Deloitte.



NO. VLC-S-H-260475
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

STARLINE FOODS INC.
SURJIT SINGH GILL
SUKHMINDER SINGH GILL
GURINDER GREWAL
DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.
KHALSA CREDIT UNION
BRANDT TRACTOR LTD.

RESPONDENTS

FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF STARLINE FOODS INC.

DATED NOVEMBER 2, 2026

PREPARED BY DELOITTE RESTRUCTURING INC.

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INTRODUCTION

1. Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") pronounced on June 25, 2026 and effective September 21, 2026 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and property of Starline Foods Inc. ("**Starline**" or the "**Debtor**"), including all proceeds thereof (the "**Property**"). The most significant asset of the Debtor is a blueberry processing facility and lands located at 33786 Clayburn Road, Abbotsford, British Columbia (the "**Real Property**").

2. The receivership application was made by Bank of Montreal ("**BMO**"), the Debtor's senior secured lender, which holds, among other things, registered mortgages over the Real Property and a general security agreement over the Debtor's present and after-acquired personal property (collectively, the "**BMO Security**"). The Receiver's counsel has not yet undertaken an independent review of the validity and enforceability of the BMO Security. The Receiver will report to the Court on the results of that review before seeking any distribution to BMO.

3. The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".

4. The Receivership Order and other documents pertaining to the Receivership Proceedings have been posted on the Receiver's website at www.insolvencies.deloitte.ca/starline (the "**Receiver's Website**").

5. This is the first report of the Receiver (the "**First Report**" or "**this Report**"), which will be posted to the Receiver's Website after it has been filed with the Court.

Purpose of the First Report

6. The purpose of this First Report is to:

    a. Provide an overview of Starline's business and pertinent background information, including Starline's assets and liabilities;

    b. Report on the Receiver's activities since the Date of Receivership;

    c. Report on the receipts and disbursements in the Receivership Proceedings, as outlined in the Receiver's interim statement of receipts and disbursements from the Date of Receivership to October 29, 2026 (the "**Receiver's SRD**"), a copy of which is attached hereto as **Appendix "A"**;

    d. Provide an overview of the Receiver's proposed sale and investment solicitation process (the "**SISP**") and the Receiver's selection of a listing agent for the Real Property; and

    e. Support the Receiver's application seeking orders:

        i. Approving the activities of the Receiver and the Receiver's SRD, as described in this First Report;

        ii. Approving the SISP and authorizing the Receiver to conduct the SISP in accordance with its terms, including authorizing the Receiver to sell all or part of the frozen blueberry inventory as described in this First Report without further Order of the Court; and

        iii. Authorizing the Receiver to enter into a listing agreement with Cushman & Wakefield ULC ("**Cushman**"), the real estate broker selected by the Receiver, on substantially the commercial terms described in this First Report.

Terms of reference

7. In preparing this Report, the Receiver has relied upon limited unaudited financial and other information prepared by the Debtor, including the Debtor's reviewed financial statements for the year ended May 31, 2026 (the "**2026 Financial Statements**") and its accounting records, information contained in the materials filed by BMO in support of the receivership application (the "**BMO Materials**"), publicly available information, and discussions with Mr. Gill and Mr. Kondolay (each as defined below).

8. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.

9. Unless otherwise provided, all other capitalized terms not defined in this Report have the meanings given to them in the Receivership Order or the SISP, as applicable.

10. All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

11. Starline is a British Columbia ("**BC**") company incorporated on November 19, 2015, with its registered and records office located at 1 – 2838 Garden Street, Abbotsford, BC.

12. Starline operates a blueberry receiving, grading, packing, and individually quick frozen ("**IQF**") freezing business from a processing and cold storage facility (the "**Facility**") located on the Real Property. Starline purchases berries principally from growers and processors in BC and the United States and sells processed and graded frozen and fresh blueberries to customers in Canada and the United States, including fruit processors and food ingredient distributors.

13. Starline is the registered owner of the Real Property, which comprises two separate legal parcels: (i) the parcel on which the Facility is located, comprising approximately 30.26 acres (the "**Plant Lands**"); and (ii) a small adjacent parcel comprising approximately 0.13 acres (the "**Bare Lands**"). Each of the Plant Lands and the Bare Lands is zoned A-1 (Agricultural 1) and located in the Agricultural Land Reserve.

14. Mr. Sukhminder Singh (Joe) Gill ("**Mr. Gill**") and Mrs. Gurinder Grewal ("**Mrs. Grewal**") are listed as the directors of Starline, with Mr. Gill holding the office of President and Chief Financial Officer and Mrs. Grewal holding the office of Secretary. The Receiver understands that Mr. Gill, Mrs. Grewal and Mr. Surjit Singh Gill ("**Mr. S. Gill**") are the shareholders of Starline.

15. The day-to-day operations of Starline have been managed by Mrs. Grewal's husband, Mr. Manohar (Tony) Kondolay ("**Mr. Kondolay**"). Mr. Gill, Mrs. Grewal, Mr. S. Gill and Mr. Kondolay are collectively referred to herein as the "**Principals**".

16. BMO provided Starline with an operating loan, three demand loans, a MasterCard facility, and three letters of credit issued in favour of the City of Abbotsford (the "**Letters of Credit**") (collectively, the "**BMO Facilities**"). As at October 6, 2026, the indebtedness owing by Starline to BMO under the BMO Facilities totalled approximately $6.6 million, and interest and costs continue to accrue. The BMO Facilities are supported by personal guarantees from each of Mrs. Grewal, Mr. Gill and Mr. S. Gill, limited to $6.0 million in the case of Mrs. Grewal, $3.75 million in the case of Mr. Gill and $2.5 million in the case of Mr. S. Gill.

17. In or around October 2021, Starline's accounts were transferred to BMO's special accounts management unit as a result of BMO's concerns with, among other things, operating losses,

unreliable information management systems, weak financial controls, a dispute amongst the shareholders and certain related party transactions.

18. BMO and Starline entered into an initial forbearance agreement dated April 29, 2022, which was followed by seven extensions, the last of which expired on February 15, 2026. During this period, BMO issued demands for payment and notices of intention to enforce security on February 8, 2023 and November 24, 2025.

Principals' attempts to refinance

19. The Receiver understands that the Debtor and the Principals have, over an extended period, sought to refinance the BMO Facilities.

20. Based on its review of the BMO materials, the Receiver understands that in June 2024 the Debtor advised BMO that it had arranged refinancing with the Business Development Bank of Canada ("**BDC**") sufficient to repay the indebtedness then owing to BMO. On that basis, and at the Debtor's request, BMO granted a sixth extension of the forbearance period to July 31, 2024. The refinancing with BDC did not materialize and the indebtedness owing to BMO was not repaid.

21. The Receivership Order was granted on June 25, 2026 but was made effective on September 21, 2026 to allow the Principals additional time to refinance the BMO Facilities.

22. The Receiver attended at the Facility at approximately 8:00 AM on September 21, 2026, being the effective date of the Receivership Order. However, the Receiver only monitored the Property at the Facility and delayed taking possession of it until shortly after 4:00 PM after the Court had heard and dismissed an application brought by the Debtor that day for a variation of the Receivership Order extending its effective date.

23. On or about the Date of Receivership, Mr. Kondolay provided the Receiver with a financing term sheet from BDC (the "**BDC Term Sheet**"). The BDC Term Sheet, dated September 21, 2026, contemplated a real estate refinancing loan of $6.4 million to be secured by, among other things, a first re-advanceable mortgage over the Real Property, a guarantee from Starline supported by a general security agreement, and joint and several personal guarantees from certain of the Principals limited to 50% of the outstanding loan amount. The BDC Term Sheet expressly stated that it was for discussion purposes only and was not a loan offer. Any advance was subject to, among other things, the completion of BDC's due diligence, the satisfaction of several conditions precedent (including appraisal and environmental reliance letters) and the payment of a $32,000 loan processing fee. The BDC Term Sheet expired on October 1, 2026, and the Receiver is not aware of any binding commitment having been issued by BDC.

24. The Receiver understands that the Principals have since engaged with other financial institutions in an effort to secure a refinancing. As at the date of this Report, the Receiver is not aware of any such refinancing having been formalized, and no financing commitment has been provided to the Receiver.

25. As discussed later in this Report, the proposed SISP expressly contemplates that the Debtor, its shareholders or any related party may submit a refinancing or other investment proposal on the same timeline as, and subject to the same requirements as, all other bidders, including the requirement that any such proposal be supported by an executed lender commitment rather than a term sheet or expression of interest.

POWERS OF RECEIVER

26. The Receiver's powers are detailed in paragraph 2 of the Receivership Order, which empowers and authorizes, but does not obligate, the Receiver to, among other things, take possession of and exercise control over the Property and all related receipts and disbursements. The Receiver can also market and sell the Property, out of the ordinary course of business, subject to Court approval if the consideration for any single transaction exceeds $100,000 or the aggregate consideration for all such transactions exceeds $250,000.

27. Pursuant to the Receivership Order, the Receiver is authorized to borrow up to $500,000, or such greater amount as the Court may authorize by further Order (the "**Receiver's Borrowings**"). As at the date of this Report, the Receiver has not made any Receiver's Borrowings and does not currently anticipate the need to do so.

