

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

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

DATED AUGUST 15, 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 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 Monitor's 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.
19. On April 10, 2024, the Monitor provided the Court with a seventh report (the "**Seventh Report**") that:

- i. provided an update on the activities of the Debtor and the Monitor since the Sixth Report;
 - ii. provided an update on the financial position of the Debtors, including the Fourth Cash Flow Statement;
 - iii. provided an update on the SISP; and
 - iv. requested the Ancillary Order that amongst other things:
 - a) approved the activities of the Monitor as contained in the Seventh Report;
 - b) extended the stay of proceedings to August 31, 2024; and
 - c) declaring the Debtors meet the criteria under the WEPP Regulations.
20. On April 15, 2024, the Court granted the Ancillary Order.
21. On May 6, 2024, the Monitor filed the Monitor's Certificate with the Court advising that the Transaction contemplated by the AVO had been completed to the satisfaction of the Monitor.

PURPOSE

22. The purpose of this eighth report (the "**Eighth Report**") is to provide information to the Court on:
- i. the Debtor's activities since the Seventh Report;
 - ii. the Monitor's activities since the Seventh Report;
 - iii. an update on the financial position of the Debtors;
 - iv. the Debtor's updated cash flow forecast for the period August 1 to October 31, 2024 (the "**Fifth Cash Flow Statement**");
 - v. an update on the Transaction;
 - vi. an update on the Priority Claims Process; and
 - vii. the Monitor's request for an order (the "**Ancillary Order**"):
 - a) approving the activities of the Monitor as outlined in the Eighth Report; and
 - b) extending the stay of proceedings until November 1, 2024.

TERMS OF REFERENCE AND DISCLAIMER

23. In preparing this Eighth 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 Eighth Report in respect of the Fifth 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 Eighth 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.
24. Future oriented financial information referred to in this Eighth 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.
25. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Eighth Report concerning the Debtors and their businesses are based on the Information and not independent factual determinations made by the Monitor.
26. 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 1.38:1.
27. 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 DEBTOR

28. Since the Seventh Report, the activities of the Debtors have included, but 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. providing regular updates, including financial information to the Monitor and the CRO;
 - iii. working in consultation with the Monitor to update weekly cash flow variance reports; and
 - iv. assisting the Monitor in addressing questions relating to the Transaction.
29. On April 23, 2024 (the "**Closing Date**"), the Transaction between the Debtors and the Purchaser closed. Subsequent to the Closing Date, the Debtor's ongoing business operations ceased, and all employees were terminated by the Monitor.
30. Subsequent to the Closing Date, certain former staff of the Debtors have assisted the Monitor with, amongst other things:
 - i. the collection of trade accounts receivable;
 - ii. the filing of excise tax returns; and
 - iii. providing the Monitor information required for WEPP.
31. The Monitor wishes to advise the Court that it continues to receive co-operation from former staff and the CRO in assisting it with the administration of these CCAA Proceedings.

ACTIVITIES OF THE MONITOR

32. Since the Seventh Report, the activities of the Monitor have included, but not been limited to the following:
 - i. reviewing and approving all disbursements of the Debtors;
 - ii. engaging Castle Appraisals to perform an appraisal of certain equipment of the Debtors for which BDC has a first charge;
 - iii. working in conjunction with the Debtors, the CRO, the Purchaser and legal counsel

- to close the Transaction;
- iv. disclaiming leases in Cap Pele, New Brunswick and Kittery, Maine;
- v. repaying the DIP Facility;
- vi. working with retained staff, the CRO, and legal counsel to monetize assets not included in the Transaction;
- vii. working with EDC and an international collection agency in an attempt to recover on a certain foreign based trade accounts receivable;
- viii. commencing the WEPP;
- ix. participating in discussions with BDC regarding insurance and distribution matters;
- x. participating in discussions with TD regarding estate administration issues;
- xi. participating in discussions with CRA regarding its claim under the Priority Claim Order as further discussed herein;
- xii. working in conjunction with the CRO and legal counsel to prepare a preliminary distribution analysis to be shared with the affected stakeholders in these CCAA Proceedings;
- xiii. maintaining the Monitor's Website;
- xiv. filing the Monitor's Certificate with the Court; and
- xv. filing this Eighth Report with the Court.

