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Hfx. No. 454744

COURT ADMINISTRATION

**Supreme Court of Nova Scotia**

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

SEVENTH REPORT OF DELOITTE RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
THE APPLICANTS

April 4th, 2017

**1. INTRODUCTION AND BACKGROUND**

- 1.1 On August 31, 2016, the Supreme Court of Nova Scotia (the "Court") granted an order (the "Initial Order") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") granting certain relief to Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (collectively the "Applicants").
- 1.2 As part of the Initial Order, Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor under these CCAA proceedings.
- 1.3 On September 27, 2016, the Court granted an order (the "Charging Order") granting the Applicants the power to borrow up to \$1.5 million from North American Fur Auctions Inc. ("NAFA") as debtor in possession financing ("DIP Financing").
- 1.4 On September 28, 2016, the Court granted an order (the "First Extension Order") extending the stay of proceedings from September 30, 2016 up to and including November 25, 2016.
- 1.5 On November 24, 2016, the Court granted an order (the "Second Extension Order") extending the stay of proceedings from November 25, 2016 up to and including January 31, 2017.
- 1.6 On December 8, 2016, the Monitor filed its Fourth Report with the Court. The purpose of the Fourth Report was to bring closure regarding certain payments made by the Applicants to Trinity Farms Inc. initially addressed in the Monitor's Third Report dated November 21, 2016.
- 1.7 On January 30, 2017, the Court granted an order (the "Third Extension Order") extending the stay of proceedings from January 31, 2017 up to and including February 14, 2017.
- 1.8 On February 16, 2017, the Court granted an order (the "Fourth Extension Order") extending the stay of proceedings from February 17, 2017 up to and including April 28, 2017.
- 1.9 In addition to the Fourth Extension Order granted on February 16, 2017, the Court also granted an order granting the Applicants the power to borrow up to an additional \$1.5 million from NAFA as DIP Financing (the "Second Charging Order") and authorized the Applicants to undertake a process to sell all of their assets, property and undertakings (the "Stalking Horse and Bidding Procedures Order").

## **2. TERMS OF REFERENCE**

- 2.1 In preparing the Seventh Report, the Monitor has relied upon financial information of the Applicants, discussions with the Applicants' management ("Management"), BoyneClarke LLP, the Applicants' legal counsel, and McInnes Cooper, the Monitor's legal counsel.
- 2.2 The financial information of the Applicants has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the Seventh Report may not disclose all significant matters about the Applicants. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Were we to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to our attention. Accordingly, the Monitor does not express an opinion or provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of the Seventh Report.
- 2.3 The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of the Seventh Report. Any use which any party makes of the Seventh Report, or any reliance or decisions to be made on the Seventh Report, is the sole responsibility of such party.
- 2.4 All dollar amounts identified in the Seventh Report are expressed in or converted to Canadian dollars.
- 2.5 The purpose of this Seventh Report is to inform this Court on the status of:
- (i) the Monitor's activities since the date of the Fourth Extension Order;
  - (ii) the Applicants' activities since the date of the Fourth Extension Order;
  - (iii) a review of the Cash Flow Projection submitted as part of the Sixth Report (the "Fourth Extension Cash Flow Projection");
  - (iv) a revised Cash Flow Forecast of the Applicants (the "Fifth Extension Cash Flow Projection");
  - (v) a review of the marketing efforts undertaken by the Monitor (the "Marketing Process");
  - (vi) the results of Stalking Horse and Bidding Procedures Order (the "Sales Process Order"), which was undertaken as directed by the Court;
  - (vii) the Applicants' request for a Sale Approval and Vesting Order (the "Sale Approval Order");
  - (viii) the Applicants' request for a Claims Procedure Order (the "Claims Process Order"); and
  - (ix) the Applicants' request for an extension (the "Fifth Extension Order").

## **3. MONITOR'S ACTIVITIES**

- 3.1 Since the date of the Fourth Extension Order, the Monitor's activities have included:
- (i) monitoring of the Applicants' actual cash flow and reporting on variances to the Fourth Extension Cash Flow Forecast filed with the Court as part of the Applicants' Motion for the Fourth Extension Order;

- (ii) working with the Management of the Applicants to prepare the January and February monthly financial package for NAFA as required per the DIP Financing term sheet;
- (iii) the Monitor investigated an arrangement between Victory Farms Incorporated ("Victory") and Aviator Farms Limited ("Aviator") further disclosed herein. As at the date of the Seventh Report, the Monitor has not received acknowledgement that American Legend Cooperative ("ALC") has authorized this transaction;
- (iv) working in conjunction with Management of the Applicants, BoyneClarke LLP and McInnes Cooper, to prepare an information package (the "Information Package") to be presented to interested parties, a copy of which is enclosed as Appendix A;
- (v) working with the Applicants to respond to additional requests for information from interested parties to the sales process;
- (vi) coordinating marketing efforts pursuant to the Marketing Process; and
- (vii) working with the Applicants to create the Fifth Extension Cash Flow Projection further discussed herein.

