

May 3, 2024

HAND DELIVERED

The Honourable Justice Darlene Jamieson
Supreme Court of Nova Scotia
The Law Courts Building
1815 Upper Water Street
Halifax, NS B3J 1S7

My Lady:

**Re: In the Matter of The Receivership of TCAS Holdings Limited, Sustainable Fish Farming (Canada) Limited, Sustainable Blue Inc. and TCAS IP Inc.
Hfx. No. 531915
Estate No. 51-126479**

We represent Deloitte Restructuring Inc., court appointed receiver of the respondent companies (the “**Receiver**”). These written submissions are in support of the Receiver’s motion by correspondence to increase the amount of borrowing authorized by the order issued in this proceeding April 4, 2024 (the “**Appointment Order**”) from \$1,600,000 to \$2,500,000.

In support of this motion, we have filed the First Report of the Receiver dated May 2, 2024 (the “**First Report**”).

SERVICE AND NOTICE

The relief sought in this application is pursuant to the BIA and therefore the Bankruptcy and Insolvency General Rules supersede our Civil Procedure Rules in the event of any inconsistency. BIA Rule 3 states:

- 3** In cases not provided for in the Act or these Rules, the courts shall apply, within their respective jurisdictions, their ordinary procedure to the extent that that procedure is not inconsistent with the Act or these Rules.

Gavin D. F. MacDonald | Partner

Direct 902 491 4464 Main 902 421 6262 Fax 902 421 3130 Email gmacdonald@coxandpalmer.com

Nova Centre – South Tower | 1500 – 1625 Grafton St., Halifax NS

Correspondence PO Box 2380 Central Halifax NS B3J 3E5

As this is a matter where the BIA does not specify a minimum notice of requirement, BIA Rule 6 applies. Rule 6 states:

- 6** (1) Unless otherwise provided in the Act or these Rules, every notice or other document given or sent pursuant to the Act or these Rules must be served, delivered personally, or sent by mail, courier, facsimile or electronic transmission.
- (2) Unless otherwise provided in these Rules, every notice or other document given or sent pursuant to the Act or these Rules
- (a) must be received by the addressee at least four days before the event to which it relates, if it is served, delivered personally, or sent by facsimile or electronic transmission; or
 - (b) must be sent to the addressee at least 10 days before the event to which it relates, if it is sent by mail or by courier.
- (3) A trustee, receiver or administrator who gives or sends a notice or other document shall prepare an affidavit, or obtain proof, that it was given or sent, and shall retain the affidavit or proof in their files.
- (4) The court may, on an ex parte application, exempt any person from the application of subsection (2) or order any terms and conditions that the court considers appropriate, including a change in the time limits.

In terms of measuring the four days provided for under BIA Rule 6, the period of time is governed by BIA Rule 4, which stipulates clear business days:

- 4** If a period of less than six days is provided for the doing of an act or the initiating of a proceeding under the Act or these Rules, calculation of the period does not include Saturdays or holidays.

In accordance with BIA Rule 6(1) and direction of the Court, the motion materials will be served electronically by email on Friday, May 3, 2024. Therefore, the period of time prescribed by the BIA Rules will expire Friday, May 10, 2024. The Notice stipulates that any party may object to the requested relief during this period. No opposition is anticipated. Proof of service by affidavit will be filed Monday, May 6, 2024.

Increase in Borrowing Authority and Borrowing Charge

The Appointment Order is based on the Court's precedent as published in the practice memorandum and permits increases in the authorized borrowing authority by further order of the Court (First Report, Schedule A at para 26).

As noted in the First Report, the amount of borrowing authorized by the Appointment Order assumed that there would be a further hearing within 30 days of the issuance of the order. This proceeding is scheduled to resume May 21 and the Receiver has concluded that further borrowing is required to maintain operations, preserve the live inventory, and carry out necessary capital expenditures. The appointing creditor (4595756 Nova Scotia Limited) has agreed to make the further loans on the same terms as the initial advances.

An updated cash flow statement to the end of May 2024 is found at Schedule B to the First Report, which shows an ending cash shortfall of \$869,268 if further funding is not provided.

The Receiver does not view the additional borrowing as prejudicial to the other creditors of the respondent companies given the existing debt and security held by 4595756 Nova Scotia Limited.

All of which is respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Gavin D. F. MacDonald', with a stylized flourish at the end.

Gavin D. F. MacDonald
GDFM/lb
Enclosures

Cc: Service List