances to the Third Cash Flow Statement presented herein:

- i. Total collections from customers (i.e., collections of pre-filing accounts receivable and new post-filing sales) are approximately \$1,082,536 (or 48%) lower than forecast in totality. The unfavorable variance is primarily attributable to the following:
  - a) a permanent difference of approximately \$350,000 relating to an account that contained a material amount owing from the Debtors that was unknown to the Debtors and the Monitor at the time the Third Cash Flow Statement was

prepared;

- b) a timing difference of approximately \$455,000 relating to an account that was forecasted to be collected during the period covered by the Third Cash Flow Statement and for which the Debtors and the Monitor continue efforts to collect; and
  - c) a timing difference of approximately \$200,000 relating to account that was forecasted to be collected during the period covered by the Third Cash Flow Statement and for which the Debtors filed a claim with EDC as further described below.
- ii. The unfavorable variance of \$6,007,003 relating the DIP Facility repayment is related to the timing of the closing of the Transaction and is discussed further herein.
  - iii. The favorable variance of \$189,739 in Other is a flow-through transaction whereby the Purchaser provided the Debtors with \$175,000 to cover the application fee relating to the labour market impact assessment (the "**LMIA**") required for the hiring of foreign temporary workers. The disbursements of these funds will be contained within the Fourth Cash Flow Statement.
  - iv. The consolidated favorable variance of \$53,530 relating to the payment of pre-filing critical accounts payable and critical pre-filing cost of goods are sold are structural in nature. The Monitor has taken a more stringent position with respect to pre-filing amounts and expects any amounts to be contained within the Fourth Cash Flow Statement to be de minimis in nature.
  - v. The favorable variance of \$277,738 in fixed operating expense is structural in nature, the majority of which is attributable to a forecasted payment of \$233,000 for the LMIA which is discussed above.
  - vi. The favorable variance of \$177,019 relating to professional fees is timing in nature and is expected to be corrected within the Fourth Cash Flow Statement. The Monitor has invoices from the various professionals that total approximately \$160,000 for the period up to and including March 31, 2024.
31. In addition to the Variance Report, the Monitor provides the following updates pertaining to other matters impacting the financial position of the Debtors:

- i. As at the date of the Seventh Report, the Debtors have accounts receivable totaling \$2,600,000. The majority of these accounts are older in nature, are not covered by EDC insurance and other than the accounts discussed further below neither the Monitor nor the Debtors anticipate any material future collections.
- ii. The Debtors have entered into two sale transactions totaling approximately \$200,000 which amounts are forecasted to be collected during the period covered by the Fourth Cash Flow Statement.
- iii. On March 5, 2024, the Monitor entered in an agreement in principle to settle an account receivable with a third party, the net proceeds of which are approximately \$35,295 and is contained within the Fourth Cash Flow Statement.
- iv. On March 15, 2024, the Debtors received confirmation that EDC had approved an insurance claim for gross proceeds being \$220,184 which is forecast to be collected during the period covered by the Fourth Cash Flow Statement. The Monitor continues to discuss a pro-rata settlement with a related party relating to this amount and will update this Court in a future report.
- v. On March 25, 2024, the Debtors received confirmation that EDC had approved an insurance claim filed against a customer, the proceeds of which are approximately \$48,948. On April 4, 2024, the Debtors received payment of this amount.
- vi. As at the date of the Seventh Report, the Debtors have inventory approximating \$394,000, of which approximately \$78,000 is subject to a sale transaction and \$225,000 is of a specific species which isn't anticipated to generate material future collections. The Monitor and the Purchaser are in discussions around an agreement relating to inventory subsequent to the closing of the Transaction.
- vii. Subsequent to March 29, 2024, the Monitor and the Purchaser have entered into an agreement whereby, until such time as the Transaction closes, the Purchaser is covering the weekly operating expenses of the Debtors, including the DIP Facility interest.

## **FOURTH CASH FLOW STATEMENT**

32. The Debtors, with the assistance of the Monitor and the CRO, have prepared the Fourth Cash Flow Statement for the 22-week period from April 1 to August 30, 2024 (the "**Cash Flow Period**") for the purposes of projecting the estimated results of the Debtors' planned operations and other activities during the Cash Flow Period. A copy of the Fourth Cash Flow Statement along with supporting declarations and assumptions are attached as **Appendix A** to this Seventh Report, and summarized herein:
33. The Fourth Cash Flow Statement is presented on a weekly basis during the Cash Flow Period and represents Management's best estimate of the projected cash flow during the Cash Flow Period. The Fourth Cash Flow Statement has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Statement (the "**Assumptions**").
34. The Monitor has reviewed the Fourth Cash Flow Statement through inquiries, analytical procedures and discussions, and a review of the supporting documents relating to the Information supplied to the Monitor by Management of the Debtors. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- i. the Assumptions are not consistent with the purpose of the Fourth Cash Flow Statement;
  - ii. as at the date of the Seventh Report, the Assumptions are not suitably supported and consistent with the plans for the Debtors or do not provide a reasonable basis for the Fourth Cash Flow Statement, given the probable and hypothetical assumptions; or
  - iii. the Fourth Cash Flow Statement does not reflect the Assumptions.
35. Since the Fourth Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Accordingly, the Monitor expresses no assurance as to whether the Fourth Cash Flow Statement will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Fourth Cash Flow Statement or relied upon by the Monitor in preparing this Seventh Report.
36. The Fourth Cash Flow Statement has been prepared solely for the purposes described above, and readers are cautioned that it may not be appropriate for other purposes.
37. As contained within the Fourth Cash Flow Statement, to date the Debtors have drawn

approximately \$6,038,000 of the DIP Facility. It is the Monitor's intention to repay the DIP Facility upon the Transaction closing. The Fourth Cash Flow Statement contemplates this repayment and post-closing, the Monitor anticipates expenses of these CCAA Proceedings to be limited to professional fees and interest on secured encumbrances.

#### **SISP UPDATE**

38. As contained in the Sixth Report of the Monitor, the Monitor and the Purchaser executed the APA on January 24, 2024, which APA was approved as part of the AVO granted on January 29, 2024. The APA anticipated a closing on or before February 29, 2024 (the "**Outside Date**"), which date shall be automatically extended to no later than March 31, 2024 solely to accommodate to the receipt of the LPA Permit by the Purchaser.
39. Subsequent to the granting of the AVO, the Monitor has maintained regular interaction with the Purchaser. In addition, the Monitor's legal counsel, the Applicant's legal counsel and the Purchaser's legal counsel have had regular interaction as all parties work towards closing the Transaction.
40. On February 28, 2024, the Monitor and Purchaser executed the first amendment to the APA (the "**First Amendment**") that amongst other things:
  - i. acknowledged the Purchaser received the LPA Permit on February 20, 2024;
  - ii. confirmed the closing date is March 20, 2024 or such other day as the parties agree in writing; and
  - iii. changed the definition of Outside Date to March 31, 2024.A copy of the First Amendment is attached as **Appendix B** to this Seventh Report.
41. On or about March 20, 2024, the parties agreed to make the closing date March 29, 2024.
42. On March 29, 2024, the Monitor and Purchaser executed the second amendment to the APA (the "**Second Amendment**") that amongst other things:
  - i. Confirmed that the closing date is April 5, 2024;
  - ii. Changed the definition of Outside Date to April 30; 2024;
  - iii. Confirmed that the Purchaser will pay all operating costs, including the interest on the DIP Facility from March 29, 2024 until closing;
  - iv. Confirmed that the Deposit was now non-refundable and, in the event the Transaction does not close, it will become the property of the Debtors;

- v. Deleted a lease agreement between Can-Am Lobster and Shellfish Ltd. and DEKM, LLC. from the schedule of Assumed Liabilities, which change was contemplated by the APA; and
- vi. Confirmed that the Purchasers wish to repay and obtain a discharge of the BDC Mortgage on title to the BDC Mortgaged Properties and identified as a Permitted Encumbrance in the APA.