#### **4. APPLICANTS' ACTIVITIES**

- 4.1 Since the date of the Fourth Extension Order, Management of the Applicants has advised the Monitor that operations have continued uninterrupted.
- 4.2 Management of the Applicants completed its live grading in order to determine which remaining mink would be kept as breeding stock.
- 4.3 On January 31, 2017, Victory entered into an arrangement with Aviator whereby Victory received 4,383 live breeding stock in exchange for 4,383 pelts. A copy of the arrangement is enclosed as Appendix B. The Applicants have advised the Monitor that the Aviator arrangement was a fair market value transaction and conducted in the normal course of operations. The Applicants have also assured the Monitor that each of NAFA and ALC consented to the arrangement and its impacts on their respective security, but this has not yet been confirmed.
- 4.4 Breeding of the selected mink was undertaken during the first three weeks of March 2017 and as of the date of the Seventh Report, has been completed.
- 4.5 The Applicants sold 2,723 male pelts and 116 female pelts for net proceeds (after all commissions charges and deductions) of \$122 thousand at the February 2017 NAFA auction. These proceeds are currently being held by NAFA.
- 4.6 The Applicants have sent their harvested pelts to the processing facility and the pelts are in the process of being graded, tagged, and shipped to NAFA to be held pending upcoming auctions. As of the date of the Seventh Report, the Applicants have been invoiced for the processing and shipping cost of approximately 32 thousand pelts.
- 4.7 Based on the books and records of the Applicants as at the date of the Seventh Report, the Monitor has estimated a liability owing to the 340 Rancher's Co-operative Limited ("340 Co-op") of approximately \$238 thousand relating to the harvesting of pelts. As discussed in previous reports, this liability has the potential to give rise to a possessory lien claim against these pelts.

- 4.8 The Applicants have continued to assist the Monitor with requests since the Fourth Extension Order, including working with the Monitor's staff to complete weekly cash flow reconciliations and providing the Monitor's staff with necessary documentation to communicate with NAFA regarding DIP Financing.

## **5. ACTUAL CASH FLOW**

- 5.1 The Monitor previously filed with the Court the Fourth Extension Cash Flow Projection for the 13-week period February 4 to May 5, 2017.
- 5.2 The Monitor has prepared a reconciliation of the actual cash flow for the 8-week period February 4 to March 31, 2017 as compared to the Fourth Extension Cash Flow Projection (the "Cash Flow Reconciliation"), which is contained within Appendix C to the Seventh Report.
- 5.3 The Monitor offers the following commentary with respect to material variances contained within the Cash Flow Reconciliation:
- (i) The favorable variance of \$24 thousand relating to contracted mink care payments is timing related.
  - (ii) The favorable variance of \$52 thousand relating to professional fees is timing driven. The Monitor, legal counsel to the Monitor and legal counsel to the Applicants will all be issuing invoices to the Applicants in the coming weeks for work completed during February and March 2017.
  - (iii) The favorable variance of \$176 thousand relating to pelting costs is timing related. The 340 Co-op requests payment for pelting services once pelts have been shipped to their designated auctions. To date, approximately 32 thousand of the Applicants' approximate 80 thousand annual harvest have been shipped. The invoices for the remaining pelting costs are anticipated to be received in April 2017.

## **6. REVISED CASH FLOW PROJECTION**

- 6.1 The Applicants have prepared the Fifth Extension Cash Flow Projection for the 9-week period spanning April 7 to June 2, 2017; which Fifth Extension Cash Flow Projection is enclosed as Appendix D to the Seventh Report.
- 6.2 The Monitor's review of the Fifth Extension Cash Flow Projection consisted of inquiries, analytical procedures and discussions on the information provided by Management of the Applicants. Since these hypothetical assumptions are not being supported, the Monitor's involvement with respect to them was limited to evaluating whether they were consistent with the purpose of the Fifth Extension Cash Flow Projection. The Monitor also reviewed the supporting documentation provided by Management of the Applicants for the probable assumptions and the preparation and presentation of the Fifth Extension Cash Flow Projection.
- 6.3 Based on our review and the foregoing reserves and limitations, nothing has come to the attention of the Monitor that causes us to believe that, in all material respects:
- (i) the hypothetical assumptions are not consistent with the purpose of the Fifth Extension Cash Flow Projection;
  - (ii) as at the date of the Seventh Report, the probable assumptions developed by the Applicants are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Fifth Extension Cash Flow Projection, given the hypothetical assumptions; or

- (iii) the Fifth Extension Cash Flow Projection does not reflect the probable and hypothetical assumptions.

- 6.4 Since the Fifth Extension Cash Flow Projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor does not express an opinion to whether the projections in the Fifth Extension Cash Flow Projection will be achieved.
- 6.5 The Fifth Extension Cash Flow Projection has been prepared solely for the purpose described in the notes to the Fifth Extension Cash Flow Statement, and readers are cautioned that the Fifth Extension Cash Flow Projection may not be appropriate for other purposes.
- 6.6 The Monitor has reviewed the Fifth Extension Cash Flow Projection and offers the following commentary:
- (i) Outside of HST refunds, the Applicants are not projecting to receive any operating inflows for the period covered by the Fifth Extension Cash Flow Projection. A portion of the Applicants' herd will be auctioned during the week of May 12, 2017; however, proceeds from this sale will not be received until the week ending June 9, 2017.
  - (ii) Compensation costs contains payments to staff at existing rates for anticipated hours through the period covered, along with statutory remittances to Canada Revenue Agency and Workers' Compensation Board of Nova Scotia.
  - (iii) Feed costs are based on anticipated consumption levels of the herd during the period at existing feed prices, factoring in payment terms with suppliers.
  - (iv) Contracted mink care payments are based on existing arrangements the Applicants have entered into with other mink farmers to care for mink.
  - (v) Professional fees are estimates only and do not account for retainers that have been provided to the professionals involved in the engagement.
  - (vi) Pelting costs are based on the existing market prices and based on approximately 49 thousand pelts being invoiced during the period.
  - (vii) As at the date of the Seventh Report, the Monitor estimates the balance of the DIP Financing is approximately \$2.2 million.
- 6.7 As indicated in the Fifth Extension Cash Flow Projection, the Applicants are projected to exhaust current DIP Financing during the week ending June 2, 2017, a date which is beyond the currently proposed stay extension. The Monitor advises the Court that should the Applicants require additional time to complete the process described herein pursuant to the Claims Process Order, and/or the Sale Approval Order, additional DIP Financing may be required.