ACTIVITIES OF THE RECEIVER

28. Since the Date of Receivership, the Receiver's activities have included, among other things, the following:

    a. Attended at the Facility and met with Mr. Gill and Mr. Kondolay to obtain an overview of the Debtor's business and operations, inspect the premises and assets, and take an inventory of the blueberry product in cold storage;

    b. Arranged for a locksmith to change the locks at the Facility and engaged Unison Security Ltd. to provide on-site security at the Facility;

    c. Retained Gowling WLG (Canada) LLP ("**Gowling**") as the Receiver's independent legal counsel;

    d. Issued a preliminary information request to management and followed up on outstanding information, as further detailed later in this Report;

    e. Arranged for the balances held in the Debtor's BMO bank accounts to be transferred to the Receiver's trust account and coordinated the set-up of the Receiver's trust account and estate accounting;

    f. Reviewed the Debtor's insurance coverage and liaised with the Debtor's insurance broker to ensure the continuation of coverage for the business and assets;

    g. Liaised with utility providers, including BC Hydro, regarding the continuity of services to the Facility;

    h. Corresponded with Mr. Kondolay, Mrs. Grewal and Vision Agro Products Ltd. ("**Vision Agro**"), and attended at 4133 Seldon Road, Abbotsford, BC (the "**Seldon Road Property**"), regarding blueberry product stored there, as discussed in the "Vision Agro and the Seldon Road Property" section of this Report;

    i. Arranged for the removal of third-party owned trucks stored at the Facility and engaged with third parties asserting an interest in property located at the Facility, including the owner of storage containers located on site;

    j. Reviewed the Debtor's payroll records and source deductions, terminated the employment of the Debtor's employees and prepared termination and Wage Earner Protection Program letters for the employees;

    k. Obtained access to the Debtor's accounting system and reviewed the Debtor's financial statements, general ledger, related party balances and accounts receivable listings;

l. Issued letters to the Debtor's customers advising of the Receivership Proceedings and demanding payment of outstanding receivables to the Receiver, including Meduri Farms Inc. ("**Meduri**") and Valley Select Foods Inc. ("**Valley Select**"), as further detailed later in this Report;

m. Negotiated and entered into a payment and limited supply agreement with All Gold Imports Inc. ("**All Gold**", the "**All Gold Agreement**") for the collection of outstanding receivables and the fulfilment of blueberry orders placed by All Gold prior to the Date of Receivership, and oversaw the packing and shipping of the related loads from the Facility;

n. Completed and mailed the statutory Notice and Statement of the Receiver to the creditors pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") on October 1, 2026 and filed same with the Office of the Superintendent of Bankruptcy;

o. Arranged for the forwarding of the Debtor's mail to the Receiver's office;

p. Engaged Maynards Industries Canada Ltd. ("**Maynards**") to complete an inventory and appraisal of the Debtor's equipment;

q. Issued a request for proposals for real estate broker services in respect of the Real Property and reviewed the proposals received, as further detailed later in this Report;

r. Made inquiries of the City of Abbotsford regarding building permits, driveway access and property compliance matters, and arranged for a land use search;

s. Established a virtual data room (the "**VDR**") and an interested party register to support the proposed SISP;

t. Prepared the proposed SISP in consultation with BMO;

u. Obtained quotes and arranged for the removal of rubbish and flammable materials from the Facility;

v. Coordinated the set-up of the Receiver's Website and posted documents related to the Receivership Proceedings;

w. Liaised with various stakeholders relating to the Receivership Proceedings, including BMO; and

x. Prepared this Report.

OPERATIONS

29. Pursuant to paragraph 2 of the Receivership Order, the Receiver is empowered, but not obligated, to manage, operate and carry on the business of the Debtor. Upon its appointment, the Receiver took possession and control of the Property, including the Facility, and assessed whether it would be appropriate to continue the Debtor's blueberry processing operations.

30. Following that assessment, the Receiver determined not to continue the Debtor's processing operations at this time, and processing at the Facility has ceased. In reaching this decision, the Receiver considered, among other things, the following:

    a. the Receiver has not been provided with complete and current financial information or books and records sufficient to assess the profitability or cash flow requirements of continued operations;

b. the Debtor's operational records, including employee records, are incomplete, and the Debtor's office manager, who was responsible for inventory and shipping, is out of the country and is not expected to return until sometime in November 2026;

c. the absence of adequate processes and personnel would require the Receiver to closely monitor any continued operations, at a significant cost to the estate; and

d. the Receiver is reviewing certain dealings between the Debtor and Vision Agro, a company the Receiver understands to be related to Mr. Kondolay, and continuous oversight would be required to safeguard the Property if operations were to continue.

31. The refrigeration plant at the Facility continues to operate in order to preserve the frozen blueberry inventory held in cold storage. As described later in this Report, the Receiver has shipped processed blueberries from existing inventory to All Gold pursuant to the All Gold Agreement. The Receiver may ship further processed blueberries from existing inventory to customers where orders are received and it is commercially reasonable in the ordinary course of business to do so. However, the Receiver does not intend to process or grade any further blueberries, and the Facility's processing operations will remain closed for the time being.

32. The Receiver is of the view that ceasing processing operations, while preserving the existing inventory and the Facility, is appropriate in the circumstances, as it limits the costs and risks to the estate while preserving the value of the Property for the SISP.

BOOKS AND RECORDS

33. On September 21, 2026, the Receiver issued a preliminary information request to management (the "**Information Request**") covering, among other things, corporate and ownership information, financial statements and accounting records, accounts receivable, inventory, assets, creditors, insurance and operations.

34. On September 25, 2026, Mr. Gill provided the 2026 Financial Statements, and the Receiver has since obtained access to the Debtor's accounting system and certain other information, including certain accounts receivable listings and payroll records.

35. Certain information requested by the Receiver remains outstanding, including, among other things, complete supporting purchase orders, bills of lading, invoices and contracts for certain customer receivables, ownership documentation for certain vehicles and equipment located at the Facility, and records relating to the blueberry product stored at the Seldon Road Property. The Receiver continues to follow up with Mr. Gill and Mr. Kondolay in respect of the outstanding information.

ASSETS OF THE DEBTOR

Cash at bank and GST refunds

36. At the Date of Receivership, the Debtor held bank accounts with BMO. The Receiver arranged for the balances in the BMO accounts to be transferred to the Receiver's trust account, and received $324,754 on September 23, 2026. A further balance of $79,784 was transferred to the Receiver on October 8, 2026, which primarily related to Goods and Services Tax ("**GST**") refunds.

Accounts receivable

37. The Debtor's accounts receivable listing as at September 28, 2026 reflects accounts receivable of approximately $6.8 million, including trade receivables, recoverable GST and a government grant receivable.

38. The Debtor's records reflect an open balance of approximately US$2.04 million owing by Meduri. The Receiver wrote to Meduri on October 6, 2026 and October 18, 2026 advising that all amounts owing to Starline are payable to the Receiver and requesting payment and account information. On October 27, 2026, Meduri responded, reporting a balance of approximately US$1.99 million and asserting, among other things, that Starline had agreed to defer payment of approximately US$2.3 million of invoices under a note arrangement payable in monthly instalments to May 2027, and that credits are due for rejected and contaminated product. The Receiver has requested a full statement of account and the documents supporting the asserted arrangement and credits, and is reviewing Meduri's position with the assistance of Gowling. The Receiver has not yet formed a view on Meduri's position, and all rights are reserved.

39. By letter dated September 18, 2026, Valley Select confirmed that, as at that date, it owed Starline approximately $4.0 million (US$2.86 million) for 2026 frozen blueberries. Valley Select has since indicated that the amount it owes is approximately US$751,500 lower, and has not yet provided an explanation for the difference. The Receiver wrote to Valley Select on September 22, September 24 and October 6, 2026, and counsel to Valley Select corresponded with the Receiver on October 9, 2026. The Receiver, with the assistance of Gowling, is seeking a reconciliation of the amount owing and collection of the outstanding balance.

40. The Receiver has collected $334,152 of pre-receivership accounts receivable from All Gold pursuant to the All Gold Agreement. The Receiver continues to review the remaining receivables and will pursue collection where appropriate.

Inventory

41. Prior to the Date of Receivership, Starline entered into a sales agreement with All Gold dated September 1, 2026 for the supply of ten truckloads of IQF blueberries, and All Gold had placed purchase orders under that agreement, certain of which remained unfulfilled at the Date of Receivership. To preserve value and maintain the customer relationship, the Receiver fulfilled two of the outstanding purchase orders that could be satisfied from available inventory, at the pricing agreed prior to the Date of Receivership (US$1.70/lb). To document the arrangement, on October 7, 2026, the Receiver entered into the All Gold Agreement, pursuant to which All Gold paid several outstanding invoices for loads previously delivered by Starline and prepaid for the remaining loads to be shipped from the Facility. On October 13, 2026, the Receiver received $445,536 from All Gold, comprising $111,384 in respect of post-receivership sales and $334,152 in respect of pre-receivership accounts receivable. On October 22, 2026, the Receiver received a further $111,495 from All Gold as prepayment for the final load, which was collected from the Facility on October 23, 2026.

42. The Debtor's inventory, which consists primarily of frozen blueberries and packaging, had a reported book value of approximately $1.5 million as at May 31, 2026. On September 26, 2026, the Receiver conducted a physical count of the inventory held in cold storage at the Facility. Following the shipments to All Gold pursuant to the All Gold Agreement, approximately 878,000 pounds of frozen blueberries remain at the Facility, with a book value at cost of approximately $457,860.

43. The inventory figures above do not include any blueberry product stored at the Seldon Road Property, which is discussed below.

Vision Agro and the Seldon Road Property

44. The 2026 Financial Statements disclose Vision Agro as a related party of Starline, and a search of the federal corporate registry indicates that Mr. Kondolay is one of its directors.

45. Blueberry product is stored at the Seldon Road Property, which the Receiver understands is occupied by Vision Agro. The Receiver has requested access to that product and related

records in order to inform a determination on whether any of it is Property of Starline. The Receiver is also reviewing certain dealings between Vision Agro and customers of Starline.

46. The Receiver has not reached any conclusion on these matters and reserves all of its rights.

Capital assets

47. The Debtor's capital assets had a reported net book value of approximately $9.48 million as at May 31, 2026, and comprise the Real Property, the Facility and related buildings and pavement, processing and refrigeration equipment, forklifts and tractors, flats, lugs and totes, computer equipment, other equipment and blueberry plants.

48. To support the Receiver's assessment of bids under the SISP, on October 8, 2026, the Receiver engaged Maynards to complete a full inventory of the Debtor's equipment and to provide an appraisal of its orderly and forced liquidation values.

Due from related parties

49. The 2026 Financial Statements disclose significant balances and transactions with related parties, including amounts owing to Starline by Fraser Valley and other entities related to its shareholders, and amounts owing by Starline to its shareholders and to Vision Agro. These balances are based on the Debtor's records and have not been verified by the Receiver. The Receiver is reviewing them.

CREDITORS

Court-ordered charges

50. The BMO Security is subject to certain prior-ranking Court-ordered charges and statutory interests, which include:

    a. The Receiver's Charge;

    b. The Receiver's Borrowings Charge; and

    c. Certain deemed trust and priority claims, if any.

Deemed trust and priority claims

51. As at the Date of Receivership, the Debtor employed approximately seven hourly paid employees. Based on the Debtor's payroll records, the Receiver estimates that these employees are owed unpaid wages totalling approximately $25,000. The Debtor's former employees may have claims for unpaid wages that are secured under section 81.4 of the BIA. The Receiver has written to each of the employees advising of the termination of their employment and providing the information required for them to apply for payment under the *Wage Earner Protection Program Act* ("**WEPPA**").