A copy of the Second Amendment is attached as **Appendix C** to the Seventh Report.

- 43. While the delays to closing are unfortunate, the Monitor is aware of the Purchaser's efforts to close the Transaction expeditiously. The Purchaser's willingness to cover the operating costs of the Debtors subsequent to March 29, 2024, is confirmation of their intent and ensures no creditor is being materially prejudiced by the delays.
- 44. The Monitor will provide an update to this Court and the Service List on the closing of the Transaction as soon as it is known.

#### **PRIORITY CLAIMS PROCESS**

- 45. Subsequent to the granting of the Priority Claims Order, the Monitor:
  - i. within five business days, provided a notice letter and proof of claim form to all known Priority Claimants (the "**Priority Claim Notice**"). A copy of the Priority Claim Notice along with an affidavit of service is attached as **Appendix D**;
  - ii. on February 3, 2024, advertised the Priority Claims Process in the Telegraph Journal, the Daily Gleaner, the Times and Transcript, the Guardian, and the Chronicle Herald; and
  - iii. posted the Priority Claims Notice on the Monitor's Website.
- 46. The Monitor wishes to advise this Court that it received two claims as part of the Priority Claims Process, summarized as follows:
  - i. a claim from the Canada Revenue Agency ("**CRA**") with respect to outstanding source deductions owing from the Debtors (the "**CRA Priority Claim**"). The Monitor has reviewed and continues to discuss the CRA Priority Claim with stakeholders, including representatives from CRA; and
  - ii. a claim from a third-party vendor that the Monitor has concluded has no priority and is in the process of issuing a notice of disallowance.

47. The Monitor will be seeking a date in the future with this Court to seek a distribution order and will present its findings from the Priority Claims Process at that time.

#### **WEPP**

48. Section 5(1) of the WEPP Regulations provides that an individual is eligible to receive payment thereunder if, amongst other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a Court determines that the WEPP Regulations are met.

49. Section 3.2 of the WEPP Regulations provides that for purposes of subsection 5(5) of the WEPP, a Court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations.

50. At the commencement of these CCAA Proceedings, the Debtors employed approximately 275 employees. With the exception of approximately 14 employees, including the two shareholders, all employees of the Debtors were terminated. The Monitor anticipates terminating the remaining employees immediately before the closing of the Transaction.

51. Accordingly, the Monitor is of the view that the Debtors are a former employer for the purposes of section 5(5) of the WEPP Regulations and that the employment of the Debtors employees was ended as prescribed by section 3 of the WEPP Regulations.

52. Considering the reasons outlined herein, the Monitor recommends that the Court grant the WEPP related declaration in the form provided for in the Ancillary Order.

#### **MONITOR'S REQUEST FOR OTHER RELIEF**

53. Giving the foregoing, the Monitor seeks the following relief:

##### *Stay of Proceedings*

54. The Stay Period is set to expire on April 30, 2024. The Monitor is requesting an extension of the Stay Period up to and including August 30, 2024.

55. The Monitor is of the opinion that the request for the extension of the Stay Period is reasonable and just for the following reasons:

- i. the Monitor requires time to complete the Transaction;
- ii. the Monitor requires time, subsequent to the closing of the Transaction, to complete a



- proposed distribution to the Secured Creditors and to enter into discussions with the Secured Creditors and their professional advisors about the proposed distribution;
- iii. the Monitor and the CRO, with the powers granted to them, have acted and continue to act in good faith and with due diligence in their oversight of the operations of the Debtors;
  - iv. the Debtors are acting in good faith and with due diligence;
  - v. the Monitor is of the view that no creditor will be materially prejudiced by the extension of the Stay Period; and
  - vi. The Fourth Cash Flow Statement indicates that the Debtors have sufficient liquidity through the proposed Stay Period.
56. Considering the reasons outlined herein the Monitor recommends that the Court grant the Ancillary Order in the form provided by its counsel.

#### **CONCLUSION**

57. The Seventh Report has been prepared to provide this Court with information regarding the Debtors' activities since the Sixth Report, the Monitor's activities since the Sixth Report, an update regarding the financial position of the Debtors, an overview of the Fourth Cash Flow Statement, an update on the SISP, and to support the Monitor's request for the Ancillary Order.
58. Based on the foregoing, the Monitor requests the Court grant the requested relief as outlined in the Notice of Motion and the draft orders appended thereto.

All of which is respectfully submitted this 10<sup>th</sup> day of April 2024.

#### **DELOITTE RESTRUCTURING INC.**

Acting in its capacity as CCAA Monitor of  
South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By the Water Shellfish (2012) Inc., South  
Shore Seafoods International Ltd., Can-Am Lobster and Shellfish Ltd., Bridge Lobsters Limited and  
Arsenault's Fish Mart Inc.  
and not in its personal capacity

Per:



**James Foran, CPA, CA, CIRP, LIT**  
Senior Vice President

**APPENDIX A – FOURTH CASH FLOW STATEMENT**

**SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER  
SHELLFISH (2012) INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER  
& SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, AND ARSENAULT'S FISH MART INC.  
(COLLECTIVELY THE "DEBTORS")  
ASSUMPTIONS TO THE CASH FLOW STATEMENT  
FOR THE PERIOD APRIL 1 TO AUGUST 30, 2024**

**Note A:**

The statement of projected cash flow (the "**Cash Flow Statement**") is being filed pursuant to *the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* using the probable and hypothetical assumptions set out in Note B.

**Note B:**

The following assumptions were used by Management in the preparation of the Cash Flow Statement of the Debtors:

**General:**

The following is an overview of the current operating activities of each of the Debtors. These activities are integral to the assumptions further discussed herein:

South Shore Seafoods International ("**SSSI**") – SSSI has no operating activity outside of its 100% equity ownership of Can-Am Lobster and Shellfish Ltd. ("**CanAm**").

CanAm – CanAm had previously participated in the US lobster industry however ceased operations in January 2023. Assumptions pertaining to CanAm discussed below are limited to fixed operating expenses currently required relating to a leased facility located in Maine, US.

South Shore Seafoods Ltd. ("**SSSL**") – SSSL operates two processing plants in Alberton, PEI that process raw tails and cooked lobster meat. SSSL is currently operating and procures its lobster supply from Arsenault's Fish Mart Inc ("**AFM**") and third-party brokers.

AFM – operates as a buying agency procuring lobster for SSSL and BTW (as defined below). Outside of payments to lobster fishers and related suppliers (e.g. bait, fuel, and fishers' helpers), AFM has minimal fixed operating expenses.

Captain Cooke's Seafoods Inc. ("**CCSI**") – CCSI processes whole cooked lobster using canner lobsters for the European market. Currently, CCSI is not producing product for sale and as such, assumptions discussed below are limited to fixed operating expenses currently required to maintain its processing facility.

By the Water Seafood (2012) Inc. ("**BTW**") – Based in Borden, PEI, BTW participates in the live lobster market (i.e. buying and selling live lobster) selling the majority of its product to Asian and US markets. BTW is currently operating and procures its lobster supply from AFM and third-party brokers.