## **7. THE MARKETING PROCESS**

- 7.1 As contained in the Sales Process Order granted on February 16, 2017, the Monitor was directed to complete the following advertising efforts:
- (i) advertising the opportunity to acquire the Purchased Assets, complete with confirmation of the Bid Deadline, as defined in the Sales Process Order, in the Chronicle Herald (Provincial Edition) once weekly for five consecutive weeks;

- (ii) advertising the opportunity to acquire the Purchased Assets, complete with confirmation of the Bid Deadline, as defined in the Sales Process Order, in each of the Yarmouth Vanguard and on-line edition of the Digby Courier, once weekly for five consecutive weeks;
- (iii) advertising the opportunity to acquire the Purchased Assets, complete with confirmation of the Bid Deadline, as defined in the Sales Process Order, in the Insolvency Insider for five consecutive weeks;
- (iv) advertising the opportunity to acquire the Purchased Assets, complete with confirmation of the Bid Deadline, as defined in the Sales Process Order, on the Monitor's website up to and including the aforesaid Bid Deadline; and
- (v) identifying applicable industry group websites, contacts within the fur farming industry, and other individuals and groups to whom targeted information circulars will be sent.

7.2 The Monitor, in conjunction with its legal counsel, prepared an advertisement (the "Advertisement"), a copy of which is enclosed as Appendix E.

7.3 Pursuant to the marketing efforts described above, the Monitor completed the following:

- (i) Chronicle Herald (Provincial Edition) – the Advertisement was run on February 22, 25, March 1, 4, 8, 11, 15, 18, 22, and 24, 2017.
- (ii) Yarmouth Vanguard (Online) – the Advertisement was run on February 27, March 6, 13, and 20, 2017. The Monitor was unable to publish in this medium during the first week of the Sales Process, as the submission deadline for publication had passed.
- (iii) Digby Courier (Online) – the Advertisement was run on February 22, March 1, 8, 15, and 22, 2017.
- (iv) Insolvency Insider – the Advertisement was run on February 20, 27, March 6, 13, and 20, 2017.

7.4 The Monitor updated its website to include information regarding the Sales Process Order on February 21, 2017.

7.5 Efforts to advertise in respect of the Sales Process Order with industry groups are described below:

- (i) Canadian Mink Breeders Association ("CMBA") – the Advertisement was distributed via the CMBA's monthly newsletter on February 28, 2017, a copy of which is enclosed as Appendix F. The Monitor was advised by CMBA that the newsletter circulation includes industry participants across Canada.
- (ii) Nova Scotia Mink Breeders Association ("NSMBA") – the Monitor contacted representatives of the NSMBA and provided a copy of the Advertisement and asked that it be circulated to its member group. The Monitor was subsequently advised that the Board of Directors of NSMBA had declined to circulate the Advertisement.
- (iii) Prince Edward Island Mink Breeders Association ("PEIMBA") – the Monitor was unable to locate an active website for PEIMBA, however, contact was made with a past President. The Monitor was advised by this individual that only two mink farms are currently operating in the province and that both farmers had seen the Advertisement through the CMBA newsletter.
- (iv) New Brunswick Mink Breeders Association – the Monitor was unable to locate any information regarding this association.

- (v) Newfoundland and Labrador Mink Breeders Association – through research, the Monitor discovered an email address for this group. The Monitor made an attempt to contact this group, however, no response was received.

- 7.6 In addition to the above, the Monitor contacted Atlantic Farm Focus (“AFF”). AFF is an Atlantic Canadian magazine that targets the agricultural and rural communities of the Maritimes with a monthly circulation of approximately 11 thousand. The Monitor created the AFF Advertisement, a copy of which is enclosed as Appendix G, which was published in the March issue of AFF on March 3, 2017.
- 7.7 Furthermore, the Monitor placed an online advertisement with AllNovaScotia.com (the “ALLNS Advertisement”), a copy of which is enclosed as Appendix H. The ALLNS Advertisement ran daily for two consecutive weeks between March 13 and March 24, 2017. The Monitor was advised that during the advertisement’s run, AllNovaScotia’s webpage received over 22,000 unique viewers.