52. Potential statutory priority claims may also include amounts owing to the Canada Revenue Agency ("**CRA**") in respect of unremitted source deductions or GST and amounts owing to WorkSafeBC. Based on the Debtor's CRA business account as at October 3, 2026, the Debtor owed approximately $3,570 in respect of GST, and no amounts were shown as owing in respect of payroll source deductions or corporate income tax.

Secured claims

53. Based on the Receiver's review of the BMO Materials and subject to any contrary view arising as a result of Receiver's counsel's pending review of the BMO Security, BMO is the senior secured creditor of the Debtor. The indebtedness owing to BMO totalled approximately $6.6 million as at October 6, 2026 and interest and costs continue to accrue. This indebtedness

comprises amounts owing under three demand loans of approximately $6.5 million, in addition to amounts owing in respect of the drawn Letters of Credit and the MasterCard facility.

54. A search of the British Columbia Personal Property Registry (the "**PPR**") conducted on September 18, 2026 disclosed a registration in favour of the Director of Employment Standards in the amount of $114,096. This registration was made subsequent to the registration of BMO's general security agreement forming part of the BMO Security. The Receiver understands that the claim relates to a determination or order of the Employment Standards Tribunal under section 9 of the *Employment Standards Act*. The Receiver, with the assistance of Gowling, is reviewing the priority of this claim relative to the BMO Security, including any statutory priority that may apply irrespective of the order of registration.

55. While Khalsa Credit Union is a named respondent in the Receivership Proceedings, counsel to Khalsa Credit Union has confirmed that it does not hold any security in relation to Starline. In addition, Brandt Tractor Ltd. is a named respondent as it previously held a purchase-money security interest ("**PMSI**") in respect of the Debtor, which has since been discharged.

56. The PPR search also disclosed registrations in favour of De Lage Landen Financial Services Canada Inc. ("**DLL**") and BDC. The Receiver understands that the security held by these creditors consists of PMSIs in certain equipment of the Debtor. The Receiver is seeking confirmation of the amounts owing to these creditors, if any, and the specific equipment to which their PMSI security relates.

Unsecured claims

57. Based on the Debtor's books and records, unsecured creditor claims total approximately $7.4 million, including approximately $5.0 million owing to Vision Agro, $909,000 owing to Peerless Logistics Inc., $310,000 owing to Valley Select and $292,000 owing to Transera Logistics Inc. These amounts have not been verified by the Receiver and are included without admission as to their validity, quantum or priority.

58. The Court has not approved a claims process and creditors are not currently required to file proofs of claim with the Receiver.

THE SISP

Request for proposals from realtors

59. On October 8, 2026, the Receiver solicited proposals from four realtors to act as listing agent for the Real Property. All four realtors were known to the Receiver to have experience in the listing and sale of industrial properties in the Fraser Valley.

60. The Receiver requested that each realtor provide background information regarding its firm's experience, knowledge of the Fraser Valley market, a marketing plan for the Real Property, an estimate of the value of the Real Property, and the realtor's proposed commission structure. The Receiver requested that proposals be submitted by 5:00 p.m. (Pacific time) on October 23, 2026.

61. The Receiver received two proposals by the deadline. The Receiver reviewed the proposals, engaged in discussions with the realtors, and consulted with BMO to select the most suitable proposal.

62. Following its review, the Receiver selected Cushman as listing agent for the Real Property and associated processing and refrigeration equipment, and has agreed the key commercial terms of a listing agreement with Cushman (the "**Listing Agreement**"). The Listing Agreement has not yet been finalized, and the Receiver is seeking the Court's authorization to enter into the Listing Agreement on substantially the commercial terms summarized below and on such other

terms as the Receiver considers commercially reasonable. In making its decision, the Receiver considered, among other things, Cushman's recent experience with cold storage and industrial properties, transactions undertaken in the Fraser Valley, its assessment of the potential value of the Real Property, its knowledge of potential buyers, and its commission rate.

63. The key commercial terms agreed with Cushman, which are to be reflected in the Listing Agreement, are as follows:

    a. Cushman will receive a commission of 2.5% (plus applicable taxes) of the gross purchase price under any agreement of purchase and sale that includes the Real Property. Where processing equipment, refrigeration equipment or other Property is sold en bloc with the Real Property, the commission also applies to the portion of the purchase price allocated to that Property, excluding any frozen blueberry inventory;

    b. where a co-operating broker is involved, the commission described in subparagraph (a) will instead be 2.0% to Cushman and 1.0% to the co-operating broker (plus applicable taxes), for an aggregate commission of 3.0%;

    c. no commission is payable to Cushman on equipment, inventory or other Property that the Receiver sells separately from the Real Property, whether directly or through an auctioneer or liquidator (including under a net minimum guarantee);

    d. if, after the Real Property has been listed by Cushman, either (i) the indebtedness owing to BMO is refinanced or redeemed by the Principals, or (ii) the Real Property is sold to a party related to the Principals, Cushman will be entitled to a break fee of $50,000, payable from the estate, as a recovery of its time and marketing costs; and

    e. a listing term of six months.

64. The Receiver understands that BMO supports the engagement of Cushman as listing agent under the above-noted commercial terms.

Proposed SISP

65. The Receiver is seeking the Court's approval of the SISP. The SISP is intended to provide the Receiver with appropriate oversight and control of the sale process, while ensuring that the process is conducted in a fair and transparent manner, gives due consideration to the interests of stakeholders, and identifies the highest and/or best offer or offers for the Property. A copy of the SISP is attached hereto as **Appendix "B"**.

66. The key milestone dates ("**Target Dates**") under the SISP are summarized below (all capitalized terms are defined either in the SISP or later in this Report):

Milestone	**Target Date**
Broker selected following the Receiver's request for proposals for real estate broker services	October 30, 2026
SISP Order granted, approving the SISP and the Receiver's entry into the Listing Agreement	November 18, 2026, subject to Court availability
Broker and Receiver finalize marketing materials and VDR	November 20, 2026
Commencement Date – SISP launched, Real Property listed by the Broker and	November 23, 2026

marketing materials distributed to interested parties	
VDR open to Potential Bidders that have executed a CA	November 23, 2026
Bulk bids for frozen inventory invited (may run on a separate expedited timeline)	December 7, 2026
Deadline for submission of Qualified Bids (the "**Bid Deadline**")	February 8, 2027 at 5:00 p.m. (Pacific time)
Receiver identifies Successful Bid and notifies bidders	Within 5 business days following the Bid Deadline
Deadline to finalize definitive agreement (the "**Definitive Agreement Deadline**")	February 26, 2027
Approval application	On or about March 19, 2027, subject to Court availability
Outside closing date (the "**Outside Closing Date**")	April 23, 2027

67. To maximize value while broadening the potential buyer pool, the Receiver has organized the Property into the following offering parcels (each, an "**Offering Parcel**"):

Offering Parcel	**Description**
1 – Plant Lands	The Plant Lands and the Facility, comprising approximately 30.26 acres, including a single-storey food processing and cold storage facility of approximately 29,500 square feet
2 – Bare Lands	The Bare Lands, comprising approximately 0.13 acres adjacent to the Plant Lands
3 – Processing and refrigeration equipment	Machinery and equipment owned by the Debtor, including the IQF tunnel, the ammonia refrigeration system, and grading, sorting and packing lines
4 – Rolling stock and other equipment	Forklifts, mobile and yard equipment, shop tools, office furniture and computer hardware and software
5 – Frozen inventory	Approximately 878,000 pounds of IQF and bulk frozen blueberries owned by the Debtor and held in cold storage at the Facility
6 – Other inventory	Raw materials and packaging supplies owned by the Debtor
7 – Intangibles	The "Starline" name and associated trade-marks, customer and grower lists and, to the extent transferable, licences, registrations and permits

68. Bids may be submitted *en bloc* for all of the Property, for one or more of the Offering Parcels, as an investment proposal, or as an auction proposal in respect of one or more of Offering Parcels 3 to 6. The Property will be sold on an "as is, where is" basis, free and clear of all claims and interests (other than permitted encumbrances), subject to the Court granting an approval and vesting order.

69. The Receiver, with the assistance of Cushman, will prepare and distribute a marketing brochure to interested parties and will conduct such advertising and marketing as it considers advisable, including direct solicitation of berry and food processors, co-packers, cold storage operators, agri-industrial operators and investors in BC, elsewhere in Canada and in the United States.

70. Upon approval of the SISP, the Receiver will provide a potential bidder that has executed a confidentiality agreement (the "**CA**") (a "**Potential Bidder**") with access to the VDR and the opportunity to attend a supervised site visit at the Facility. A Potential Bidder must provide evidence of its financial capability as soon as practicable and in any event on or before the Bid Deadline, which may be delivered together with its bid. A Potential Bidder that satisfies the financial capability requirements in the SISP may be designated by the Receiver as a Qualified Bidder.

71. For the purposes of the SISP, a sale proposal will be considered a qualified bid (a "**Qualified Bid**") only if it is submitted by a Qualified Bidder by the Bid Deadline and complies with the requirements set out in the SISP, including, without limitation:

    a. an executed purchase agreement in the Receiver's template form, together with a blackline, specifying the purchase price in Canadian dollars and an allocation of value among the Offering Parcels and major asset classes;

    b. confirmation that the bid is irrevocable until the Receiver notifies the bidder that its bid has not been selected or, if selected, until closing;

    c. written evidence of a firm, irrevocable financing commitment or other evidence of the bidder's ability to complete the transaction;

    d. confirmation that the bid is not conditional upon financing or the outcome of unperformed due diligence, other than limited confirmatory due diligence acceptable to the Receiver;

    e. full disclosure of the identity of each person sponsoring or participating in the bid, including whether any such person is a related party of the Debtor;

    f. a deposit of not less than ten percent (10%) of the purchase price; and

    g. a contemplated closing on or before the Outside Closing Date.

72. The SISP also permits the submission of investment proposals, including proposals by the Debtor, any shareholder of the Debtor or any related party to refinance or recapitalize the Debtor (an "**Investment Proposal**"), on the same timeline as sale proposals. In addition to the general bid requirements, an Investment Proposal must, among other things:

    a. identify the amount of new capital to be injected and the proposed treatment of BMO and each other class of creditor, and confirm whether the proposal results in payment in full on closing of the Payout Amount, which includes, among other things, the indebtedness owing to BMO, the costs of the Receivership Proceedings, amounts secured by Court-ordered charges and amounts ranking in priority to BMO;

    b. include an executed commitment letter from each lender or investor, and not merely a term sheet, expression of interest or discussion paper;

    c. include written confirmation of support from each registered and beneficial shareholder of the Debtor, or the mechanism by which the proposal may be completed without such support; and

    d. be accompanied by a deposit of not less than $650,000.