FINANCIAL POSITION OF THE DEBTORS

- 33. In its Seventh Report, the Monitor provided the Court with the Fourth Cash Flow Statement representing Management's best estimate of the consolidated projected receipts and disbursements for the 22-week period from April 1 to August 30, 2024. At the time the Fourth Cash Flow Statement was created there was uncertainty regarding the closing date of the Transaction.
- 34. As discussed herein, the Transaction closed on April 23, 2024, and immediately afterwards all active operations of the Debtors' ceased and there were limited transactions processed through the Debtors bank accounts.
- 35. The Monitor has reviewed and approved all disbursements made by the Debtors both prior and subsequent to the closing of the Transaction. In addition, the Monitor has worked with certain former staff members to review bank activity and bank reconciliations.

36. As at the date of the Eighth Report, the Monitor has created a statement of interim receipts and disbursements (the “**Interim R&D**”) that provides an overview of the financial position of the Debtors:

In the matter of the CCAA Proceedings of the South Shore Seafoods Group (the "Debtors") Consolidated Interim Statement of Receipts and Disbursement for the period from January 12 to August 9, 2024	
RECEIPTS	
Proceeds from sale of assets	12,380,016.73
Deposit on sale of assets	1,278,500.00
HST collected	951,480.58
Interest income	100,549.17
	14,710,546.48
TOTAL RECEIPTS	14,710,546.48
DISBURSEMENTS	
Repayment of debtor in possession loan facility	6,676,991.13
Transfer to South Shore Seafoods Group for HST remittance	863,000.00
Payment of BDC mortgage	830,812.85
Payment of property taxes	183,489.36
Interest payments to TD Bank	261,010.96
Settlement of amount owing to Les Pecheries Aboiteau (2001) Ltee	74,306.51
Legal fees and disbursements	61,205.01
Monitor's fees and disbursements	48,306.40
Payment of lease obligations on closing	42,778.88
Interest payments to BDC	58,521.01
HST paid on disbursements	23,756.06
Appraisal fees	3,376.73
CRO fees and disbursements	2,975.00
Interest and bank charges	357.00
	9,130,886.90
TOTAL DISBURSEMENTS	9,130,886.90
AMOUNT RETAINED IN TRUST ACCOUNT BY THE MONITOR	5,579,659.58
In addition to the above amounts maintained by the Monitor in trust, the Debtors have approximately \$520,000 in its TD accounts.	

37. As at the date of the Eighth Report, the Debtors have approximately \$6,100,000 of liquidity, which when combined with the forecasted activity in the Fifth Cash Flow Statement will form the basis of the distribution from the estate.

FIFTH CASH FLOW STATEMENT

38. The Debtors, with the assistance of the Monitor and the CRO prepared the Fifth Cash Flow Statement for the 12-week period from August 9 to November 1, 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 Fifth Cash Flow Statement along with supporting declarations and assumptions are attached as **Appendix A** to this Eighth Report.
39. The Debtors, with the assistance of the Monitor and the CRO prepared the Fifth Cash Flow Statement for the 12week period from August 2 to November 1, 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 Fifth Cash Flow Statement along with supporting declarations and assumptions are attached as **Appendix A** to this Eighth Report.
40. The Fifth 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 Fifth 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**").
41. The Monitor has reviewed the Fifth 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 Fifth Cash Flow Statement;
 - ii. as at the date of the Eighth Report, the Assumptions are not suitably supported and

consistent with the plans for the Debtors or do not provide a reasonable basis for the Fifth Cash Flow Statement, given the probable and hypothetical assumptions; or

iii. the Fifth Cash Flow Statement does not reflect the Assumptions.

42. Since the Fifth 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 Fifth 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 Fifth Cash Flow Statement or relied upon by the Monitor in preparing this Eighth Report.
43. The Fifth 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.
44. As contained within the Fifth Cash Flow Statement, the Debtors have ceased active operations and as such the forecasted economic activity relates to the monetization of assets that were not part of the Transaction, a limited number of known disbursements, the payment of interest costs to TD and BDC, and the payment of professional fees to those professionals included in the Administrative Charge.

UPDATE ON THE TRANSACTION

45. On April 23, 2024 (the "**Closing Date**"), the Monitor and the Purchaser closed the Transaction contemplated by the Amended AVO that was granted by the Court on March 19, 2024.
46. On May 6, 2024, the Monitor filed the Monitor's Certificate with the Court advising that the Transaction had closed.
47. As part of the Transaction, the Monitor had contemplated the Purchaser was to provide a revised allocation of the purchase price, similar to what was provided as part of the APA (the "**Purchase Price Allocation**").
48. As at the date of the Eighth Report, while the Purchaser has provided the Monitor with an allocation for the real estate assets contained in the Transaction, the Purchase Price Allocation has not been provided. The Monitor and its legal counsel have held

discussions with the Purchaser and its legal counsel and can advise that, as at the date of the Eighth Report, the Purchaser is not actively working to complete the Purchase Price Allocation.