## **8. THE SALES PROCESS RESULTS**

- 8.1 During the course of the sales process, the Monitor was contacted by three distinct and separate parties.
- 8.2 On February 23, 2017, the Monitor was contacted by an interested party (“Party A”) requesting an Information Package. The Monitor can advise that Party A is an active participant in the Nova Scotia mink industry.
- 8.3 On March 1, 2017, after receiving an executed non-disclosure agreement (“NDA”), the Monitor provided Party A with the Information Package on March 2, 2017.
- 8.4 On March 6, 2017, the Monitor provided additional financial information to Party A that was initially requested by Party A on March 2, 2017.
- 8.5 On March 13, 2017, the Monitor corresponded with Party A to determine if any additional information was required. The Monitor was advised by Party A that they would follow up with questions. The Monitor never did receive any further correspondence from Party A subsequent to March 13, 2017.
- 8.6 Given Party A’s extensive connections in the mink industry, the Monitor also invited Party A to advise any other individual or corporation who/which might have an interest in the assets being offered that such parties were free to contact the Monitor for further information, subject to executing an appropriate NDA. As stated above, no subsequent correspondence was received from Party A after March 13, 2017.
- 8.7 On March 22, 2017, the Monitor provided a copy of the purchase price allocation schedule to Party A following the receipt of said schedule from legal counsel of the Applicants.
- 8.8 On March 6, 2017, the Monitor was contacted by a second interested party (“Party B”) requesting an Information Package. The Monitor is not aware that Party B has any involvement in the Nova Scotia mink industry. On the same day, the Monitor provided Party B with an NDA to execute.
- 8.9 On March 9, 2017, Party B contacted the Monitor and advised it was no longer interested in receiving an Information Package.

- 8.10 On March 19, 2017, the Monitor was contacted by a third interested party ("Party C") requesting an Information Package. The Monitor is not aware that Party C has any involvement in the Nova Scotia mink industry.
- 8.11 On March 20, 2017, the Monitor provided Party C with an NDA and provided Party C with the Information Package on March 21, 2017 after receiving the executed NDA. The Monitor did not receive any further correspondence from Party C subsequent to the delivery of the Information Package.
- 8.12 The Monitor wishes to advise the Court that no Qualifying Bids as described in the Sales Process Order were received prior to the Bid Deadline.
- 8.13 Pursuant to the results of the sales process described herein, the Monitor has been advised that the Applicants intend to seek a Sale Approval Order from the Court on April 7, 2017.
- 8.14 The Monitor is of the opinion that the Sale Approval Order is required to support the Applicants' restructuring efforts and that the terms of the Sale Approval Order are appropriate as a means of facilitating the restructuring of the Applicants.

## **9 CLAIMS PROCESS**

- 9.1 The Monitor has been advised by the Applicants that they intend to seek a Claims Process Order from the Court on April 7, 2017. In anticipation of the receipt of the Claims Process Order, the Applicants, in conjunction with the Monitor, have prepared a Claims Process Order which is enclosed as Appendix I.
- 9.2 As noted by the Monitor in its Sixth Report, the Monitor has previously prepared a realization schedule in the event of a liquidation, and based on the quantum of secured debt owing by the Applicants against the expected asset realizations, has determined that secured creditors would be faced with a compromise of their respective claims of their respective debts and there would be no distribution available to the Applicants' unsecured creditors.
- 9.3 As such, only specific secured creditors of the Applicants will be designated creditors ("Designated Creditors") under the proposed Claims Process Order.
- 9.4 The Monitor understands that a Proof of Claim and Instruction Letter, enclosed with Appendix I, will be sent to Designated Creditors on or before 11:59 p.m. on April 12, 2017.
- 9.5 The Monitor, in consultation with its legal counsel, shall review each Proof of Claim and Schedule to Proof of Claim filed and shall accept, revise or reject the amount of the Claim (but not any priority claimed, which shall not be taken as determined) set out therein for the purpose of the Funds Distribution Process.
- 9.6 The Monitor shall, within ten days following the Claims Bar Date, notify each Designated Creditor who has filed a Proof of Claim as to whether such Claim has been revised or rejected and the reasons therefor by delivery of a Notice of Disallowance, an example of which is enclosed with Appendix I.
- 9.7 Any Designated Creditor who intends to dispute a Notice of Disallowance shall, within ten calendar days of the date of the Notice of Disallowance, notify the Monitor in writing of such intention by delivery of a Dispute Notice, an example of which is enclosed with Appendix I.



- 9.8 Where a Dispute Notice is delivered, the Designated Creditor and the Monitor shall attempt to resolve same by agreement within fourteen days of the delivery of the Dispute Notice. If a resolution by agreement is not met, the Designated Creditor shall within seven days thereafter apply to have the value of its Claim determined by the Court.
- 9.9 A designated creditor that does not file a Proof of Claim by the Claims Bar Date or such later date as the Applicants and such Designated Creditors may agree, or this Court may order, such Creditor shall be forever barred from making any Claim against the Applicants and shall not be entitled to any distribution under the Funds Distribution Process provision hereof, and such Designated Creditor's Claim shall be forever extinguished.
- 9.10 The Monitor understands that within thirty days after the Claims Bar Date, or the final resolution of all claims made by Designated Creditors, whichever is the later, the Applicants shall make motion to the Court for a Final Distribution Order which shall, inter alia, establish and set out the priority for payment purposes of all Proven Claims.

#### **10 STAY EXTENSION APPLICATION**

- 10.1 The Monitor has been advised by the Applicants that they intend to seek the Fifth Extension Order from the Court on April 7, 2017.
- 10.2 Based on the Monitor's dealing with Management of the Applicants and the Monitor's review of the Applicants' operations and restructuring efforts to date, it can advise:
- (i) that the Applicants have acted and continue to act in good faith;
  - (ii) that the Applicants have acted and continue to act with due diligence, and;
  - (iii) in the Monitor's opinion, circumstances exist that make the Fifth Extension Order appropriate.
- 10.3 The Monitor believes that an extension up to and including May 31, 2017 will provide the Applicants with adequate time to implement the Claims Process Order discussed herein and would enable the Applicants, together with the Monitor, to undertake the Claims Process pursuant to the intended Claims Process Order.
- 10.4 The Monitor is of the opinion that no creditor would be materially prejudiced by the Court granting the Fifth Extension Order as requested by the Applicants.
- 10.5 In the absence of the Fifth Extension Order being granted, the Applicants will not be in a position to complete the processes outlined in the Claims Process Order and the Sales Approval and Vesting Order prior to April 28, 2017. The Monitor has prepared a realization schedule in the event of a liquidation, and based on the quantum of secured debt owing by the Applicants against the expected asset realizations, has determined that secured creditors would be faced with a compromise of their respective claims of their respective debts and there would be no distribution available to the unsecured creditors.