73. The SISP further permits auctioneers, liquidators and similar agents to submit proposals to conduct an auction or liquidation of, or to guarantee a minimum net recovery from, Offering Parcels 3 to 6 (an "**Auction Proposal**"). An Auction Proposal must include, among other things, the bidder's experience and financial capacity, the proposed structure, timing and economic terms of the auction, safeguards for the assets and proceeds, arrangements for decommissioning and removal of assets (including the refrigeration system), and, where a net minimum guarantee is offered, a deposit of not less than ten percent (10%) of the guaranteed amount. Any agreement entered into in respect of an Auction Proposal will be subject to Court approval.

74. The frozen blueberries held at the Facility are a perishable, storage-dependent asset, the preservation of which requires the continued operation of the refrigeration plant at an ongoing cost to the estate of approximately $5,000 to $8,000 per month. Accordingly, the SISP provides for the Receiver, in consultation with BMO and without further Order of the Court, to sell all or any part of the frozen inventory before, during or after the SISP on terms the Receiver determines to be commercially reasonable, having regard to carrying costs and the risk of deterioration in value. The Receiver will report on all such sales in a future report to the Court.

75. Following the Bid Deadline, the Receiver will assess the bids received and, in consultation with BMO, may identify the most favourable Qualified Bid or combination of Qualified Bids (the "**Successful Bid**"), having regard to, among other things, the purchase price and net value to the estate, the conditionality and execution risk of the bid, the firmness of any financing commitment, the timeline to closing, the assets included in or excluded from the bid, and the impact on the Debtor's stakeholders. The Receiver is not obligated to accept the highest, best or any bid.

76. The Receiver will negotiate and settle the terms of a definitive agreement in respect of each Successful Bid by the Definitive Agreement Deadline, and will apply to the Court for approval of the proposed transaction as soon as practicable thereafter. If no Qualified Bid is received or no bid is acceptable, the Receiver may, in consultation with BMO, terminate the SISP and pursue such other realization strategy as it considers appropriate, subject to such approval of the Court as may be required.

77. The Receiver may, in consultation with BMO shorten or extend any of the Target Dates without further Order of the Court where necessary or advisable to achieve the objectives of the SISP. The Receiver may also, in consultation with BMO, modify the SISP procedures where it considers that doing so will enhance the process or better achieve the objectives of the SISP, provided that the service list is advised of any substantive modification.

Receiver's recommendation in relation to the SISP

78. The Receiver recommends approval of the SISP, which, in the Receiver's view, is fair, transparent and commercially reasonable in the circumstances.

79. In the Receiver's view, a sale process is warranted at this time. The BMO Facilities have been subject to forbearance since April 2022, the Principals' refinancing efforts over that period have not resulted in a binding financing commitment, and the Debtor's processing operations have ceased. The SISP is designed to expose the Property broadly to the market for the benefit of all stakeholders, while preserving the ability of the Principals to advance an Investment Proposal.

80. The Receiver submits that the proposed timelines, which take into account the holiday period, provide sufficient market exposure and opportunity for interested parties to submit Qualified Bids for the Property, whether *en bloc* or by Offering Parcel.

81. The SISP provides an opportunity for the Principals to advance a refinancing or other Investment Proposal, while ensuring that any such proposal is supported by a binding commitment and is tested against the market on the same timeline and terms as all other bids.

82. The ability to sell the frozen inventory outside of the SISP will allow the Receiver to reduce the cold storage and carrying costs to the estate and mitigate the risk of deterioration in the value of the inventory.

83. The deposit requirements under the SISP are intended to encourage good faith participation and execution certainty.

84. Although the Listing Agreement has not yet been finalized, the key commercial terms have been agreed with Cushman and are supported by BMO. Authorizing the Receiver to enter into the Listing Agreement on substantially those terms will allow the Real Property to be listed without delay and the SISP to proceed in accordance with the proposed timeline, without the cost of a further application to the Court.

85. Accordingly, the Receiver respectfully recommends that the Court approve the activities of the Receiver and the Receiver's SRD as described in this First Report, approve the SISP (including the authority to sell the frozen inventory described above), and authorize the Receiver to enter into the Listing Agreement on substantially the commercial terms described in this First Report.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

86. The Receiver's SRD reflects the administration of the Receivership Proceedings from the Date of Receivership to October 29, 2026 (the "**R&D Period**") and is attached hereto as **Appendix "A"**.

87. During the R&D Period, the Receiver's actual gross receipts amounted to $980,075, primarily relating to the transfer of $324,754 from the Debtor's BMO bank accounts, blueberry sales to All Gold of $222,879, accounts receivable collections of $334,152, GST refunds of $79,784, and rent income of $18,000.

88. During the R&D Period, the Receiver made actual disbursements totalling $35,434, primarily comprising insurance premiums of $18,937, appraisal fees of $10,000, and utilities of $5,319. No professional fees of the Receiver or its legal counsel have been paid as at the date of this Report. The Receiver is not seeking approval of its fees and disbursements, or those of its counsel, at this time.

89. As at October 29, 2026, the Receiver held funds of $944,642 in its estate trust account.

90. The Receiver respectfully submits that the receipts and disbursements reflected in the Receiver's SRD were made in the ordinary course of the administration of the Receivership Proceedings and in accordance with the Receivership Order, and requests that the Court approve the Receiver's SRD.

CONCLUSIONS

91. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 6(e) of this First Report.

All of which is respectfully submitted at Vancouver, BC this 2nd day of November, 2026.

DELOITTE RESTRUCTURING INC.
In its Capacity as Court-appointed Receiver of
Starline Foods Inc. and not in its personal or corporate capacity

Per: Paul Chambers, FCA (UK), CIRP, LIT
Senior Vice-President

Appendix "A"

Receiver's interim statement of receipts and disbursements from the Date of Receivership to October 29, 2026

In the Matter of the Receivership of
Starline Foods Inc.

Receiver's Interim Statement Receipts and Disbursements
For the Period from September 21, 2026 to October 29, 2026

Description	Total
Receipts	
Cash in bank	324,754
Accounts receivable	334,152
Proceeds from the sale of blueberries	222,879
GST refunds	79,784
Rent income	18,000
Miscellaneous	506
Total receipts	**980,075**
Disbursements	
Insurance	18,937
Appraisal fees	10,000
Utilities	5,319
GST and PST	781
Repairs and maintenance	310
Filing fees	86
Total disbursements	**35,434**
Excess of receipts over disbursements	**944,642**

Appendix "B"

Sale and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

Starline Foods Inc.

Supreme Court of British Columbia, Vancouver Registry, Court File No. VLC-S-H-260475

BACKGROUND

1. On June 25, 2026, the Supreme Court of British Columbia (the **"Court"**) granted an order (the **"Receivership Order"**) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 39 of the *Law and Equity Act*, RSBC 1996, c 253, appointing Deloitte Restructuring Inc. as receiver (in such capacity, the **"Receiver"**), without security, of all of the assets, undertakings and property of Starline Foods Inc. (**"Starline"** or the **"Company"**). The Receivership Order became effective on September 21, 2026. A copy of the Receivership Order is available on the Receiver's website at www.insolvencies.deloitte.ca/starline (the **"Receiver's Website"**).

2. Starline operates a blueberry receiving, grading, packing, and individually quick frozen ("**IQF**") freezing business from a processing and cold storage facility (the "**Facility**") located at 33786 Clayburn Road, Abbotsford, British Columbia. The Company purchases blueberries from growers and processors in BC and the United States and sells processed and graded frozen blueberries to customers in Canada and the U.S., including fruit processors and food ingredient distributors, for further processing, packaging and use in manufactured food products.

3. Following its appointment, the Receiver took possession and control of the Property. Processing operations are currently suspended, and the Facility is being maintained on a care and maintenance basis pending the outcome of this SISP.

DEFINITIONS

4. All capitalized terms used but not otherwise defined herein shall have the following meanings:

"Approval Application" means an application to the Court for an order or orders approving a Successful Bid, authorizing the Receiver to complete the Transaction contemplated thereby and, where applicable, vesting title to the applicable Property in the Successful Bidder free and clear of Claims and Interests or granting such other relief as may be required to implement the Successful Bid.

"Auction Proposal" means a proposal by an auctioneer, liquidator or similar agent to conduct an auction or other liquidation of, or to guarantee a minimum net recovery from, any one or more of Offering Parcels 3 to 6, whether on a commission, net minimum guarantee or similar basis, or a combination thereof.

"Bare Lands" means the lands and premises legally described as PID: 004-178-432, Parcel "E" (Explanatory Plan 14251) of Parcel "D" (Reference Plan 287) District Lot 202 Group 2 New Westminster District, comprising approximately 0.13 acres and adjacent to the Plant Lands.

"Bid" means a written Sale Proposal, Investment Proposal or Auction Proposal delivered to the Receiver in accordance with these SISP Procedures, but does not include any offer for the Frozen Inventory solicited or accepted under paragraph 15.

"Bid Deadline" means 5:00 p.m. (Pacific time) on February 8, 2027, or such other date and time as the Receiver may determine in accordance with these SISP Procedures.

"Bidder" means any Person that submits a Bid in accordance with these SISP Procedures.

"BMO" means Bank of Montreal, the Company's senior secured lender.

"Broker" means Cushman & Wakefield ULC.

"Business" means the blueberry receiving, grading, packing, IQF freezing, cold storage and distribution business carried on by the Company at the Facility.

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, on which banks are open for business in the City of Vancouver, in the Province of British Columbia.

"CA" means a confidentiality agreement in the form attached as Schedule "C", or in such other form as is satisfactory to the Receiver.

"CIM" means the confidential information memorandum, if any, prepared by the Receiver, with the assistance of the Broker, in respect of the Company, the Business and the Property.

"Claims and Interests" means all pledges, liens, security interests, encumbrances, claims, charges, options and other interests in, on or against the Property or any part thereof, whether contractual, statutory or otherwise.

"Commencement Date" means the date on which the Receiver initiates the SISP in accordance with these SISP Procedures.