Bridge Lobsters Limited ("**Bridge**") – Bridge is owned by BTW and had previously purchased and sold lobster to BTW using its Nova Scotia buyer's license. Bridge has not operated since the 2022 season and assumptions discussed below are limited to fixed operating expenses currently required to maintain its storage facility.

As at the date of the Cash Flow Statement, Management will not be acquiring lobster or producing any new product.

### **Line of credit position**

- The opening line of credit position represents the estimated consolidated cash and line of credit balance (the "**Existing Credit Facility**") of the Debtors as at April 1, 2024.

### **Operating Inflows**

- The accounts receivable balance as at April 1, 2024 is based on the books and records of the Debtors. The collection of these amounts are based on known amounts.
- As the Debtors' sales do not attract excise taxes, the Debtors are typically in a net HST refund position. Collection of HST is forecast based on the expenses contemplated in the statement of cash flow taking into account a monthly remittance filing period.

### **Operating Outflows**

Operating outflows to the date of close, anticipated on or before April 15<sup>th</sup>, 2024, are comprised of:

- Transportation – Transportation costs are estimated based on expected costs of known new sales.
- Fixed operating expenses including advertising, repairs and maintenance, utilities, and office expenses. Fixed operating expenses have been estimated based on actual costs incurred during the period February 1 to March 31.
- Compensation, remittances, and benefits are forecast based on current headcount levels at SSSL and BTW. The Debtors utilize the services of the third-party payroll provider so amounts presented in the Cash Flow Statement include all statutory remittances and employer matching amounts.
- Insurance represents monthly payments of the Debtors existing insurance policy premiums.
- Rent is forecast based on current amounts. Currently, the Debtors rent office space in Cap Pele, New Brunswick and a storage facility located in Maine, US relating to CanAm.

### **Non-operating outflows**

- The statement of projected cash flows contemplates the continued payment of post-filing interest charges on secured encumbrances outstanding to TD Bank, and Business Development Bank of Canada. Post-filing interest payments of subordinated creditors is not contemplated in the statement of projected cash flows.
- Line of credit interest includes costs associated with servicing the DIP Facility.

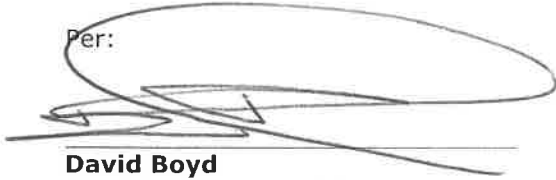
### **Restructuring costs**

- Professional fees are based on consultation with the various professional service firms involved in the administration of this CCAA proceeding.

Dated at Halifax, Nova Scotia this 9<sup>th</sup> day of April, 2024.

**SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER SHELLFISH (2012) INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER & SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, AND ARSENAULT'S FISH MART INC.**

Per:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

**David Boyd**  
Chief Restructuring Officer

April 9, 2024

Deloitte Restructuring Inc.  
1741 Lower Water Street,  
Suite 800  
Halifax NS, B3J 0J2

Dear Mr. Foran,

**Subject: Proceedings under the *Companies' Creditors Arrangement Act* ("*CCAA*")  
Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections**

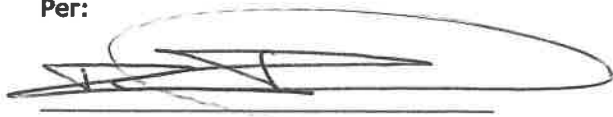
In connection with the matter of the plan of compromise or arrangement of South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By The Water Shellfish (2012) Inc., Can-Am Lobster & Shellfish Ltd., South Shore Seafoods International Ltd., Bridge Lobsters Limited, and Arsenault's Fish Mart Inc. (each a "**Debtor**" and collectively the "**Debtors**"), the management of Debtors ("**Management**") have prepared the attached Cash Flow Statement and the assumptions on which the Cash Flow Statement is based.

Management confirms that:

1. the Cash Flow Statement and the underlying assumptions are the responsibility of Debtors;
2. all material information relevant to the Cash Flow Statement and to the underlying assumptions has been made available to Deloitte Restructuring Inc. in its capacity as Monitor; and
3. Management has taken all actions that it considers necessary to ensure:
  - a. That the individual assumptions underlying the Cash Flow Statement are appropriate in the circumstances; and
  - b. That the individual assumptions underlying the Cash Flow Statement, taken as a whole, are appropriate in the circumstances.

Sincerely,

Per:

A handwritten signature in black ink, appearing to read "David Boyd", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

**David Boyd**  
Chief Restructuring Officer

**IN THE MATTER OF  
THE COMPANIES' CREDITOR ARRANGEMENT ACT,  
AND**

**IN THE MATTER OF  
THE COMPROMISE OR ARRANGEMENT OF  
SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER  
SHELLFISH (2012) INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER  
& SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, AND ARSENAULT'S FISH MART INC.**

The management of South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By The Water Shellfish (2012) Inc., South Shore Seafoods International Ltd., Can-Am Lobster & Shellfish Ltd., Bridge Lobsters Limited, and Arsenault's Fish Mart Inc. (collectively, the "**Debtors**") has developed the assumptions and prepared the attached consolidated statement of projected cash flow of the Debtors, as of April 9, 2024, consisting of weekly cash flows for the period April 1 to August 31, 2024 (the "**Cash Flow Statement**").

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow Statement described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the Debtors and provide a reasonable basis for the Cash Flow Statement. All such assumptions are disclosed in Note B.

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

The Cash Flow Statement has been prepared solely for the purpose described in Note A, using a set of hypothetical and probable assumptions set out in Note B. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 9<sup>th</sup> day of April, 2024.

**SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER  
SHELLFISH (2012) INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER  
& SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, AND ARSENAULT'S FISH MART INC.**

Per:

A handwritten signature in black ink, appearing to read 'David Boyd', is written over a large, hand-drawn oval. The signature is somewhat stylized and overlaps the oval.