**11 CONCLUSION**

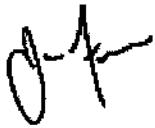
11.1 This Report has been prepared to provide this Court with information regarding the Monitor's activities since the date of the Fourth Extension Order, the Applicants' activities since the date of the Fourth Extension Order, a review of the Fourth Extension Cash Flow Projection submitted as part of the Fourth Extension Order, a Fifth Extension Cash Flow Projection, the Applicants' request for the Sale Approval Order, the Applicants' request for the Claims Process Order, and the Applicants' request for the Fifth Extension Order.

All of which is respectively submitted on April 4, 2017.

**DELOITTE RESTRUCTURING INC.**

Acting in its capacity as  
Monitor of Victory Farms Incorporated and  
Jonathan Mullen Mink Ranch Limited  
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read 'J. Foran', is positioned above the printed name.

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

## Appendix A: Information Package

## **NOTICE TO READER**

The attached Appendices A and B provide an overview of the Purchased Assets offered for sale as part of the Sales Process granted by the Supreme Court of Nova Scotia dated February 16, 2017. The sale of the Purchased Assets shall be on an "as is", "where is" and "with all faults" basis.

For greater certainty, the sale of the Purchased Assets is made without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Monitor or the Applicants or their respective agents, representatives or estates, or any of the other parties participating in the sales process pursuant to the Sales Process, except as may otherwise be provided in a definitive purchase agreement with the Applicants.

Any person submitting a bid on the Purchased Assets shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, title to the Purchased Assets, the financial performance of the Purchased Assets or the physical condition or location of the Purchased Assets or their fitness for use, or the completeness of any information provided in connection therewith, except as expressly stated in the Bidding Procedures appended as Schedule "A" to the Sales Process, or as set forth in a definitive purchase agreement with the Applicants.

Notwithstanding the foregoing, neither the Monitor nor the Applicants make any representations or warranties of any kind as regards to information presented in Appendices A – G and any prospective bidder must govern itself accordingly in conducting its own due diligence investigations in respect to this information.

**APPENDIX A: PURCHASED ASSETS**

**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")  
Purchased Assets**

The following document provides an overview of the Purchased Assets offered for sale as part of the Sales Process. The sale of the Purchased Assets shall be on an "as is", "where is" and "with all faults" basis.

**Working Capital Assets**

**Accrued Agristability Payments** – Victory Farms Incorporated has accrued at its year end September 30, 2016 an estimated \$447,136 of funding under the Agristability program. This amount represents the remaining portion of the 2016 payment. As of today's date this funding has not been received by the Applicants and the receipt of accrued Agristability payments by the Applicants is not a certainty.

**Mink Inventory**

The following summary has been prepared by management using current herd volumes and estimated harvest volumes resulting from mating season. Mating will be completed during the month of March 2017. Actual breeding stock and processed pelts available post mating season may vary.

<b>Breeding Stock</b>		
<b>Type</b>	<b>Male</b>	<b>Female</b>
Black	300 ADV Positive	4,200 ADV Free 850 Short Nap, ADV positive 2,550 Medium Nap, ADV positive
Mahogany		2,500 Short Nap, ADV positive 7,500 Medium Nap, ADV positive
Mutation*		1,400 Long Nap, ADV positive
<b>Total</b>	<b>300</b>	<b>19,000</b>

\*Pearls, Silver Blue, Demi and White

<b>Processed Pelts</b>		
<b>Type</b>	<b>Male</b>	<b>Female</b>
Black	12,237 Medium to Long Nap 4,079 Short Nap	12,022 Medium to Long Nap 4,007 Short Nap
Mahogany	18,050 Medium to Long Nap 6,017 Short Nap	17,732 Medium to Long Nap 5,911 Short Nap
Mutation*	408 Long Nap	401 Long Nap
<b>Total**</b>	<b>40,791</b>	<b>40,073</b>

\*Pearls, Silver Blue, Demi and White

\*\*Includes 5,504 casualties/hand skins and approximately 5,000 third selection skins

**Totals**

Breeding Stock – 19,300

Processed Pelts – 80,864

Total – 100,164

Net proceeds of approximately \$122,000 from the sale of 2,723 male and 116 female pelts, included in the summary schedule above, is being held by a third party pending the results of the Sales Process.