"Definitive Agreement" means the template form of asset purchase agreement, share purchase agreement or investment agreement (as applicable) provided by the Receiver, as finalized between the Receiver and a Successful Bidder.

"Definitive Agreement Deadline" means February 26, 2027, or such other date as the Receiver may determine in accordance with these SISP Procedures.

"Deposit" means an amount paid by a Bidder to be dealt with in accordance with these SISP Procedures.

"Excluded Assets" means the assets listed under the heading "Excluded Assets" in Schedule "B" hereto.

"Frozen Inventory" means the frozen IQF and bulk blueberry and other berry product owned by the Company as more particularly described in the inventory schedule available in the VDR.

"Interested Party" means any Person that the Receiver or the Broker identifies, or that contacts the Receiver or the Broker, as having a potential interest in a Transaction.

"Investment Proposal" means a proposal that does not contemplate a sale of all or substantially all of the Property, and instead contemplates a refinancing, recapitalization, debt or equity injection, plan of arrangement or compromise, reverse vesting order, or other transaction pursuant to which the Property remains, in whole or in part, with the Company or an affiliate or successor of the Company.

"Listing Agreement" means the agreement between the Receiver and the Broker for the marketing and sale of the Real Property and, where offered en bloc with the Real Property, the related equipment and other Property, under this SISP.

"Offering Parcel" means each of the parcels or groupings of the Property described in Schedule "B", as the same may be revised by the Receiver in its discretion.

"Outside Closing Date" means April 23, 2027, or such later date as the Receiver may agree in writing.

"Payout Amount" means the aggregate of (a) all obligations owing to BMO, including principal, interest, fees, legal and enforcement costs, (b) the fees and disbursements of the Receiver and its counsel, whether or not approved by the Court as at the date of determination, and any commission,

fee or other amount payable to the Broker under the Listing Agreement, (c) all amounts secured by the Receiver's Charge and any other Court-ordered charge in the Receivership Proceedings, and (d) all amounts which the Receiver determines are required to be paid in priority to BMO, including unremitted source deductions, GST/PST and amounts payable under section 81.4 of the *Bankruptcy and Insolvency Act* and section 14.06 thereof, in each case as determined by the Receiver.

"Person" means any individual, corporation, partnership, limited partnership, limited liability company, trust, joint venture, association, unincorporated organization, governmental authority or other entity.

"Plant Lands" means the lands and premises municipally described as 33786 Clayburn Road, Abbotsford, British Columbia and legally described as PID: 004-178-050, Lot 1 Except: Firstly: Parcel "B" (Reference Plan 8236) Secondly: Parcel "C" (Reference Plan 8237) Thirdly: Parcel "A" (Reference Plan 8255) Fourthly: Part Subdivided by Plan 24013, District Lot 202 Group 2 New Westminster District Plan 4298, comprising approximately 30.26 acres, including the area of approximately 8 acres on which the Facility is located and approximately 22.26 acres of additional agricultural land, which are not separately titled.

"Potential Bidder" means an Interested Party that has executed and delivered a CA in accordance with paragraph 22(a) but has not yet been designated a Qualified Bidder.

"Property" means, other than Excluded Assets, all of the present and after-acquired assets, undertakings and property of the Company of every nature and kind whatsoever, and wherever situated, including the Real Property, the equipment, inventory (including the Frozen Inventory) and intangibles, as more particularly described in Schedule "B".

"Purchase Price" means the price or aggregate consideration proposed for the Property, or the applicable Offering Parcels, in a Bid, expressed in Canadian dollars.

"Qualified Bid" means a Bid submitted on or before the Bid Deadline that satisfies the requirements of paragraph 28 (in the case of a Sale Proposal), paragraph 32 (in the case of an Investment Proposal) or paragraph 36 (in the case of an Auction Proposal).

"Qualified Bidder" means a Potential Bidder designated as such by the Receiver in accordance with paragraph 23.

"Real Property" means collectively, the Plant Lands, the Bare Lands, and the Facility, together with all buildings, structures, fixtures and improvements thereon.

"Receiver's Charge" has the meaning given to it in the Receivership Order.

"Receivership Proceedings" means the proceedings commenced in the Court under Court File No. VLC-S-H-260475 in which the Receivership Order was granted.

"Regulatory Approvals" means any federal, provincial, municipal or other regulatory approvals, licences, registrations, permits or consents required to complete a Transaction or to own, occupy or operate the Property or the Business.

"Related Party" means in respect of a Person, (a) any director, officer, shareholder, partner or employee of that Person, (b) any Person that controls, is controlled by, or is under common control with that Person, (c) any relative or spouse of that Person or of any of the foregoing, and (d) any Person acting jointly or in concert with, or at the direction of, any of the foregoing.

"Representatives" means in respect of a Person, each director, officer, employee, consultant, contractor, financial advisor, legal counsel, accountant, agent, adviser and other representative of that Person.

"Sale Proposal" means a proposal to acquire all or any portion of the Property, or the shares of the Company, whether by way of asset purchase, share purchase or other structure, including by way of reverse vesting order.

"SISP" means this sale and investment solicitation process.

"SISP Order" means the order granted by the Court on November 18, 2026 which, among other things, approved the SISP and authorized the Receiver to conduct the SISP in accordance with the SISP Procedures.

"SISP Procedures" means the procedures set out herein.

"Successful Bid" means the most, or a combination of the most, favourable Qualified Bid or Qualified Bids identified by the Receiver in accordance with paragraph 38, in consultation with BMO.

"Successful Bidder" means the Bidder or Bidders that submitted a Successful Bid.

"Target Dates" means the milestone dates identified for the purposes of the SISP Procedures, as such dates may be amended in accordance with paragraph 18 hereof or by further order of the Court.

"Transaction" means each transaction for the Company and the Property, whether as a single transaction or multiple transactions, on a going concern or piecemeal basis, or a combination thereof, and whether structured as a sale of assets, a sale of shares, a refinancing, recapitalization or other investment transaction.

"VDR" means the virtual data room established and maintained by the Receiver, or by the Broker on its behalf, in connection with the SISP.

INTRODUCTION TO SISP

5. On November 18, 2026, the Court granted the SISP Order.

6. This SISP describes how the Receiver, with the assistance of the Broker, will advance the SISP, how Interested Parties may gain access to due diligence materials concerning the Company and the Property, how Bids will be submitted and addressed, and how the required Court approvals will be addressed in the Receivership Proceedings in respect of any Transaction.

7. The SISP is intended to provide an opportunity for all Interested Parties to participate, and to identify the highest or otherwise best offer or offers for one or more Transactions.

8. The SISP Order, these SISP Procedures and any subsequent order of the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting Bids for a Transaction to be put before the Court for approval.

PROPERTY SUBJECT TO THE SISP

9. The SISP contemplates a Transaction in respect of all or any part of the Property. To seek to maximize value while broadening the potential buyer pool, the Receiver has organized the Property into distinct Offering Parcels, which are currently contemplated to be as set out in **Schedule "B"**. The Receiver retains the discretion to revise the Offering Parcels, or to consider Bids that make offers for the Property other than as contemplated by the Offering Parcels.

10. Bids may be submitted: (a) *en bloc* for all of the Property; (b) for any one or more of the Offering Parcels; (c) as an Investment Proposal; or (d) as an Auction Proposal in respect of any one or more of Offering Parcels 3 to 6.

11. For all Sale Proposals, the Purchase Price must be allocated in a commercially reasonable manner among the Offering Parcels and among the major asset classes covered by the Bid, including real property, machinery and equipment, inventory and intangibles. Any such allocation shall be used by the Receiver solely for evaluation and Court approval purposes and shall not be binding on the Receiver except to the extent expressly set out in a Definitive Agreement.

12. Bidders are advised, and shall be deemed to acknowledge, that: (a) the Real Property comprises two separate legal parcels, being the Plant Lands and the Bare Lands; each of the Plant Lands and the Bare Lands is zoned A-1 (Agricultural 1) under City of Abbotsford Zoning Bylaw No. 2400-2014 and bears a notation on title that it may be affected by the *Agricultural Land Commission Act* (Agricultural Land Reserve Plan No. 32), and farm product processing on such land is subject to the zoning bylaw, the provincial ALR Use Regulation and Agricultural Land Commission policy, which may limit processing floor area and the share of processed product sourced from other farms; (b) subdivision, consolidation, rezoning, non-farm use and certain changes of use may require the approval of the Provincial Agricultural Land Commission and/or the City of Abbotsford, and no representation is made that any such approval will be obtained, and Bidders are further advised that the Plant Lands and the Bare Lands may be subject to a covenant, easement, statutory right of way or other registered charge restricting their separate disposition or requiring that they be held together; (c) certain equipment located at the Facility may be subject to leases, conditional sales contracts or security interests in favour of third parties, including De Lage Landen Financial Services Canada Inc. and Business Development Bank of Canada, and may not form part of the Property; (d) the Receiver makes no representation as to the transferability of any licence, registration, certification or permit, including any licence issued by the Canadian Food Inspection Agency or any food safety certification; and (e) the Property may be subject to outstanding municipal or regulatory matters, including, without limitation, notices relating to buildings, structures or improvements on the Real Property and encroachments or boundary matters affecting the Real Property or adjacent lands, and the Property is offered on an "as is, where is" basis without any representation or warranty as to permits, approvals, compliance with applicable laws or the condition of the Property. The matters described in this paragraph are not exhaustive and do not limit paragraph 16 or any other disclaimer in these SISP Procedures.

13. The Receiver may, at any time, in consultation with BMO, remove any of the Property from the SISP or add Property to the SISP, if the Receiver determines that doing so would further the interests of the Receivership Proceedings.

Frozen Inventory

14. The Frozen Inventory includes approximately 878,000 pounds of IQF and bulk frozen blueberry and other berry product held in cold storage at the Facility as at October 30, 2026. The Frozen Inventory is a perishable, storage-dependent asset, the preservation of which requires the continued operation of the refrigeration plant at ongoing cost to the estate. Bidders are advised, and shall be deemed to acknowledge, that: (a) the quantity, lot composition, pack format, grade, age and condition of the Frozen Inventory are as set out in the inventory schedule and are subject to verification by the Bidder; and (b) the Receiver makes no representation or warranty as to the merchantability, saleability, food safety status, lot traceability, certification or fitness for any purpose of the Frozen Inventory, or as to the ability of any Bidder to export, resell or distribute it in any market.