49. Based on the above, and in the interest of performing a distribution and bringing these CCAA Proceedings to a close, the Monitor has taken steps to complete the Purchase Price Allocation in an effort to prepare a distribution schedule (the "**Proposed Distribution Schedule**"). These efforts have included holding discussions with the Purchaser, the engagement of Castle Appraisals, and working with the CRO and legal counsel.
50. As at the date of the Eighth Report, the Monitor wishes to advise the Court that the Proposed Distribution Schedule is nearing completion and will be shared with the affected stakeholders in the near future. The Monitor will provide a copy of the Proposed Distribution Schedule to the Court in a future report.

PRIORITY CLAIMS PROCESS

51. The Monitor continues discussions with CRA regarding the CRA Priority Claim. Until such time as the Proposed Distribution Schedule is completed, the CRA Priority Claim cannot be crystallized.
52. The Monitor has communicated this point to representatives of CRA as recently as last week and at the date of the Eighth Report the Monitor isn't aware of any opposition from CRA to the Monitor's position with respect to the CRA Priority Claim.

WEPPA

53. On April 15, 2024, the Court granted the Ancillary Order which, amongst other things, determined the Debtors meet the criteria for WEPP.
54. Subsequent to the granting of the Ancillary Order, the Monitor has worked with the Debtor to obtain employee information to complete WEPP. The Monitor, in conjunction with the Debtors and CRO have determined there are 13 former employees of the Debtors who are eligible for WEPP.
55. The Monitor has commenced the WEPP program and will provide an update to the Court

in a subsequent report.

MONITOR'S REQUEST FOR OTHER RELIEF

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

Stay of Proceedings

57. The Stay Period is set to expire on August 30, 2024. The Monitor is requesting an extension of the Stay Period up to and including November 1, 2024.

58. 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 monetize assets that did not form part of the Transaction;
- ii. the Monitor requires time to complete the Proposed Distribution Schedule and enter into discussions with the affected stakeholders;
- 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 Monitor is of the view that no creditor will be materially prejudiced by the extension of the Stay Period; and
- v. The Fifth Cash Flow Statement indicates that the Debtors have sufficient liquidity through the proposed Stay Period.

59. Considering the reasons outlined herein the Monitor recommends that the Court grant the Ancillary Order in the form provided by its counsel.

CONCLUSION

60. The Eighth Report has been prepared to provide this Court with information regarding the Debtors' activities since the Seventh Report, the Monitor's activities since the Seventh Report, an update regarding the financial position of the Debtors, an overview of the Fifth Cash Flow Statement, an update on the Transaction, an update on the Priority Claim Process, an update on WEPPA, and to support the Monitor's request for the Ancillary Order.

61. 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 15th day of August 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:

A handwritten signature in black ink, appearing to read 'J. Foran', with a stylized flourish at the end.

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

APPENDIX A – FIFTH CASH FLOW STATEMENT

August 15, 2024

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

Attention: James Foran

Dear James, ,

**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:



David Boyd
Chief Restructuring Officer

**IN THE MATTER OF
THE COMPANIES' CREDITORS 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 August 15, 2024, consisting of weekly cash flows for the period August 9 to November 1, 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 15th day of August 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 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 AUGUST 9 TO NOVEMBER 1, 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:

Subsequent to the closing of the Transaction on April 23, 2024, the Debtors have ceased active operations and as such the forecasted economic activity relates to the monetization of assets that were not part of the Transaction, a limited number of known disbursements, the payment of interest costs to TD and BDC, and the payment of professional fees to those professionals included in the Administrative Charge.

Opening cash position

- The opening cash position consists of funds held in trust by the Monitor and funds held in the Debtors TD accounts as of the close of business on August 9, 2024.

Operating Inflows

- The amount due from Phillips Bridge Seafoods relates to a post transaction sale and the proceeds contained herein and based on an agreed upon allocation formula between the parties.
- Collection of fisher accounts receivable are based on discussions between the Monitor and a third party to purchase certain accounts receivable Arsenault's Fish Mart Inc.
- Insurance proceeds on vehicle relate to an insurance claim where the Debtors have received the proceeds from the insurance company and are in the process of depositing the funds.
- Return of utility deposits relate to deposits to be refunded by Maritime Electric and Nova Scotia Power net of costs incurred on these accounts. The Monitor has reviewed and approved the invoices provided by both utilities.
- Sale of inventory relates to a transaction the Monitor entered into with a related party of the Debtors to purchase the residual inventory of the Debtors.
- Collection of HST refunds is estimated based disbursements already incurred by the Monitor and Debtors or based on future forecasted disbursements that HST.
- Interest income relates to interest earned on the cash balances held in trust by the Monitor.