**David Boyd**  
Chief Restructuring Officer

| South Shore Seafoods Group<br>Consolidated 22-week cash flow forecast |                    |                    |                  |                  |                  |                  |                  |                  |                 |                  |                   |                   |                   |                  |                   |                   |                   |                  |                   |                   |                   |                  |                  |         |
|---|--------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|---------|
| Week ending   | WK1<br>4/7/2024    | WK2<br>4/14/2024   | WK3<br>4/21/2024 | WK4<br>4/28/2024 | WK5<br>5/5/2024  | WK6<br>5/12/2024 | WK7<br>5/19/2024 | WK8<br>5/26/2024 | WK9<br>6/2/2024 | WK10<br>6/9/2024 | WK11<br>6/16/2024 | WK12<br>6/23/2024 | WK13<br>6/30/2024 | WK14<br>7/7/2024 | WK15<br>7/14/2024 | WK16<br>7/21/2024 | WK17<br>7/28/2024 | WK18<br>8/4/2024 | WK19<br>8/11/2024 | WK20<br>8/18/2024 | WK21<br>8/25/2024 | WK22<br>9/1/2024 | Total            |         |
| <b>Opening net DIP facility position</b>                              | (6,038,622)        | (6,219,258)        | (6,137,601)      | 166,252          | 162,471          | 31,376           | 25,670           | 1,083            | 58,033          | 29,481           | (38,157)          | (43,800)          | (132,916)         | (124,783)        | (217,079)         | (221,825)         | (310,941)         | (303,445)        | (411,641)         | (413,191)         | (420,485)         | (502,177)        | (6,038,622)      |         |
| <b>Operating inflows</b>  |                    |                    |                  |                  |                  |                  |                  |                  |                 |                  |                   |                   |                   |                  |                   |                   |                   |                  |                   |                   |                   |                  |                  |         |
| Collection of existing accounts receivable                            | -                  | 2,281              | 193,517          | 35,295           | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 231,092          |         |
| Collection of EDC insured receivables                                 | -                  | 200,000            | -                | -                | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 200,000          |         |
| Collection of new sales   | -                  | -                  | -                | -                | -                | -                | -                | -                | 75,000          | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 75,000           |         |
| Collection of HST   | -                  | -                  | -                | 60,363           | 1,478            | 486              | -                | 24,176           | -               | -                | 502               | -                 | 10,687            | 950              | -                 | -                 | 10,051            | -                | -                 | -                 | -                 | 8,478            | 117,171          |         |
| Transaction proceeds to repay DIP Facility                            | -                  | -                  | 6,137,601        | -                | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 6,137,601        |         |
| Recovery of operating costs from Phillips                             | 80,000             | 79,000             | 80,000           | -                | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 239,000          |         |
| Insurance proceeds received   | -                  | 23,806             | -                | -                | -                | -                | -                | -                | 50,000          | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 73,806           |         |
|   | 80,000             | 325,087            | 6,411,118        | 95,657           | 1,478            | 486              | -                | 149,176          | -               | -                | 502               | -                 | 10,687            | 950              | -                 | -                 | 10,051            | -                | -                 | -                 | -                 | 8,478            | 7,093,670        |         |
| <b>Operating outflows</b>   |                    |                    |                  |                  |                  |                  |                  |                  |                 |                  |                   |                   |                   |                  |                   |                   |                   |                  |                   |                   |                   |                  |                  |         |
| Payment of existing post-filing accounts payable                      | 2,405              | 56,662             | -                | 6,005            | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 65,073           |         |
| Cost of goods sold  | -                  | 351                | -                | 1,743            | -                | 51               | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 2,146            |         |
| Fixed operating expenses  | 50                 | 32,898             | 1,697            | 1,573            | 1,305            | 1,400            | 4,693            | 2,055            | 296             | 1,138            | 1,405             | -                 | -                 | 50               | 6                 | -                 | -                 | -                | -                 | 50                | 6                 | -                | 48,612           |         |
| Compensation, remittances and benefits                                | 26,251             | 26,251             | 26,251           | -                | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 78,753           |         |
| Operating leases  | -                  | 4,100              | -                | -                | -                | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 4,100            |         |
| Insurance   | 20,205             | 21,437             | 31,400           | -                | 20,044           | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 83,086           |         |
| Bank charges  | 60                 | 3,240              | 55               | 1,000            | 60               | 3,240            | -                | 1,055            | 60              | -                | 3,240             | -                 | 1,055             | -                | 3,240             | -                 | 1,055             | -                | -                 | 3,240             | 1,055             | -                | 21,655           |         |
| Rent and Property taxes   | 8,968              | -                  | -                | -                | 8,968            | -                | -                | -                | -               | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | -                 | -                 | -                 | -                | 17,937           |         |
| Other   | 176,000            | 1,500              | 1,500            | 1,500            | 1,500            | 1,500            | 1,500            | 1,500            | 1,500           | 1,500            | 1,500             | 1,500             | 1,500             | 1,500            | 1,500             | 1,500             | 1,500             | 1,500            | 1,500             | 1,500             | 1,500             | 1,500            | 207,500          |         |
|   | 233,940            | 146,430            | 60,903           | 11,822           | 31,877           | 6,191            | 6,193            | 4,610            | 1,856           | 2,638            | 6,145             | 1,500             | 2,555             | 1,500            | 4,746             | 1,500             | 2,555             | 1,500            | 1,550             | 4,746             | 2,555             | 1,500            | 538,862          |         |
| <b>Non-operating outflows</b>   |                    |                    |                  |                  |                  |                  |                  |                  |                 |                  |                   |                   |                   |                  |                   |                   |                   |                  |                   |                   |                   |                  |                  |         |
| Interest payments   | 26,696             | -                  | 46,362           | 87,616           | 26,696           | -                | 18,395           | 87,616           | 26,696          | -                | -                 | 87,616            | -                 | 26,696           | -                 | 87,616            | -                 | 26,696           | -                 | 2,547             | 87,616            | 26,696           | 665,560          |         |
|   | 26,696             | -                  | 46,362           | 87,616           | 26,696           | -                | 18,395           | 87,616           | 26,696          | -                | -                 | 87,616            | -                 | 26,696           | -                 | 87,616            | -                 | 26,696           | -                 | 2,547             | 87,616            | 26,696           | 665,560          |         |
| <b>Restructuring costs</b>  |                    |                    |                  |                  |                  |                  |                  |                  |                 |                  |                   |                   |                   |                  |                   |                   |                   |                  |                   |                   |                   |                  |                  |         |
| Professional fees   | -                  | 97,000             | -                | -                | 74,000           | -                | -                | -                | -               | 65,000           | -                 | -                 | -                 | -                | 65,000            | -                 | -                 | -                | 80,000            | -                 | -                 | -                | 40,000           | 421,000 |
| <b>Total outflows</b>   | <b>260,636</b>     | <b>243,430</b>     | <b>107,265</b>   | <b>99,438</b>    | <b>132,573</b>   | <b>6,191</b>     | <b>24,588</b>    | <b>92,226</b>    | <b>28,552</b>   | <b>67,638</b>    | <b>6,145</b>      | <b>89,116</b>     | <b>2,555</b>      | <b>93,246</b>    | <b>4,746</b>      | <b>89,116</b>     | <b>2,555</b>      | <b>108,196</b>   | <b>1,550</b>      | <b>7,293</b>      | <b>90,171</b>     | <b>68,196</b>    | <b>1,625,422</b> |         |
| <b>Net weekly cash flow</b>   | <b>(180,636)</b>   | <b>81,657</b>      | <b>6,303,853</b> | <b>(3,781)</b>   | <b>(131,095)</b> | <b>(5,706)</b>   | <b>(24,588)</b>  | <b>56,951</b>    | <b>(28,552)</b> | <b>(67,638)</b>  | <b>(5,643)</b>    | <b>(89,116)</b>   | <b>8,132</b>      | <b>(92,296)</b>  | <b>(4,746)</b>    | <b>(89,116)</b>   | <b>7,496</b>      | <b>(108,196)</b> | <b>(1,550)</b>    | <b>(7,293)</b>    | <b>(81,693)</b>   | <b>(68,196)</b>  | <b>5,468,249</b> |         |
| <b>Ending net DIP facility position</b>                               | <b>(6,219,258)</b> | <b>(6,137,601)</b> | <b>166,252</b>   | <b>162,471</b>   | <b>31,376</b>    | <b>25,670</b>    | <b>1,083</b>     | <b>58,033</b>    | <b>29,481</b>   | <b>(38,157)</b>  | <b>(43,800)</b>   | <b>(132,916)</b>  | <b>(124,783)</b>  | <b>(217,079)</b> | <b>(221,825)</b>  | <b>(310,941)</b>  | <b>(303,445)</b>  | <b>(411,641)</b> | <b>(413,191)</b>  | <b>(420,485)</b>  | <b>(502,177)</b>  | <b>(570,373)</b> | <b>(570,373)</b> |         |