15. **Sale of Frozen Inventory outside this SISP.** Notwithstanding any other provision of these SISP Procedures, the Receiver is authorized, in consultation with BMO and without further order of the Court, to sell all or any part of the Frozen Inventory at any time before, during or after the SISP, whether in the ordinary course to existing or new customers of the Business, by way of bulk sale to one or more purchasers, through a broker or trader, or by such other method as the Receiver considers commercially reasonable, provided that any such sale is on terms the Receiver

determines to be commercially reasonable having regard to the carrying cost and the risk of deterioration in value. Where the Receiver elects to solicit bulk bids for the Frozen Inventory, it may do so on an expedited timeline separate from the Target Dates, on such terms as the Receiver may specify, including a requirement that the purchase price be paid in full in immediately available funds on closing, that product be removed from the Facility within a specified period, and that storage charges accrue thereafter. Any Frozen Inventory sold in accordance with this paragraph shall be deemed removed from the Property and from the applicable Offering Parcel for all purposes of these SISP Procedures, and the Receiver shall report on all such sales in a future report to the Court. For greater certainty, the Receiver is not obliged to sell the Frozen Inventory outside the SISP and may elect to include all or part of it in a Transaction.

"AS IS, WHERE IS" AND FREE AND CLEAR

16. Any Transaction will be completed on an **"as is, where is"** and **"without recourse"** basis, and without any surviving representations, warranties, covenants or conditions of any kind, nature or description by the Receiver, the Company or any of their respective Representatives, except to the extent expressly set out in a Definitive Agreement. In the event of a sale, the Company's right, title and interest in and to the applicable Property will be sold free and clear of all Claims and Interests, other than permitted encumbrances expressly assumed under the Definitive Agreement, pursuant to an approval and vesting order of the Court. Extinguished Claims and Interests will attach to the net proceeds of sale, without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof.

TIMELINE

17. The following are the Target Dates under the SISP:

Milestone	Target Date
Broker selected following the Receiver's request for proposals for real estate broker services	October 30, 2026
SISP Order granted, approving the SISP and the Receiver's entry into the Listing Agreement	November 18, 2026, subject to Court availability
Broker and Receiver finalize marketing materials and VDR	November 20, 2026
Commencement Date – SISP launched, Real Property listed by the Broker and marketing materials distributed to Interested Parties	November 23, 2026
VDR open to Potential Bidders that have executed a CA	November 23, 2026
Bulk bids for Frozen Inventory invited (may run on a separate expedited timeline under paragraph 15)	December 7, 2026
Bid Deadline – Qualified Bids due	February 8, 2027 at 5:00 p.m. (Pacific time)
Receiver identifies Successful Bid and notifies Bidders	Within 5 Business Days following the Bid Deadline
Definitive Agreement Deadline	February 26, 2027
Approval Application	On or about March 19, 2027, subject to Court availability
Outside Closing Date	April 23, 2027

18. The Receiver may, in consultation with BMO, shorten or extend any of the Target Dates without further order of the Court, if the Receiver determines in its reasonable business judgment that doing so is necessary or advisable to achieve the objectives of the SISP.

SOLICITATION OF INTEREST

19. The Receiver, with the assistance of the Broker, will prepare and disseminate a marketing brochure to Interested Parties, and may prepare a CIM to be disseminated to Potential Bidders. The Receiver and the Broker will conduct such advertising and marketing as they consider advisable and commercially reasonable, which is expected to include direct solicitation of berry and food processors, co-packers, cold storage operators, agri-industrial operators and investors in British Columbia, elsewhere in Canada and in the United States. The Receiver may, in consultation with BMO and having regard to the recommendations of the Broker, adjust the marketing approach, the Offering Parcels and the Target Dates in accordance with paragraphs 9 and 18.

20. Following a request for proposals process conducted by the Receiver, the Receiver has selected the Broker to market and sell the Real Property and, where sold en bloc with the Real Property, the processing and refrigeration equipment and other Property included in that offering, pursuant to the Listing Agreement, the Receiver's entry into which is approved by the SISP Order. The Broker is not retained on an exclusive basis for any Property that the Receiver sells separately from the Real Property, whether directly or through an auctioneer or liquidator. Subject to the terms of the Listing Agreement and under the direction of the Receiver, the Broker's role will include:

    (a) preparing, for the Receiver's approval, the marketing brochure, any CIM, listing and advertising materials, and identifying and contacting prospective purchasers, including owner-users, berry and food processors, cold storage operators, agricultural operators and investors;

    (b) listing and advertising the Real Property, processing and refrigeration equipment and other Property, through such channels as the Receiver approves;

    (c) establishing and administering the VDR in coordination with the Receiver, and obtaining an executed CA from each Interested Party before granting access;

    (d) coordinating and attending site visits in accordance with paragraph 25;

    (e) responding to inquiries from Interested Parties and assisting the Receiver in assessing the financial and other capability of Potential Bidders;

    (f) assisting the Receiver in evaluating Bids, as the Receiver may request; and

    (g) providing the Receiver with written activity reports and, following the Bid Deadline, a final written report on the marketing process (including the parties contacted, CAs executed, site visits conducted and Bids received), suitable for use by the Receiver in its report to the Court in support of the Approval Application.

21. The Broker acts solely under the direction of the Receiver and has no authority to accept any Bid, to negotiate the binding terms of any Transaction, to make any representation or warranty on behalf of the Receiver or the Company, or to bind the Receiver. The Broker shall not act for, or accept any compensation from, any Interested Party or Bidder in connection with a Transaction. Unless the Receiver directs otherwise, the Broker's mandate does not extend to the sale of the Frozen Inventory under paragraph 15. The Broker's commission and other compensation shall be payable only as provided in the Listing Agreement.

PARTICIPATION REQUIREMENTS

22. Unless otherwise determined by the Receiver or ordered by the Court, in order to participate in the SISP each Interested Party must deliver to the Receiver at the address set out in **Schedule "A"** (including by email):

    (a) prior to the distribution of any confidential information by the Receiver or the Broker, an executed CA, which shall enure to the benefit of any purchaser of the Property under these SISP Procedures; and

    (b) as soon as practicable and in any event on or before the Bid Deadline (and which may be delivered together with its Bid), a specific indication of the anticipated sources of capital available to the Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit quality support or enhancement as will allow the Receiver and its advisors to make, in their reasonable business or professional judgment, a determination as to the Potential Bidder's financial and other capability to consummate a Transaction.

23. A Potential Bidder that has delivered the materials described in paragraph 22, and whose financial information and credit quality support or enhancement demonstrate to the satisfaction of the Receiver, in its reasonable business judgment, that the Potential Bidder is likely (based on availability of financing, experience and other considerations) to be able to consummate a Transaction, will be designated a Qualified Bidder. Such designation may be made at any time before the Bid Deadline or, following the Bid Deadline, upon the Receiver's review of a Bid, in which case the designation shall be deemed effective as of the time that Bid was submitted. The Receiver will notify each Potential Bidder promptly as to whether it has been designated a Qualified Bidder.

24. The Receiver reserves the right to conduct the SISP in such manner as it considers appropriate in the circumstances and is not obliged to communicate with, provide information to, or otherwise treat all Interested Parties, Potential Bidders or Qualified Bidders in the same manner, provided that the Receiver acts in a commercially reasonable manner and in accordance with these SISP Procedures.

DUE DILIGENCE

25. The Receiver shall provide each Potential Bidder and Qualified Bidder with access to the VDR and, subject to reasonable scheduling requirements and the Receiver's health, safety and security requirements, the opportunity to attend a supervised site visit at the Facility, coordinated by the Broker. The Receiver may, in its discretion, require a Potential Bidder to deliver the materials described in paragraph 22(b) before attending a site visit. The Receiver may, in its discretion, provide such additional information or materials to a Potential Bidder or Qualified Bidder as may reasonably be requested.

26. None of the Receiver, the Broker or any of their respective Representatives, contractors, advisors or consultants makes any representation or warranty as to the accuracy or completeness of any information provided through the VDR, in any marketing materials or CIM, at any site visit or otherwise in the course of the SISP. Potential Bidders and Qualified Bidders must rely solely on their own independent review, investigation and inspection of the Company, the Business and the Property. Without limiting the foregoing, Bidders are advised that any appraisal, valuation, environmental report or similar third party document made available in the VDR may have been prepared for a party other than the Receiver and for a purpose other than the SISP, may be subject to express restrictions on reliance, and may not be relied upon by any Bidder absent a separate reliance letter obtained by that Bidder directly from the author at its own cost.

SUBMISSION OF BIDS

27. A Potential Bidder or Qualified Bidder that wishes to submit a Bid shall deliver its Bid to the Receiver at the address set out in **Schedule "A"** so as to be received not later than the Bid Deadline. A Bid for less than all or substantially all of the Property will not for that reason be precluded from consideration.

Sale Proposals

28. A Sale Proposal will be considered a Qualified Bid only if: (i) it is submitted by a Qualified Bidder on or before the Bid Deadline; and (ii) the Bid complies with all of the following:

(a) it constitutes, in the reasonable business judgment of the Receiver, a reasonable offer;

(b) it includes a duly authorized and executed Definitive Agreement in the template form provided by the Receiver, together with a blackline showing all changes to the template form, specifying the Purchase Price in Canadian dollars, together with all exhibits and schedules thereto;

(c) it includes a letter confirming that the Bid is irrevocable until the Receiver notifies the Qualified Bidder in accordance with paragraph 41 that its Bid has not been selected as a Successful Bid, provided that if the Qualified Bidder is selected as a Successful Bidder its Bid shall remain irrevocable until the closing of the Transaction;

(d) it includes written evidence of a firm, irrevocable commitment for all financing required to complete the Transaction, or other evidence of the ability to consummate the proposed Transaction satisfactory to the Receiver;

(e) it is not conditional upon (i) the outcome of unperformed due diligence, other than limited confirmatory or legal due diligence acceptable to the Receiver in its discretion, or (ii) obtaining financing or equity;

(f) it fully discloses the identity of each Person sponsoring or participating in the Bid and the complete terms of such participation, including any equity holders, beneficial owners and sources of sponsor equity, and discloses whether and in what capacity any such Person is a Related Party of the Company;

(g) it includes an allocation of value among the Offering Parcels and the major asset classes subject to the Bid;

(h) it identifies with specificity any contract, licence, permit, registration or Regulatory Approval that the Qualified Bidder wishes to have assigned to it or that is a condition to closing, identifies which, if any, employees the Qualified Bidder proposes to offer employment to, and sets out the Qualified Bidder's intentions, if any, with respect to the continued operation of the Business and the Facility;

(i) it outlines any Regulatory Approvals required to close the Transaction, the anticipated timeframe for obtaining such approvals and any anticipated impediments;

(j) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Qualified Bidder's board of directors or comparable governing body with respect to the submission, execution, delivery and closing of the Transaction contemplated by the Bid;

(k) it includes an acknowledgement and representation that the Qualified Bidder (i) has relied solely upon its own independent review, investigation and inspection of the Property and any liabilities to be assumed in making its Bid, (ii) has not relied upon any written or oral statement, representation, promise, warranty or guarantee whatsoever, whether express

or implied, made by the Receiver, the Company or any of their Representatives, except as expressly set out in the Definitive Agreement, and (iii) is a sophisticated party capable of evaluating and assuming the risks associated with its Bid;

(l) it does not request or entitle the Qualified Bidder to any break fee, expense reimbursement, termination fee, exclusivity, right of first refusal, right to match or similar type of fee, payment or protection, and, except as provided in paragraph 52, each Qualified Bidder shall be deemed to irrevocably waive any right to pursue any claim in any way related to the submission of its Bid or this SISP;

(m) it contemplates closing on or before the Outside Closing Date;

(n) it is accompanied by a Deposit in accordance with paragraph 30; and

(o) it contains such other information as may reasonably be requested by the Receiver.