Operating Outflows

- Refund of operating advance from Phillips Seafoods relates to repayment of amounts Phillips Seafoods previously advanced to the Debtors to fund operating expenses prior to the closing of the transaction.
- Compensation relates to payments to retained staff who have assisted the Monitor subsequent to the closing of the transaction.
- Payment on vehicle lien is correlated with the insurance proceeds discussed above and relates to a loan on the vehicle with Bank of Nova Scotia.
- HST paid on disbursements are estimated based on forecasted disbursements that attract HST.
- Interest and bank charges relate to bank fees and wire payments incurred by the Monitor.
- Miscellaneous consists of a monthly contingency amount to capture amounts not otherwise captured in the Cash Flow Statement.

Non-operating outflows

- The Cash Flow Statement contemplates the continued payment of post-filing interest charges on secured encumbrances outstanding to TD Bank, Business Development Bank of Canada and Bank of Nova Scotia on the vehicle loan. Payment of post-filing interest accruing to subordinated creditors is not contemplated in the Cash Flow Statement. The Cash Flow Statement contemplates the continued payment of interest amounts only to secured creditors (i.e. TD, BDC, BNS) following the closing of the Transaction until such a time as a distribution order can be sought and granted from the Court.

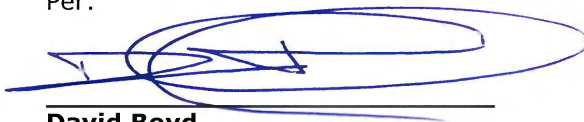
Restructuring costs

- 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 15th day of August 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 12 week cash flow forecast
 For the period August 9 to November 1, 2024
 Week ending

	Week 1 8/16/2024	Week 2 8/23/2024	Week 3 8/30/2024	Week 4 9/6/2024	Week 5 9/13/2024	Week 6 9/20/2024	Week 7 9/27/2024	Week 8 10/4/2024	Week 9 10/11/2024	Week 10 10/18/2024	Week 11 10/25/2024	Week 12 11/1/2024	Total
Opening cash position	6,099,660	6,204,233	6,172,233	6,231,420	6,061,795	6,158,486	6,159,917	6,159,917	6,008,917	6,008,917	6,008,917	6,008,917	6,099,660
Operating inflows	-	-	-	-	59,773	-	-	-	-	-	-	-	59,773
Collection of sale from Phillips Bridge Seafood	-	-	-	-	40,918	-	-	-	-	-	-	-	40,918
Collection of fisher accounts receivable	75,855	-	-	-	-	-	-	-	-	-	-	-	75,855
Insurance proceeds on vehicle	10,746	-	51,941	-	-	-	-	-	-	-	-	-	62,686
Return of utility deposits	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Sale of inventory	-	-	7,246	-	-	1,431	-	8,625	-	-	-	-	25,927
Collection of HST refunds	-	-	-	22,000	-	-	-	22,000	-	-	-	-	66,000
Interest income	116,601	-	59,187	22,000	96,691	1,431	-	30,625	-	-	-	-	357,159
Operating outflows	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Refund of operating advance to Phillips Seafoods	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Contribution to vehicle lien	-	-	32,000	10,000	-	-	-	-	-	-	-	-	32,000
HST aid on disbursements	1,431	-	-	8,625	-	-	-	8,625	-	-	-	-	26,931
Interest and bank charges	-	-	-	5,000	-	-	-	5,000	-	-	-	-	15,000
Miscellaneous	1,431	-	-	24,125	-	-	-	14,125	-	-	-	-	49,681
Non-operating outflows	-	-	-	-	-	-	-	-	-	-	-	-	220,000
Interest payments	-	-	-	110,000	-	-	-	110,000	-	-	-	-	220,000
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	55,000
Professional fees	10,596	-	-	57,500	-	-	-	57,500	-	-	-	-	126,096
Total outflows	12,027	32,000	-	191,625	-	-	-	181,625	-	-	-	-	536,027
Net weekly cash flow	104,574	(32,000)	59,187	(169,625)	96,691	1,431	-	(151,000)	-	-	-	-	(178,868)
Ending cash position	6,204,233	6,172,233	6,231,420	6,061,795	6,158,486	6,159,917	6,159,917	6,008,917	6,008,917	6,008,917	6,008,917	6,008,917	5,920,792

Dated at Halifax, Nova Scotia this 15th day of August, 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.


 David Boyd
 Chief Restructuring Officer