## **Capital Assets**

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### **Machinery & Attachments:**

- 2011 Norcar 670 DLA Feed Cart
- 2011 Norcar 810 DLA Feed Cart
- 2004 Doug Smith Feed Cart
- 2004 Kubota M8200 Tractor with Loader and Bucket (approx. 2,168 hrs)
- 2012 Norcar M601300 Feed Cart
- 2012 Norcar 660 Feed Cart
- 2012 Kobelco 215 SR 20 Ton Excavator with three buckets (approx. 878 hrs)
- HLA Tractor Fork
- HLA 3000 Horst Snow Blade (10 ft)
- Woods Bush Hog BB84
- 2011 HLA 3000 Horst Snow Blade (8 ft)

### **Vehicles:**

- 2008 Chevrolet 3500 (Diesel)
- 2011 GMC Sierra Regular Cab (Diesel)
- 2011 Chevrolet Silverado LTZ (Diesel)

### **Trailers:**

- 2000 Featherlite Stock Trailer Model #200
- 2006 LWL Gooseneck Tri-axle (20x8 ft)
- Mond 53ft Van Trailer

### **Equipment:**

- Three - Hydra Works Gas Power Washers
- Lakefield Hydraulic Conveyor System
- Trade Master 5 Gallon Compressor
- Table Top Drill Press
- Bench Grinder
- Electric Cement Mixer
- 10 inch King Table Saw

### **Other:**

- Mink Cages (Approximately 25,000)
- 20,000 lb Feed Silo
- 11,000 lb Feed Silo
- Kenmore washing machine
- Kenmore dryer
- Eight - 2,000 lb Insulated Fish Tubs with lids
- Three - Three wheel galvanized metal carts
- Five - Two wheel 40 box mink carts
- Two wheel metal cart
- Two - Wheel barrows
- Security System with DVR and Two Cameras
- Other Small Tools

## **APPENDIX B: REAL PROPERTY**



**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")  
Real property**

The following document provides an overview of the real property for sale as part of the Sales Process.

As outlined in the Sales Process, one (1) parcel owned by Victory Farms Incorporated (PID No. 30344576) appears to be subject to secured amounts owed to Nova Scotia Farm Loan Board ("NSFLB"), and three (3) parcels owned by Jonathan Mullen Mink Ranch Limited (PID Nos. 30145965, 30145973, and 30273817) appear to be subject to secured amounts owed to Farm Credit Canada ("FCC"). Approximate amounts owed to NSFLB and FCC in respect of these mortgaged lands are summarized below.

Five (5) other parcels owned by Jonathan Mullen Mink Ranch Limited (PID Nos. 30146500, 30358329, 30358410, 30358402, and 30146070), appear to be unencumbered.

Notwithstanding the foregoing, neither the Monitor nor the Applicants makes any representations or warranties of any kind as regards the aforementioned real property, nor as regards any registered or recorded encumbrances affecting the aforementioned real property, and any prospective bidder must govern itself accordingly in conducting its own due diligence investigations in respect of this real property.

**Victory Farms Incorporated**

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Secured Creditor – NSFLB

Approximate Amount Owning – \$892,000\*

PID(s): 30344576

Description of property:

241-243 Riverdale Road, Riverdale, Nova Scotia

Operational mink farm with eight mink barns and a detached single family residence. Total site area is 19 acres with a total building area of approximately 85 thousand square feet.

Residence – 2,100 ft<sup>2</sup>

- Concrete foundation
- Wood frame with Masonite siding and stone
- One and a half story
- 6 bedrooms and a finished basement level

Detached Garage – 700 ft<sup>2</sup>

- Concrete foundation
- Wood frame with vinyl siding

Mink Barns (8)

- Three wood frame steel panel barns 43' x 294' (12,642 ft<sup>2</sup>)
- One wood frame steel panel barn 44' x 504' (22,176 ft<sup>2</sup>)
- Four tradition hut style mink barns 10.5' x 519' (5,450 ft<sup>2</sup>)
- Approximately 17,500 cages on site. 7,760 of these cages will pass the upcoming changes to cage size regulations.

Exhibit A - Supporting Pictures and Property online printouts

\*Estimated amounts are based on company records at the time of the initial filing. Exact payout amounts will be determined via a Claims Bar Process.

### **Jonathan Mullen Mink Ranch Limited**

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Secured Creditor – FCC

Approximate Amount Owning - \$623,000\*

PID(s): 30145965, 30145973, and 30273817

Description of property:

Middle Cross Road, Roxville, Nova Scotia

Operational mink farm, with four mink barns and a detached office and shop building. Corrugated steel panel fence enclosing the mink farm area. Excess woodland areas. Total site area is approximately 215 acres with a total building area of 64 thousand square feet.

Shop Building – 1,967 ft<sup>2</sup>

- Wood frame with corrugated steel panel siding
- Concrete foundation
- Two overhead bay doors
- Large workshop section with 22' clear height
- Bathroom, boot room and laundry room
- Mezzanine level with small office and secondary bathroom

Mink Barns (4) – 62,008 ft<sup>2</sup>

- 12 ft clearing height
- 15,502 ft<sup>2</sup> per barn
- Wood frame, corrugated steel panel cladding and dirt floors
- Overhead bay door
- 6,500 breeder cages on site. All of these cages will pass the upcoming changes to cage size regulations.

Exhibit B - Supporting Pictures and Property online printouts

\*Estimated amounts are based on company records at the time of the initial filing. Exact payout amounts will be determined via a Claims Bar Process.

### **Jonathan Mullen Mink Ranch Limited - Unencumbered**

---

PID(s): 30146500, 30358329, 30358410, 30358402, and 30146070

Description of property:

Approximately 23 acres of woodland, swamp, and other undeveloped land.