29. The Receiver may, in consultation with BMO, waive strict compliance with any one or more of the requirements of paragraph 28 and deem a non-compliant Bid to be a Qualified Bid. For greater certainty, the requirement for Court approval of any Transaction may not be waived.

30. Each Sale Proposal must be accompanied by a deposit, in the form of a wire transfer to a bank account specified by the Receiver or in such other form as is acceptable to the Receiver, payable to the Receiver in trust, in an amount equal to not less than ten percent (10%) of the Purchase Price. In the case of a Bid for the Frozen Inventory alone, the Receiver may instead require payment of the full Purchase Price in immediately available funds on closing, together with removal of the product from the Facility within 10 Business Days.

Investment Proposals, including Refinancing Proposals

31. The Receiver will consider Investment Proposals, including proposals by the Company, any shareholder of the Company or any Related Party to refinance or recapitalize the Company, on the same timeline and subject to the same Target Dates as Sale Proposals. An Investment Proposal must be submitted on or before the Bid Deadline in the same manner as a Sale Proposal.

32. An Investment Proposal will be considered a Qualified Bid only if it is submitted by a Qualified Bidder on or before the Bid Deadline, satisfies the requirements of paragraphs 28(a), (c), (e), (f), (i), (j), (k), (l), (m) and (o), read with such changes as the context requires, and in addition:

(a) it identifies the aggregate amount of new capital to be injected, the proposed treatment of BMO and of each other class of creditor, and confirms whether the proposal results in payment of the Payout Amount in full on closing;

(b) it includes an executed commitment letter from each lender or investor, and not merely a term sheet, expression of interest or discussion paper, specifying the amount, the security required, the conditions precedent and the expiry date of the commitment, together with confirmation of which conditions have been satisfied as at the date of the Bid;

(c) it includes evidence satisfactory to the Receiver of the availability and source of any equity, subordinated debt or sponsor contribution forming part of the proposed capital structure;

(d) it includes written confirmation, executed by or on behalf of each registered and beneficial shareholder of the Company, that such shareholder supports the proposed Transaction and will execute all documents and take all steps reasonably required to give effect to it, or alternatively sets out the mechanism by which the Investment Proposal may be completed without such consent;

(e) it includes a detailed sources and uses statement, a proposed closing timetable and a statement of the proposed treatment of the Receiver's fees and disbursements and all amounts secured by the Receiver's Charge;

(f) it identifies the Court relief required to implement the proposed Transaction, if any, including any reverse vesting order, and attaches a draft of the proposed form of order; and

(g) it is accompanied by a Deposit in accordance with paragraph 33.

33. Each Investment Proposal must be accompanied by a deposit, in the form of a wire transfer to a bank account specified by the Receiver or in such other form as is acceptable to the Receiver, payable to the Receiver in trust, in an amount equal to not less than $650,000.

Related Party Bids

34. A Bid may be submitted by, or with the participation of, a Related Party of the Company, provided that such Bid complies with these SISP Procedures. Any Related Party that submits or participates in a Bid shall not be entitled to receive any information from the Receiver relating to the SISP, the Property or any other Bid that is not made available to all Potential Bidders and Qualified Bidders, and shall not participate, on behalf of the Company or the Receiver, in the conduct of the SISP or the evaluation of any Bid.

35. The Receiver shall disclose to the Court, in its report in support of any Approval Application, whether any Successful Bid was submitted by or with the participation of a Related Party and the manner in which such Bid was dealt with under these SISP Procedures.

Auction Proposals

36. The Receiver will consider Auction Proposals on the same timeline and subject to the same Target Dates as Sale Proposals. An Auction Proposal will be considered a Qualified Bid only if it is submitted by a Qualified Bidder on or before the Bid Deadline, satisfies the requirements of paragraphs 28(f), (j), (l) and (o), read with such changes as the context requires, and includes, to the satisfaction of the Receiver:

(a) the Offering Parcels and assets proposed to be included, and confirmation of the Qualified Bidder's experience and ability to conduct an auction or liquidation of assets similar in nature, including through any agent it proposes to engage;

(b) satisfactory evidence of the Qualified Bidder's financial capacity, confirmation that it maintains commercial general liability insurance of not less than $5,000,000, and confirmation that it is free of material conflicts of interest;

(c) the proposed structure, timing and conduct of the auction or liquidation, including the marketing strategy, key milestones and the date by which all assets will be removed from the Facility, and confirmation that the sale will be conducted in a manner that identifies the Receiver in its Court-appointed capacity;

(d) the proposed economic terms, including any commission, buyer's premium, net minimum guarantee and sharing of proceeds above any guarantee, and the costs and expenses to be borne by the Qualified Bidder and by the estate;

(e) the timing and manner of remittance of proceeds to the Receiver, and the proposed protocols for safeguarding the assets and the proceeds of sale, including insurance, segregation of proceeds, inventory controls and reporting;

(f) the proposed treatment of unsold assets, and the arrangements for decommissioning, rigging and removal (including of the refrigeration system and any ammonia), site clean-up and repair of any damage to the Facility; and

(g) where the Auction Proposal includes a net minimum guarantee, a deposit of not less than ten percent (10%) of the guaranteed amount, paid in the manner described in paragraph 30, or such other security as is acceptable to the Receiver.

37. The Receiver may, in consultation with BMO, waive strict compliance with any one or more of the foregoing requirements. Any agreement entered into in respect of an Auction Proposal shall be subject to approval of the Court.

EVALUATION OF BIDS

38. Following the Bid Deadline, the Receiver will assess the Bids received and, exercising its reasonable business judgment, will disqualify any Bid that is not a Qualified Bid. Only Qualified Bids are eligible to be selected as a Successful Bid. The Receiver may consult with the Broker in evaluating Bids. The Receiver shall provide copies of all Qualified Bids to BMO. In consultation with BMO, the Receiver may identify the most favourable Qualified Bid or combination of Qualified Bids as the Successful Bid or Successful Bids, having regard to criteria including:

(a) the Purchase Price and the net value to be realized by the estate after transaction costs, cure costs, assumed liabilities and the costs of the Receivership Proceedings;

(b) in the case of an Investment Proposal, whether the proposal results in payment of the Payout Amount in full, and the certainty and timing of such payment;

(c) the terms of the proposed Definitive Agreement and the extent of any deviation from the template form;

(d) the conditionality of the Bid and the degree of execution risk;

(e) the firmness and irrevocability of any financing commitment;

(f) the identity, circumstances, reputation and demonstrated ability of the Bidder to complete the proposed Transaction;

(g) the timeline to closing, including any Regulatory Approvals, third-party consents or contractual arrangements required;

(h) the assets included in, or excluded from, the proposed Transaction, and whether the Bid is for the Property *en bloc* or for individual Offering Parcels;

(i) the impact of the Bid on the Company's stakeholders, including former employees, growers, customers and suppliers;

(j) in the case of a Bid for the Frozen Inventory, the speed of removal and the resulting reduction in cold storage, refrigeration and caretaking costs to the estate;

(k) in the case of an Auction Proposal, the amount of any net minimum guarantee, the net proceeds reasonably expected to be realized after commission, buyer's premium and costs, the time required to complete the auction and remove assets from the Facility, and the effect on the marketability of the remaining Property; and

(l) the costs and risks associated with the Bid and its consummation, including any continuing administration costs of the Receivership Proceedings.

39. **The Receiver is not obligated to accept the highest, best or any Bid**, and may reject any and all Bids. The Receiver shall have no obligation to provide any Bidder with an opportunity to amend,

improve or revise its Bid after submission, but may, in its discretion, seek clarification of any Bid and negotiate the Purchase Price and other terms with one or more Qualified Bidders. Where the Receiver elects to do so, it shall advise the affected Qualified Bidders of the point at which their respective Bids are deemed final and no longer subject to further clarification or negotiation.

40. If no Qualified Bid is received by the Bid Deadline, or if no Bid is acceptable to the Receiver, the Receiver may, in consultation with BMO, terminate the SISP and pursue such other realization strategy as it considers appropriate, including an auction, liquidation or listing of the Property (whether through the Broker or otherwise), subject to such further approval of the Court as may be required.

41. The Receiver may negotiate and settle the terms of a Definitive Agreement in respect of a Successful Bid by the Definitive Agreement Deadline, all of which shall be conditional upon Court approval and upon closing on or before the Outside Closing Date. Upon selection, the Receiver shall promptly notify the Successful Bidder and shall promptly notify all other Bidders that their Bids have not been selected.

APPROVAL APPLICATION

42. The Receiver shall bring the Approval Application on a date to be scheduled by the Court, and in any event as soon as practicable following execution of a Definitive Agreement. The Receiver's report to the Court in support of the Approval Application will describe the marketing undertaken by the Receiver and the Broker and may append or summarize the Broker's final report under paragraph 20(g).

43. Each Bidder acknowledges that the Receiver is subject to the jurisdiction and discretion of the Court to entertain other offers and shall abide by any further order the Court may make in respect of the Property, and that other prospective purchasers may attend at the Approval Application and make competing offers which the Court may approve instead of a Successful Bid.

