

MAY 19 2017

Halifax, N.S.

2016

Hfx. No. 454744

Supreme Court of Nova Scotia

Application by Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited for relief under the Companies' Creditors Arrangement Act

Affidavit of Tim Hill, Q.C.

1. I am Tim Hill, Q.C., and I am counsel for both Victory Farms Incorporated ("VFI") and Jonathan Mullen Mink Ranch Limited ("JMMR").
2. I have personal knowledge of the evidence sworn to in this affidavit except where otherwise stated to be based on information and belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.


**ACTIVITY SINCE GRANTING OF
THE SALE APPROVAL & VESTING ORDER and CLAIMS PROCEDURE ORDER**

4. Since the granting of the Sale Approval & Vesting Order ("Sale Approval Order") and Claims Procedure Order ("Claims Order") on April 10, 2017, the following steps have occurred:
 - a) On May 5, 2017, the sale of the assets approved by the Sale Approval Order was completed, and Deloitte Restructuring Inc. ("the Monitor") issued and filed the Monitor's Certificate required by the Sale Approval Order on May 8, 2017;
 - b) As a result of the pending AgriStability payment not being received prior to closing, said AgriStability payment being part of the assets to be conveyed as approved by the Sale Approval Order, it is necessary to continue the stay so that same may be transferred to the purchaser upon receipt by the Applicants;
 - c) I am advised by Jonathan Mullen, President of each of the Applicants, and verily believe, that it the AgriStability payment may not be received until August;
 - d) Upon the closing the Applicants executed the Declaration of Trust attached to this my Affidavit as Exhibit "A", for the purpose of ensuring the transfer of the AgriStability payment to the purchaser upon receipt;
 - e) I am advised by James Foran, Vice-President of the Monitor, and verily believe, that the Monitor has, and continues, to follow the steps set out in the Claims Order;

f) I am further advised by James Foran, and verily believe, that the Monitor that the process dictated by the Claims Order will not be completed prior to the expiry of the present stay of proceedings which will occur on May 31, 2017.

Sworn to before me on the 17th day of May,)
2017, at Dartmouth,)
Province of Nova Scotia,)
)
M. Russell)
Meghan Russell)
A Barrister of the Supreme Court)
Of Nova Scotia)

MEGHAN E. RUSSELL
A Barrister of the Supreme
Court of Nova Scotia



Tim Hill, Q.C.

2017
This is Exhibit "A" to the Affidavit of
Tim Hill
sworn before me this 17th day of
MAY, 2017

M. Russell

A Barrister of the Supreme Court
of Nova Scotia
MEGHAN E. RUSSELL
A Barrister of the Supreme
Court of Nova Scotia

DECLARATION OF TRUST

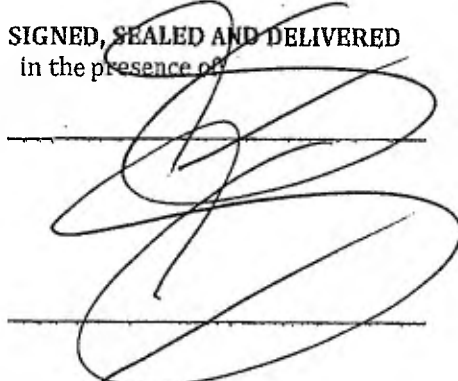
WHEREAS

- A. Pursuant to the Order of the Supreme Court of Nova Scotia in Hfx. No. 454744 dated April 10, 2017, and titled "Sale Approval and Vesting Order", the sale of certain assets by Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Declarants") to North American Fur Auctions Inc. ("NAFA") or its nominee was ordered and approved, said sale to include all the right, title and interest of the Declarants in and to "any rights to AgriStability payments";
- B. NAFA has designated 3306319 Nova Scotia Limited ("the Beneficiary") as its nominee; and
- C. The Declarants have agreed with NAFA and the Beneficiary to hold the Declarants' rights to AgriStability payments and all amounts received by them on account of AgriStability payments in trust for the Beneficiary.

WITNESSETH, the Declarants hereby acknowledge, declare and covenant with NAFA and the Beneficiary as follows:

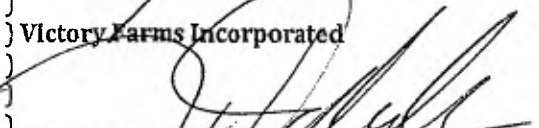
1. The Beneficiary has completed the purchase of the rights of the Declarants to the AgriStability payments;
2. The Declarants hold those rights and shall continue to hold those rights in trust for the Beneficiary and shall exercise those rights solely for the benefit of the Beneficiary;
3. All sums paid to the Declarants or otherwise received by the Declarants on account of those AgriStability payments shall be received and held in trust for the Beneficiary and none of those sums paid or otherwise received by the Declarants shall be commingled with any other funds of the Declarants or held or deposited in any account in which or to which any other funds are or may be held or deposited;
4. At the request of the Beneficiary, the Declarants shall immediately pay all sums received on account of AgriStability payments to the Beneficiary or to such person as the Beneficiary in writing may direct;
5. In this Declaration of Trust, a reference to the Declarants shall be deemed to include reference to each of the Declarants individually and, accordingly, this Declaration of Trust shall be read and construed with such grammatical changes, including with respect to number and tense, as may be required by the context; and
6. This Declaration of Trust shall be binding upon each of the Declarants and their respective successors and assigns and it shall enure to the benefit of each of NAFA and the Beneficiary and their respective successors and assigns.

IN WITNESS WHEREOF, the Declarants have executed these presents this 15
day of May, 2017.

SIGNED, SEALED AND DELIVERED
in the presence of


) Jonathan Mullen Mink Ranch Limited
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) Per: Jonathan Mullen, President

) Victory Farms Incorporated
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) 

) Per: Jonathan Mullen, President