Exhibit C - Property online printouts

**Exhibit A: 241-243 Riverdale Road, Riverdale, Nova Scotia**





Front view of residence



Rear view of residence



Garage adjacent to residence



View along driveway between residence and mink barns



End view of single isle mink barns



Interior view of single isle mink barn



End view of three isle mink barns



Interior view of four isle mink barn





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## Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30344576</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	19.0 ACRE(S)	<b>Parcel Access</b>		<b>Manag. Unit</b>	MU9914
<b>Lot</b>	LOT 1	<b>Created</b>	Jan 11, 2005 03:33:00PM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Jan 11, 2005 03:33:00PM		

Location	County	Primary Location	Source
RIVERDALE ROAD RIVERDALE	DIGBY COUNTY	Yes	Assigned by Municipality
241 RIVERDALE ROAD RIVERDALE	DIGBY COUNTY	No	Assigned by Municipality
243 RIVERDALE ROAD RIVERDALE	DIGBY COUNTY	No	Assigned by Municipality

### Comments

Lot 1 595/230  
 MAP:1044300065800  
 MAP:1044350065800

Assessment Account	Value	Tax District	Tax Ward	Tax Sub
<b>01756168</b>	\$122,900 (2017 RESIDENTIAL TAXABLE)			
	\$3,600 (2017 RESOURCE FOREST)	050	000	
	\$394,100 (2017 RESOURCE TAXABLE)			

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### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
VICTORY FARMS INCORPORATED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA BOW 3T0	DEED	2005	<b>81197577</b>	<a href="#">View Doc</a>	Jan 11, 2005	No

### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

**Benefits to the Registered Interests**

Benefit Details Interest Holder Type Type Year Doc # Book/Page/Plan Registration Date

No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
NSPI	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)		EASEMENT/RIGHT OF WAY	2005	81221724 View Doc		Jan 14, 2005

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the Land Registration Act**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
NOVA SCOTIA FARM LOAN BOARD	MORTGAGEE	POST OFFICE BOX 550 TRURO NS CA B2N 5E3	MORTGAGE	2012	100292441 View Form View Doc		Mar 16, 2012
NOVA SCOTIA FARM LOAN BOARD	MORTGAGEE	POST OFFICE BOX 550 TRURO NS CA B2N 5E3	MORTGAGE	2011	98076855 View Form View Doc		Apr 05, 2011

**Parcel Description**

ALL those certain lot, piece or parcel of land situate, lying and being at Riverdale, in the county of Digby and lying on the Northerly side of the Riverdale Road and being more particularly bounded and described as follows:

BEGINNING at the point where the east line of lands of Lewis Larry Sabine and Lorraine Ida Sabine intersects the north road limit of the Riverdale Road, aforesaid;

THENCE travelling in a northerly direction a distance of one thousand one hundred (1100) feet, more

or less, along the east line of lands of Lewis Larry Sabine and Lorraine Ida Sabine to the south boundary of the lands of Jason Mullen Mink Ranch Limited;

THENCE turning and running in a generally easterly direction a distance of six hundred eighty (680) feet along the southern limit of the lands of Jason Mullen Mink Ranch Limited to the western boundary of a private roadway travelling generally on a north-south axis from Riverdale Road to and beyond the southern limits of the lands of Jason Mullen Mink Ranch Limited , aforesaid;

THENCE following the various courses of the private roadway in a generally southerly direction a distance of one thousand one hundred fifty (1,150) feet to the north road limit of Riverdale Road;

THENCE turning and running in a generally westerly direction along the North limits of Riverdale Road to the east line of lands of Lewis Larry Sabine and Lorraine Ida Sabine at the POINT OF BEGINNING.

CONTAINING nineteen (19) acres, more or less.

BEING AND INTENDED TO BE a portion of lands conveyed to Jason Mullen Mink Ranch Limited by Vernon S. and Irma Goudey by Deed dated August 30, 2001 and recorded at the Registry of Deeds Office at Weymouth, Nova Scotia on August 31, 2001 in Book 595 at Page 230 as Document No. 1766.

RESERVING, HOWEVER, unto the Grantor a right of way, for all purposes, over an existing roadway leading from the Riverdale Road to lands reserved to Jason Mullen Mink Ranch Limited, which roadway passes over the most Easterly portion of the lands herein conveyed.

\*\*\* Municipal Government Act, Part IX Compliance \*\*\*

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: DIGBY COUNTY  
 Registration Year: 2015  
 Plan or Document Number: 107653074

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<b>107653074</b> View Doc	2015	INSTRUMENT OF SUBDIVISION		LAND REGISTRATION	Aug 24, 2015
Document	<b>103740636</b> View Doc	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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*No Non Enabling Plans Found*

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
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No AFR Bundles Found

### Parcel Relationships

Related PID

30217723

30217723

Type of Relationship

PARENT PARCEL NUMBER

CONSOLIDATED - NOT RELATED TO

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- [Parcel Archive View](#)
- [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)

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**Exhibit B: Middle Cross Road, Roxville, Nova Scotia**