44. If the Court does not approve a Successful Bid, or if the Transaction contemplated by a Definitive Agreement does not close by the Outside Closing Date, the Receiver shall be at liberty to terminate that Definitive Agreement and to deal with the Property as the Receiver sees fit, including by re-commencing or continuing the SISP, or by soliciting a new or revised offer from any other Bidder.

DEPOSITS

45. All Deposits shall be held by the Receiver in a single interest-bearing trust account designated solely for that purpose. The Deposit paid by a Successful Bidder whose Bid is approved at the Approval Application shall be applied against the Purchase Price, the Payout Amount or other amount payable by the Successful Bidder, as applicable, on closing and shall become non-refundable upon Court approval. Deposits, together with interest earned thereon and less any applicable fees, paid by Bidders whose Bids are not selected as a Successful Bid shall be returned within five (5) Business Days following the earlier of: (a) Court approval of the Successful Bid; and (b) notice from the Receiver that the SISP has been terminated or that no Successful Bid will be pursued.

46. If a Successful Bidder fails to complete the Transaction after the conditions in its Definitive Agreement have been satisfied or waived, its Deposit shall be forfeited to and retained by the Receiver as liquidated damages and not as a penalty, and each Bidder, by submitting a Deposit, acknowledges and agrees that such amount is a genuine pre-estimate of the damages that will be suffered by the estate, without prejudice to any other rights or remedies of the Receiver at law or in equity.

CONFIDENTIALITY AND ACCESS TO INFORMATION

47. All discussions regarding a potential Transaction must be directed through the Receiver, the Broker or such other party as the Receiver may direct. Under no circumstances shall any director, officer, shareholder, employee, former employee, grower, customer, supplier, landlord or creditor of the Company be contacted directly by an Interested Party without the prior written consent of the Receiver. Any such unauthorized contact may result in the exclusion of the Interested Party from the SISP at the discretion of the Receiver.

48. No Potential Bidder or Qualified Bidder shall be permitted to receive any information that is not made generally available to all Potential Bidders or Qualified Bidders (as the case may be) relating to the number or identity of Bidders or Qualified Bidders, or the details of any Bid, except to the extent that the Receiver, with the consent of the applicable Bidder, is seeking to combine separate Bids into a single Bid.

49. Under no circumstances will the Receiver share any material information concerning any Bid with any Person other than its legal counsel, the Broker, BMO and its legal and financial advisors, and the Court, except as provided for in these SISP Procedures or as required by law or further order of the Court.

SUPERVISION OF THE SISP

50. The Receiver shall oversee, in all respects, the conduct of the SISP. The Receiver may consult with BMO as it considers appropriate in connection with the conduct of the SISP, including with respect to the terms of, and the negotiation, rejection or acceptance of, any Bid.

51. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver, the Company and any Interested Party, Potential Bidder, Qualified Bidder or other Person, other than as specifically set out in a Definitive Agreement executed by the Receiver. The Receiver reserves the right not to enter into any Definitive Agreement.

52. The Receiver shall have no liability whatsoever to any Person, including any Potential Bidder, Qualified Bidder, Successful Bidder, the Company or any creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by these SISP Procedures, except to the extent such act or omission is the result of the Receiver's gross negligence or wilful misconduct. By submitting a Bid, each Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever, except to the extent such claim is the result of the gross negligence or wilful misconduct of the Receiver.

53. Each participant in the SISP is responsible for all costs, expenses and liabilities incurred by it in connection with the submission of any Bid, its due diligence activities and any further negotiations or other actions, whether or not they lead to the consummation of a Transaction. Neither the Receiver nor the Company shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of any Transaction, other than the commission and other compensation payable to the Broker under the Listing Agreement. Any commission payable to a cooperating broker acting for a Bidder shall be paid only as provided in the Listing Agreement, and each Bidder shall otherwise be solely responsible for the fees of any broker or agent it engages.

54. In consultation with BMO, the Receiver shall have the right to modify these SISP Procedures if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP, provided that the service list in the Receivership Proceedings shall be advised of any substantive modification.

55. In addition to the Broker, the Receiver may engage such consultants, agents, brokers, auctioneers or other experts as it considers reasonably necessary to assist it in carrying out the SISP, subject to such approval of the Court as may be required.

56. The Receiver may, at any time, apply to the Court for advice and directions with respect to the discharge of its powers and duties under these SISP Procedures.

57. Each Potential Bidder shall be deemed, upon executing a CA, to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP and these SISP Procedures. The Court shall have exclusive jurisdiction to hear and determine any dispute concerning the interpretation, application or conduct of these SISP Procedures.

58. Unless otherwise indicated herein, any event that is to occur on a day that is not a Business Day shall be deemed to occur on the next Business Day. All references to time are to local time in Vancouver, British Columbia, and all references to dollar amounts are to Canadian dollars.

59. The Company and its current and former directors, officers, and senior employees shall cooperate with the Receiver in the conduct of the SISP and shall provide such assistance, information and documentation as the Receiver may reasonably request, subject to the Receivership Order and any direction of the Receiver.

SCHEDULE "A"

DELIVERY ADDRESS FOR THE RECEIVER

DELOITTE RESTRUCTURING INC.
in its capacity as Court-appointed Receiver of Starline Foods Inc.,
and not in its personal or corporate capacity
Suite 2000, 410 West Georgia Street
Vancouver, BC V6B 0S7
Attention: Paul Chambers / Aveshin Govender
Telephone: 604-640-3368 / 604-237-0042
Email: pachambers@deloitte.ca / avegovender@deloitte.ca

with a copy (which shall not constitute delivery) to counsel for the Receiver:

GOWLING WLG (CANADA) LLP
550 Burrard St #2300,
Vancouver, BC V6C 0B3
Attention: Jonathan Ross / Manuel Dominguez
Email: jonathan.ross@gowlingwlg.com / manuel.dominguez@gowlingwlg.com

SCHEDULE "B"

OFFERING PARCELS

The Property has been organized into the following Offering Parcels. Bids may be submitted *en bloc* for all Offering Parcels, for one or more individual Offering Parcels, or otherwise as permitted by paragraph 10. The descriptions below are for identification purposes only and are subject to the disclaimers set out in the SISP.

Parcel	Description	Particulars
1	Plant Lands	The lands and premises municipally described as 33786 Clayburn Road, Abbotsford, British Columbia; PID: 004-178-050; Lot 1 Except: Firstly: Parcel "B" (Reference Plan 8236) Secondly: Parcel "C" (Reference Plan 8237) Thirdly: Parcel "A" (Reference Plan 8255) Fourthly: Part Subdivided by Plan 24013, District Lot 202 Group 2 New Westminster District Plan 4298. Area of approximately 30.26 acres, comprising the Facility area of approximately 8 acres and approximately 22.26 acres of additional agricultural land, which are not separately titled. Zoned A-1 (Agricultural 1); title bears an Agricultural Land Reserve notation (ALR Plan No. 32). Improved with a single-storey food processing and cold storage facility of approximately 29,497 square feet constructed in or about 2017, comprising two cold zones, production area and office area, with dock and grade loading, on-site parking, water storage tank, drainage tanks, pump house, two canopies and a mobile employee building.
2	Bare Lands	The lands and premises legally described as PID: 004-178-432; Parcel "E" (Explanatory Plan 14251) of Parcel "D" (Reference Plan 287) District Lot 202 Group 2 New Westminster District. Area of approximately 0.13 acres, adjacent to the Plant Lands. Zoned A-1 (Agricultural 1); title bears an Agricultural Land Reserve notation (ALR Plan No. 32).
3	Processing and Refrigeration Equipment	All machinery, equipment, tooling and spares owned by the Company and located at the Facility, including the IQF tunnel, the ammonia refrigeration system and associated plant, grading, sorting and packing lines, and related electrical and control systems, as more particularly listed in the equipment schedule available in the VDR. **Note:** certain equipment at the Facility is or may be subject to leases, conditional sales contracts or registered security interests in favour of third parties, including De Lage Landen Financial Services Canada Inc. and Business Development Bank of Canada, and such equipment does not form part of the Property unless expressly identified as such by the Receiver.
4	Rolling Stock and Other Equipment	Forklifts, mobile equipment, yard equipment, shop tools, office furniture, computer hardware and software, as more particularly listed in the equipment schedule available in the VDR.
5	Frozen Inventory	Includes approximately 878,000 pounds of IQF and bulk frozen blueberry product owned by the Company and held in cold storage at the Facility as at October 30, 2026, as more particularly listed in the inventory schedule available in the VDR. Bids may be submitted for the Frozen Inventory in whole or in part, by lot, grade, crop year or pack format. **Note:** the Receiver may sell all or part of the Frozen Inventory outside the SISP in accordance with paragraph 15, in which case the product so sold ceases to form part of this Offering Parcel.
6	Other Inventory	Raw materials and packaging supplies owned by the Company and located at the Facility, as more particularly listed in the inventory schedule available in the VDR.
7	Intangibles	The corporate and trade names "Starline" and "Starline Foods" and any associated trade-marks, domain names, social media accounts, recipes, specifications, production records, customer and grower lists, and, to the extent transferable, all licences, registrations, certifications and permits relating to the Business, including any Canadian Food Inspection Agency

Parcel	Description	Particulars
		licence and food safety certification. **No representation is made as to the transferability of any licence, registration, certification or permit.**

Excluded Assets

Except to the extent expressly agreed by the Receiver in a Definitive Agreement, the following do not form part of the Property offered under this SISP:

a) the Company's cash on hand and funds held by the Receiver;

b) assets owned by third parties and located at the Real Property;

c) the Company's books and records;

d) all rights of action, causes of action and claims of the Company and of the Receiver, including any claims in respect of related party transactions, preferences or transfers at undervalue;

e) the letters of credit issued in favour of the City of Abbotsford;

f) all accounts receivable, book debts and other amounts owing to the Company, whether arising before or after the date of the Receivership Order (including amounts owing by Related Parties and amounts arising from any sale of Frozen Inventory under paragraph 15), together with all proceeds thereof; and

g) such other property as the Receiver may identify from time to time.

SCHEDULE "C"

FORM OF CONFIDENTIALITY AGREEMENT

[To be attached – Receiver's standard form of confidentiality agreement, to be executed by each Interested Party wishing to become a Potential Bidder and by each of its consultants, agents, brokers and advisors to whom confidential information is disclosed, and which shall enure to the benefit of any purchaser of the Property under this SISP.]