Dated at Cap Pele, New Brunswick this 10th day of April, 2024

**SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER SHELLFISH (2012) INC.,  
SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER & SHELLFISH LTD., BRIDGE LOBSTERS LIMITED,  
AND ARSENAULT'S FISH MART INC.**

Per:

**David Boyd**  
Chief Restructuring Officer




South Shore Seafoods Group  
Consolidated 22-week cash flow forecast

| Week ending                                      | WK1<br>2024-04-07 | WK2<br>2024-04-14 | WK3<br>2024-04-21 | WK4<br>2024-04-28 | WK5<br>2024-05-05 | WK6<br>2024-05-12 | WK7<br>2024-05-19 | WK8<br>2024-05-26 | WK9<br>2024-06-02 | WK10<br>2024-06-09 | WK11<br>2024-06-16 | WK12<br>2024-06-23 | WK13<br>2024-06-30 | WK14<br>2024-07-07 | WK15<br>2024-07-14 | WK16<br>2024-07-21 | WK17<br>2024-07-28 | WK18<br>2024-08-04 | WK19<br>2024-08-11 | WK20<br>2024-08-18 | WK21<br>2024-08-25 | WK22<br>2024-09-01 | Total     |             |         |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------|-------------|---------|
| <b>Opening net DIP facility position</b>         | (6,036,622)       | (6,219,258)       | (6,137,601)       | 166,252           | 162,471           | 31,376            | 25,670            | 1,083             | 58,033            | 29,481             | (38,157)           | (43,800)           | (132,916)          | (124,783)          | (217,079)          | (221,825)          | (310,941)          | (303,445)          | (411,641)          | (413,191)          | (420,485)          | (502,177)          | (502,177) | (6,038,622) |         |
| <b>Operating Inflows</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |           |             |         |
| Collection of existing accounts receivable       | -                 | 2,281             | 193,515           | 35,295            | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 231,092     |         |
| Collection of EDC insured receivables            | -                 | 220,000           | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 220,000     |         |
| Collection of new sales                          | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 75,000            | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 75,000      |         |
| Collection of HST                                | -                 | -                 | -                 | 60,363            | 1,478             | 486               | -                 | 24,176            | -                 | -                  | 502                | -                  | 10,687             | 550                | -                  | -                  | 10,051             | -                  | -                  | -                  | -                  | 8,478              | -         | 117,171     |         |
| Transaction proceeds to repay DIP Facility       | -                 | -                 | 6,137,601         | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 6,137,601   |         |
| Recovery of operating costs from Phillips        | 80,000            | 79,000            | 80,000            | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 239,000     |         |
| Insurance proceeds received                      | -                 | 23,828            | -                 | -                 | -                 | -                 | -                 | 50,000            | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 73,828      |         |
|  | 80,000            | 325,087           | 6,411,116         | 95,657            | 1,478             | 486               | -                 | 149,176           | -                 | -                  | 502                | -                  | 10,687             | 550                | -                  | -                  | 10,051             | -                  | -                  | -                  | -                  | 8,478              | -         | 7,093,670   |         |
| <b>Operating outflows</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |           |             |         |
| Payment of existing post-filing accounts payable | 2,105             | 56,662            | -                 | 6,005             | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 65,073      |         |
| Cost of goods sold                               | -                 | 951               | -                 | 1,743             | -                 | 51                | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 2,146       |         |
| Fixed operating expenses                         | 50                | 32,888            | 1,697             | 1,573             | 1,305             | 1,400             | 4,693             | 2,055             | 296               | 1,138              | 1,405              | -                  | -                  | 50                 | -                  | -                  | -                  | -                  | -                  | -                  | 50                 | 6                  | -         | 48,612      |         |
| Compensation, remittances and benefits           | 26,251            | 26,251            | 26,251            | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 78,753      |         |
| Operating leases                                 | -                 | 4,100             | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 4,100       |         |
| Insurance  | 20,205            | 21,437            | 31,400            | -                 | 20,044            | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 93,086      |         |
| Bank charges                                     | 60                | 3,240             | 55                | 1,000             | 60                | 3,240             | -                 | 1,055             | 60                | -                  | 3,240              | -                  | 1,055              | -                  | 3,240              | -                  | 1,055              | -                  | -                  | -                  | 3,240              | 1,055              | -         | 21,655      |         |
| Rent and Property taxes                          | 8,968             | -                 | -                 | -                 | 8,968             | -                 | -                 | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 17,937      |         |
| Other  | (126,699)         | (1,500)           | (1,500)           | (1,500)           | (1,500)           | (1,500)           | (1,500)           | (1,500)           | (1,500)           | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)   | (177,500)   |         |
|  | 223,340           | 146,430           | 60,905            | 11,822            | 31,877            | 6,191             | 6,193             | 4,610             | 1,856             | 2,638              | 6,145              | 1,500              | 2,555              | 1,550              | 4,746              | 1,500              | 2,555              | 1,500              | 1,550              | 4,746              | 2,555              | 1,500              | -         | 538,882     |         |
| <b>Non-operating outflows</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |           |             |         |
| Interest payments                                | 26,696            | -                 | 86,367            | 87,616            | 26,696            | -                 | 18,395            | 87,616            | 26,696            | -                  | -                  | 87,616             | -                  | 26,696             | -                  | 87,616             | -                  | 26,696             | -                  | 26,696             | -                  | 2,547              | 87,616    | 26,696      | 665,580 |
|  | 26,696            | -                 | 86,367            | 87,616            | 26,696            | -                 | 18,395            | 87,616            | 26,696            | -                  | -                  | 87,616             | -                  | 26,696             | -                  | 87,616             | -                  | 26,696             | -                  | 26,696             | -                  | 2,547              | 87,616    | 26,696      | 665,580 |
| <b>Restructuring costs</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |           |             |         |
| Professional fees                                | -                 | 97,000            | -                 | -                 | 74,000            | -                 | -                 | -                 | -                 | -                  | 65,000             | -                  | -                  | -                  | 65,000             | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -         | 40,000      | 421,000 |
| <b>Total outflows</b>                            | 260,636           | 243,430           | 107,265           | 99,438            | 132,523           | 6,191             | 24,588            | 92,226            | 28,552            | 67,638             | 6,145              | 89,116             | 2,555              | 93,246             | 4,746              | 89,116             | 2,555              | 108,196            | 1,550              | 7,293              | 90,121             | 68,106             | -         | 1,625,422   |         |
| <b>Net weekly cash flow</b>                      | (180,636)         | 81,657            | 6,303,853         | (3,781)           | (131,095)         | (5,706)           | (24,588)          | 56,951            | (28,552)          | (67,638)           | (5,643)            | (89,116)           | 8,132              | (92,296)           | (4,746)            | (89,116)           | 7,496              | (108,196)          | (1,550)            | (7,293)            | (81,693)           | (68,196)           | (502,177) | 5,468,249   |         |
| <b>Ending net DIP facility position</b>          | (6,219,258)       | (6,137,601)       | 166,252           | 162,471           | 31,376            | 25,670            | 1,083             | 58,033            | 29,481            | (38,157)           | (43,800)           | (132,916)          | (124,783)          | (217,079)          | (221,825)          | (310,941)          | (303,445)          | (411,641)          | (413,191)          | (420,485)          | (502,177)          | (502,177)          | (502,177) | (6,038,622) |         |

Dated at Cap Pele, New Brunswick this 10th day of April, 2024

SOUTH SHORE SEAFOODS LTD., CAPTAIN COOKE'S SEAFOOD INC., BY THE WATER SHELLFISH (2012) INC.,  
SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER & SHELLFISH LTD., BRIDGE LOBSTERS LIMITED,  
AND ARSENAULT'S FISH MART INC.

Per:   
David Boyd  
Chief Restructuring Officer

**APPENDIX B – FIRST AMENDMENT**

## FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

**THIS AMENDING AGREEMENT** is made effective as of the 28<sup>th</sup> day of February, 2024.

**BETWEEN:** **SOUTH SHORE SEAFOODS LTD., BY THE WATER SHELLFISH (2012) INC., CAPTAIN COOKE'S SEAFOOD INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER & SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, and ARSENAULT'S FISH MART INC.,** each by **DELOITTE RESTRUCTURING INC.,** in its capacity as court-appointed Monitor in the CCAA Proceedings for and on behalf of the South Shore Group and not in its personal or corporate capacity (collectively, the "**Vendors**");

- and -

**PHILLIPS BRIDGE SEAFOOD ULC** (the "**Purchaser**")

**WHEREAS** the Vendors and the Purchaser (hereinafter sometimes collectively, the "**Parties**") are parties to an Asset Purchase Agreement dated January 12, 2024 (the "**Agreement**").

**AND WHEREAS** the Agreement provides for an Outside Date of February 29, 2024, and that such date shall automatically be extended to no later than March 31, 2024, solely to accommodate the receipt by the Purchaser of the LPA Permit.

**AND WHEREAS** the Purchaser received an LPA Permit on February 20, 2024.

**AND WHEREAS** the Purchaser wishes to direct the Vendors to convey title to certain assets to an affiliate of the Purchaser (the "**Purchaser Affiliate**") upon Closing.

**AND WHEREAS** in order to direct title to certain real property situate in the Province of Prince Edward Island to the Purchaser Affiliate upon Closing, the Purchaser Affiliate must receive permission from the Executive Council of the Province of Prince Edward Island, which permission has not been granted as of the date hereof.

**AND WHEREAS** the Parties wish to extend the Outside Date.

**IN CONSIDERATION OF** the mutual covenants and agreements contained in this Agreement, the Parties hereto agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement;
2. The parties confirm that the "Closing Date" is March 22, 2024 or such other day as the parties may agree in writing;
3. The definition of "Outside Date" in Section 1.1 of the Agreement is hereby amended by deleting "February 29, 2024" and replacing it with "March 31, 2024";

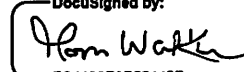
4. References in the Agreement to the "LPA Permit" shall be deemed to be references to the LPA Permit received on February 20, 2024, as modified by the permission referred to in the fifth recital hereto.
5. All terms and provisions of the Agreement shall, except to the extent specifically modified by this Agreement, remain in full force and effect, and be incorporated herein by reference.
6. This Agreement may be executed in counterpart and transmitted by electronic means. Transmission of electronic copies of signed originals shall have the same effect as delivery of such signed originals and all counterparts when taken together shall constitute one instrument.

***[Signature Pages Follow]***

**IN WITNESS WHEREOF** the Purchaser has executed this Agreement as of the 28<sup>th</sup> day of February, 2024.

**PHILLIPS BRIDGE SEAFOOD ULC**

DocuSigned by:



By: \_\_\_\_\_  
FC413850E55445F

Name: Tom Walker

Title: President

**IN WITNESS WHEREOF** the Vendors have executed this Agreement as of the 28<sup>th</sup> day of February, 2024.

**SOUTH SHORE SEAFOODS LTD.,  
BY THE WATER SHELLFISH (2012) INC.,  
CAPTAIN COOKE'S SEAFOOD INC.,  
SOUTH SHORE SEAFOODS  
INTERNATIONAL LTD.,  
CAN-AM LOBSTER & SHELLFISH LTD.,  
BRIDGE LOBSTERS LIMITED, and  
ARSENAULT'S FISH MART INC., each by**

**DELOITTE RESTRUCTURING INC., in its  
capacity as court-appointed Monitor in  
the CCAA Proceedings**


By: \_\_\_\_\_  
Name: James Foran  
Title: Senior Vice President

56205306.2

IN WITNESS WHEREOF the Vendors have executed this Agreement as of the 28<sup>th</sup> day of February, 2024.

SOUTH SHORE SEAFOODS LTD.,  
BY THE WATER SHELLFISH (2012) INC.,  
CAPTAIN COOKE'S SEAFOOD INC.,  
SOUTH SHORE SEAFOODS  
INTERNATIONAL LTD.,  
CAN-AM LOBSTER & SHELLFISH LTD.,  
BRIDGE LOBSTERS LIMITED, and  
ARSENAULT'S FISH MART INC., each by

DELOITTE RESTRUCTURING INC., in its  
capacity as court-appointed Monitor in  
the CCAA Proceedings



By:  
Name: James Foran  
Title: Senior Vice President

56205306.2

**APPENDIX C - SECOND AMENDMENT**



## SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS AMENDING AGREEMENT is made effective as of the 29<sup>th</sup> day of March, 2024.

**BETWEEN:** SOUTH SHORE SEAFOODS LTD., BY THE WATER SHELLFISH (2012) INC., CAPTAIN COOKE'S SEAFOOD INC., SOUTH SHORE SEAFOODS INTERNATIONAL LTD., CAN-AM LOBSTER & SHELLFISH LTD., BRIDGE LOBSTERS LIMITED, and ARSENAULT'S FISH MART INC., each by DELOITTE RESTRUCTURING INC., in its capacity as court-appointed Monitor in the CCAA Proceedings for and on behalf of the South Shore Group and not in its personal or corporate capacity (collectively, the "Vendors");

- and -

PHILLIPS BRIDGE SEAFOOD ULC (the "Purchaser")

**WHEREAS** the Vendors and the Purchaser (hereinafter sometimes collectively, the "Parties") are parties to an Asset Purchase Agreement dated January 12, 2024, as amended by a first amendment dated February 28, 2024 (as so amended, amended hereby, and may be further amended from time to time, the "Agreement").

**AND WHEREAS** the Agreement provides for an Outside Date of March 31, 2024 and the Parties now wish to amend the Agreement to extend such date and to further amend the Agreement as described herein.

**AND WHEREAS** the Purchaser wishes (i) to direct the Vendors to convey title to real property and certain personal property purchased pursuant to the Agreement to Phillips Bridge Properties Canada ULC, an affiliate of the Purchaser (the "Purchaser RE Affiliate") upon Closing and (ii) to convey title to certain personal property purchased pursuant to the Agreement to Phillips Bridge Logistics Canada Corp. (the "Purchaser Logistics Affiliate").

**AND WHEREAS** in order to direct title to certain real property situate in the Province of Prince Edward Island to the Purchaser RE Affiliate upon Closing, the Purchaser RE Affiliate must receive permission from the Executive Council of the Province of Prince Edward Island, which permission has not been granted as of the date hereof.

**IN CONSIDERATION OF** the mutual covenants and agreements contained in this amending agreement, the Parties hereto agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
2. The parties confirm that the "Closing Date" is April 5, 2024 or such other day as the parties may agree in writing.
3. The definition of "Outside Date" in Section 1.1 of the Agreement is hereby amended by deleting "March 31, 2024" and replacing it with "April 30, 2024".

4. References in the Agreement to the "LPA Permit" shall be deemed to be references to the LPA Permit received on February 20, 2024, as modified or supplemented to include permission in favour of the Purchaser RE Affiliate.
5. The Purchaser will pay all operating costs for the Vendor companies after (but not including) March 29, 2024, until the earlier of the Closing Date or termination of the Agreement under its terms, as follows:
  - a. The Vendor has estimated that the Operating Costs of operating the Business after March 29, 2024, to and including April 5, 2024 will be \$80,000 (the "Operating Estimate");
  - b. As used in this amending agreement, "Operating Costs" shall include all employee costs, costs to prepare the plants and company operations for the pending season, and interest accruing on the debtor-in-possession (DIP) facility, provided that Operating Costs will only include actual and documented costs and not include estimates, costs incurred on or prior to March 29, 2024, or pre-paid costs of any kind;
  - c. The Purchaser shall pay an amount equal to the Operating Estimate to, and as directed by, the Vendor within one Business Day of execution of this amending agreement;
  - d. The Vendor and Purchaser shall adjust the amount of the Operating Costs paid by the Vendor based on the actual Operating Costs following Closing in the same manner and on the same timeline as provided in Section 3.9(3) of the Agreement for Post-Closing Adjustment; and
  - e. The Parties agree that all payments made under this section 5 shall be adjustments to the Purchase Price allocated to goodwill.
6. Section 3.3 of the Agreement is deleted in its entirety and replaced with the following:

"If the Closing does not occur for any reason, the full amount of the Deposit will become the property of, and may be retained by, the Vendors as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities forgone as a result of the failure of the transaction to close. The Vendors are not, in such event, limited in the exercise of any other rights or remedies that it may have pursuant to this Agreement. The Purchaser acknowledges that the Deposit is being held by the Monitor without interest."
7. The following paragraph is added to section 3.4 immediately before section 3.5 of the Agreement:

"The allocation of the Purchased Assets and the payment of the respective allocated portions of the Purchase Price as between the Purchaser and each of its Affiliates, Phillips Bridge Properties Canada ULC and Phillips Bridge Logistics Canada Corp., is shown on Schedule "H". With regard to such allocation and direction upon Closing of title to the respective Purchased Assets, as shown, and payment by the Purchaser's Affiliates therefor in the amounts shown, Purchaser shall act as agent and trustee for its Affiliates in all respects."
8. From March 30, 2024 and to and including the Closing Date the Vendor will:
  - a. Direct and manage the personnel of the South Shore Group in accordance with instructions reasonably provided by the Purchaser to effect an efficient transition of

the Business on the Closing Date, provided that the Vendor will at all such times be, and the Purchaser will not be deemed to be, the employer of such personnel; and

- b. Permit and accommodate, during regular business hours or at other times reasonably requested by the Purchaser, third-party service providers to access the South Shore Group plants, equipment and vehicles for the purpose of regular maintenance and repair of same, provided that the cost of such service providers will be wholly borne by the Purchaser.<sup>1</sup>
9. The schedules to the Agreement are hereby amended as follows:
- a. The first bullet point of Schedule “C” regarding a lease agreement between Can-Am Lobster and Shellfish Ltd. and DEKM, LLC is deleted in its entirety; and
10. The Purchaser wishes to repay and obtain a discharge of the BDC Mortgage on title to the BDC Mortgaged Properties. The Vendor shall request and provide the Purchaser with a payout statement from BDC with respect to the BDC Mortgage prior to Closing. The Purchase Price shall be increased by the amount required to repay and obtain a discharge of the BDC Mortgage. On Closing, the Vendor will repay the BDC Mortgage and provide the Purchaser with a duly executed release of the BDC Mortgage following receipt of such release from BDC. Schedule “D” to the Agreement is hereby amended by deleting the words: “Those arising under or in connection with the BDC Mortgage.”
11. All terms and provisions of the Agreement shall, except to the extent specifically modified by this Agreement, remain in full force and effect, and be incorporated herein by reference.
12. This Agreement may be executed in counterpart and transmitted by electronic means. Transmission of electronic copies of signed originals shall have the same effect as delivery of such signed originals and all counterparts when taken together shall constitute one instrument.

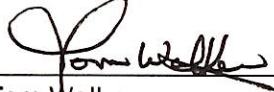
*[Signature Pages Follow]*

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<sup>1</sup> NTD: Phillips to advise whether there are any other specific requests for access, etc. in the period prior to closing.

IN WITNESS WHEREOF the Purchaser has executed this Agreement as of the 29<sup>th</sup> day of March, 2024.


PHILLIPS BRIDGE SEAFOOD ULC

By:   
Name: Tom Walker  
Title: President

IN WITNESS WHEREOF the Vendors have executed this Agreement as of the 29<sup>th</sup> day of March, 2024.

**SOUTH SHORE SEAFOODS LTD.,  
BY THE WATER SHELLFISH (2012) INC.,  
CAPTAIN COOKE'S SEAFOOD INC.,  
SOUTH SHORE SEAFOODS  
INTERNATIONAL LTD.,  
CAN-AM LOBSTER & SHELLFISH LTD.,  
BRIDGE LOBSTERS LIMITED, and  
ARSENAULT'S FISH MART INC., each by**

**DELOITTE RESTRUCTURING INC., in its  
capacity as court-appointed Monitor in  
the CCAA Proceedings**

By:  \_\_\_\_\_  
Name: James Foran  
Title: Senior Vice President

56567832.1

**APPENDIX D – PRIORITY CLAIMS NOTICE**

**AFFIDAVIT OF MAILING**

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT ( "CCAA") OF  
South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By the Water Shellfish (2012) Inc.,  
Can-Am Lobster & Shellfish Ltd., South Shore Seafoods International Ltd.,  
Bridge Lobsters Limited, Arsenault's Fish Mart Inc.  
of the city of Cap-Pele, in the Province of New Brunswick

I, Denise Lee the undersigned, of the Trustee's office of Deloitte Restructuring Inc., hereby make oath and say:

That on February 1<sup>st</sup> , 2024 I did cause to be sent, by electronic means or by prepaid ordinary mail, to the known priority creditors of the above named Debtor, whose names and addresses appear on the paper-writing marked "A" annexed hereto, a copy of:

1. Notice of Priority claims procedure & priority claims bar date

**DELOITTE RESTRUCTURING INC.**

Per:



**COLLEEN O'BRIEN**  
A Commissioner for Oaths  
in and for the Province of Newfoundland  
and Labrador  
Commission expires December 31, 2028



Deloitte Restructuring Inc.  
Purdy's Wharf Tower II  
Suite 1500  
Halifax, NS B3J 3R7  
Tel: 1-902-721-5602  
Fax: 1-902-423-5820  
www.deloitte.ca

February 1, 2024

**SUBJECT: NOTICE OF PRIORITY CLAIMS PROCEDURE & PRIORITY CLAIMS BAR DATE**

This notice is being published pursuant to an order of the Court of the King's Bench of New Brunswick, Trial Division, Judicial District of Saint John dated January 29, 2024 (the "**Priority Claims Order**"), in the proceedings respecting South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By the Water Shellfish (2012) Inc., Can-Am Lobster & Shellfish Ltd., South Shore Seafoods International Ltd., Bridge Lobsters Limited, Arsenault's Fish Mart Inc. (collectively, the "**Debtors**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

Pursuant to the Initial Order dated September 21, 2023, Deloitte Restructuring Inc. was appointed as monitor in these CCAA proceedings (in such capacity, the "**Monitor**"), and pursuant to the Priority Claims Order is authorized to conduct a priority claims procedure (the "**Priority Claims Procedure**") with respect to any indebtedness, liability, obligation or claim of any kind whatsoever against the Purchased Assets that ranks in priority to the Senior Secured Obligations but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial CCAA Order or any other Order within these CCAA proceedings (the "**Priority Claims**"). Additionally, the Monitor is required to send Proofs of Claim and Notice Letters to, among others, potential Priority Claimants. All capitalized terms not defined herein shall have the meanings ascribed to them in the Priority Claims Order.

The Priority Claims Order, the Proof of Claim, and related materials may be accessed from the Monitor's Website at:

<https://www.insolvencies.deloitte.ca/SouthShoreSeafoods>.

**SUBMISSION OF A PROOF OF CLAIM**

All persons wishing to assert a Priority Claim **MUST** file a Proof of Claim with the Monitor. Secured claims and unsecured claims **ARE NOT** being called for in this Priority Claims Procedure. Such claims will not be reviewed, considered, or addressed in this Priority Claims Procedure.

The priority claims bar date is **5:00 P.M. (ATLANTIC TIME) ON APRIL 1, 2024** (the "**Priority Claims Bar Date**"). Proofs of Claim in respect of Priority Claims must be completed and filed with the Monitor on or before the Priority Claims Bar Date. **PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE MONITOR BY THE PRIORITY CLAIMS BAR DATE OR THE PRIORITY CLAIM WILL BE FOREVER AND IRREVOCABLY BARRED, EXTINGUISHED AND DISCHARGED.**

If you are required to file a Proof of Claim pursuant to the Priority Claims Procedure but do not file a Proof of Claim in respect of a Priority Claim by the Priority Claims Bar Date you shall not be entitled to any distribution in respect of such Priority Claims.



**MONITOR CONTACT INFORMATION**

The Monitor can be contacted at the following address for any enquiries with respect to the Priority Claims Procedure:

**Deloitte Restructuring Inc.**  
in its capacity as the Court-appointed Monitor of the Debtors  
1741 Lower Water St.  
Suite 800  
Halifax, NS B3J 0J2

Attention: James Foran / Kurt Macleod  
Email: southshoreseafoods@deloitte.ca  
Telephone: 833-422-7516

We trust that you find the above and enclosed to be in order. If you have any questions, please contact the Monitor at the information contained above.

Sincerely,

**DELOITTE RESTRUCTURING INC.**

Acting in its capacity as  
Court Appointed Monitor of  
South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By The Water Shellfish (2012) Inc., Can-Am  
Lobster & Shellfish Ltd., South Shore Seafoods International Ltd., Bridge Lobsters Limited,  
and Arsenault's Fish Mart Inc.  
and not in its personal capacity

Per:



**Kurt Macleod, MBA, CIRP, LIT**  
Vice President

Enclosure: Proof of Claim Form

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**PROOF OF CLAIM**

---

All capitalized terms not defined herein have the meanings ascribed to them in the Priority Claims Order dated January 29, 2024 in the proceedings of South Shore Seafoods Ltd., Captain Cooke's Seafood Inc., By the Water Shellfish (2012) Inc., Can-Am Lobster & Shellfish Ltd., South Shore Seafoods International Ltd., Bridge Lobsters Limited, Arsenault's Fish Mart Inc., under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

**I. PARTICULARS OF PRIORITY CLAIMANT:**

1. Full Legal Name of Priority Claimant:

\_\_\_\_\_ (the "Priority Claimant")

2. Full Mailing Address of the Priority Claimant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Telephone Number: \_\_\_\_\_

4. E-Mail Address: \_\_\_\_\_

5. Attention (Contact Person): \_\_\_\_\_

6. Have you acquired this Priority Claim by assignment?

Yes:  No:  (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Priority Claimant(s):

**II. PROOF OF CLAIM:**

1. I, \_\_\_\_\_  
(name of Priority Claimant if Priority Claimant is an individual or representative of the  
Priority Claimant if Priority Claimant is not an individual), of  
\_\_\_\_\_ do hereby certify:  
(city and province)

(a) that I [check (✓) one]

am the Priority Claimant; OR

am \_\_\_\_\_ (state position or title) of  
\_\_\_\_\_  
(name of Priority Claimant)

(b) that I have knowledge of all the circumstances connected with the Priority Claim referred to below;

(c) that complete documentation in support of the Priority Claim referred to below is attached;

(d) the Priority Claimant has a Priority Claim as follows:

a. TOTAL PRIORITY CLAIM: CDN\$ \_\_\_\_\_

Note: This should only include Priority Claims. Secured claims and unsecured claims will not be considered or addressed in this Priority Claims Procedure and should not be included here.

**III. EVIDENCE OF PRIORITY:**

1. In order to file your Proof of Claim, evidence of the priority or a basis for making a Priority Claim are required. Attach any supporting documents to the Proof of Claim.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IV. PARTICULARS OF PRIORITY CLAIM**

Other than as already set out herein, the particulars of the undersigned's total Priority Claim are attached.

*(Provide full particulars of the Priority Claim and supporting documentation, including detailed accounting of the amount, description of transaction(s) or agreement(s) giving rise to the Priority Claim, and date and number of all invoices, particulars of all credits, discounts, etc. claimed.)*

## V. FILING OF PRIORITY CLAIM

This Proof of Claim **MUST** be actually received by the Applicants and the Monitor **before 5:00 p.m. (Atlantic time) on April 1, 2024** (the “Priority Claims Bar Date”).

Completed forms must be delivered by courier, personal delivery or email addressed to:

If to the Monitor:

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of the Debtors  
1741 Lower Water St.  
Suite 800  
Halifax, NS B3J 0J2

Attention: James Foran / Kurt Macleod  
Email: [southshoreseafoods@deloitte.ca](mailto:southshoreseafoods@deloitte.ca)  
Telephone: 833-422-7516

with a copy to:

Cox & Palmer  
Nova Centre – South Tower  
1500-1625 Grafton Street  
Halifax, NS B3J 0E8

Attention: Gavin MacDonald / Simon-Pierre Godbout  
Email: [GMacDonald@coxandpalmer.com](mailto:GMacDonald@coxandpalmer.com) / [spgodbout@coxandpalmer.com](mailto:spgodbout@coxandpalmer.com)  
Telephone: 902-421-6262

**FAILURE TO FILE YOUR PROOF OF CLAIM SUCH THAT IT IS ACTUALLY RECEIVED BY THE MONITOR BY THE PRIORITY CLAIMS BAR DATE WILL RESULT IN YOUR PRIORITY CLAIM BEING FOREVER AND IRREVOCABLY BARRED, EXTINGUISHED AND DISCHARGED AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A PRIORITY CLAIM AGAINST THE PURCHASED ASSETS, THE DEBTORS OR THE PURCHASER.**

**Certification**

I hereby certify that:

1. I am the Priority Claimant or an authorized representative of the Priority Claimant.
2. I have knowledge of all the circumstances connected with this Priority Claim.
3. I agree with the supporting documentation attached (if any).

All information submitted in this Proof of Claim form must be true, accurate and complete. Filing false or misleading information relating to your Proof of Claim may result in penalties.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

## Appendix "A"

Deloitte Restructuring Inc.  
Fortis Place  
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St. John's NL A1E 0E4

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Quebec Insolvency Intake Centre  
Shawinigan-Sud National Verification & Collection 4695  
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Department of the Treasury  
Internal Revenue Service  
1160 W 1200 S St  
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Government of Prince Edward Island – Tax and Land  
Division  
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