Front view of office/shop building



Rear view of office/shop building



View of entrances for mink barns

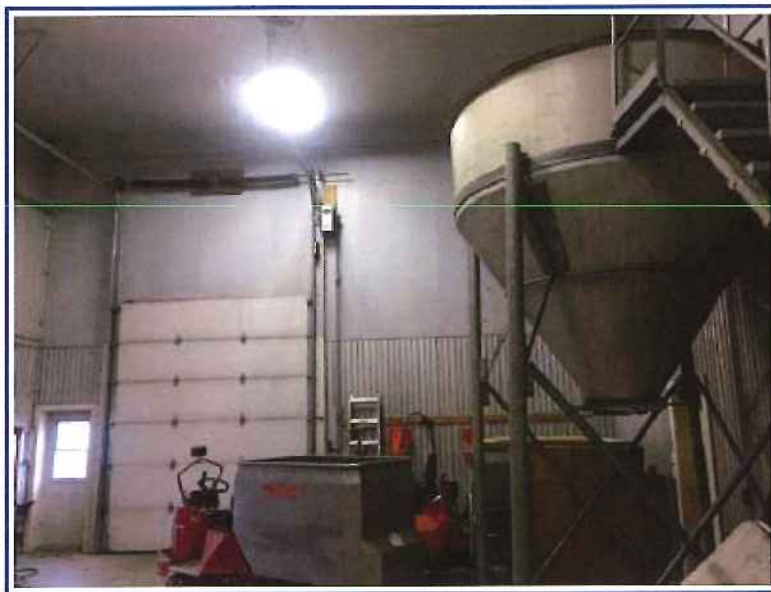


View along side wall of mink barn





Interior view of typical mink barn



Interior view of shop area



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### Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30145965</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	75.17 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Nov 19, 2008 03:38:47PM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 29, 2008 01:44:54PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
569 MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Assigned by Municipality

**Comments**

MAP:0544575065800  
MAP:0544575065850  
MAP:1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>04214056</b>	\$12,600 (2017 RESOURCE FOREST) \$540,100 (2017 RESOURCE TAXABLE)	020	000	

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**Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA B0W 3T0	DEED	2009	<b>94251072</b>		Sep 11, 2009	No
					<a href="#">View Form</a> <a href="#">View Doc</a>			

**Farm Loan Board - Occupants & Mailing Addresses**

Name	Interest Holder Type	Mailing Address
------	----------------------	-----------------

No Records Found

**Benefits to the Registered Interests**

Benefit Details Interest Holder Type Type Year Doc # Book/Page/Plan Registration Date

No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
BELL ALIANT REGIONAL COMMUNICATIONS INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	1505 BARRINGTON STREET HALIFAX NS CA B3J 2W3	EASEMENT/RIGHT OF WAY	2010	<b>97203419</b> View Doc		Nov 15, 2010
NOVA SCOTIA POWER INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	POST OFFICE BOX 910 HALIFAX NS CA B3J 2W5	EASEMENT/RIGHT OF WAY	2010	<b>96318176</b> View Doc		Jul 09, 2010

**Textual Qualifications on Title**

**Qualifications Text**

By a transfer effective as of July 1, 2015, Bell Aliant Regional Communications Inc. transferred all of its assets, including its rights to all easements, licenses and other real property interests, to Bell Canada. An assignment of these real property interests has been recorded in the consolidated index (the grantor-grantee index) for each county in Nova Scotia. The current interest holder is the Bell Telephone Company of Canada or Bell Canada. The mailing address for service can be found on the Nova Scotia Registry of Joint Stock Companies.

**Tenants in Common not registered pursuant to the Land Registration Act**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
FARM CREDIT CANADA	MORTGAGEE	1133 ST. GEORGE BLVD SUITE 200 MONCTON NB CA E1E 4E1	MORTGAGE	2010	<b>96917175</b> View Form View Doc		Oct 01, 2010

**Parcel Description**

ALL that certain lot, piece or parcel of land situate, lying and being at Marshalltown at the head of Saint Marys Bay and being more particularly bounded and described as follows:

Southwesterly by the Northeastern side of Morehouse Island, so-called;

Northwestwardly by lands owned by John Hendersons heirs;

Northwestwardly by lands formerly owned by John Small; and  
 Southeastwardly by lands formerly owned by James Mansfield.  
 Containing by estimation 50 acres more or less.

Being the same lands and premises are were conveyed to Benjamin Seeley by Indenture dated April 21st, 1932 and by Indenture dated October 28th, 1920 and recorded at the Registry of Deeds office in Weymouth on April 20, 1932. Said property being conveyed by C. F. Dunn.

Save and Except that portion of the lot on north of the Middle Cross Road.

Further Saving and Excepting the Middle Cross Road.

SUBJECT TO an Easement/Right of Way in favour of Nova Scotia Power Inc. as conveyed in a document registered at the Digby County Land Registration Office on July 9, 2010 as Document No. 96318176.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<a href="#">103740545</a> View Doc	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
<i>No Non Enabling Plans Found</i>						

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
<i>No AFR Bundles Found</i>					

**Parcel Relationships**

Related PID	Type of Relationship
<i>No Related PIDs Found</i>	

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Map View

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

<a href="#">Boundary/Area Problem</a>	<a href="#">General Problem</a>	<a href="#">Municipal Tax Query</a>
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## Land Registration View

\* Indicates Interests inherited on subdivison or re-configuration of parcel

<b>PID</b>	<b>30145973</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	75.08 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Mar 18, 2008 10:05:18AM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 31, 2008 01:07:41PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Not Assigned by Municipality

### Comments

0544575065800  
0544575065850  
1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>04214129</b>	\$44,000 (2017 RESOURCE FARM) \$5,900 (2017 RESOURCE FOREST)	020	000	

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### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA B0W 3T0	DEED	2009	<b>94251072</b>	<a href="#">View Form</a> <a href="#">View Doc</a>	Sep 11, 2009	No

### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

### Benefits to the Registered Interests

Benefit Details	Interest Holder	Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------	-----------------	------	------	------	-------	----------------	-------------------

No Records Found

### Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
NOVA SCOTIA POWER INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	POST OFFICE BOX 910 HALIFAX NS CA B3J 2W5	EASEMENT/RIGHT OF WAY	2010	96318176 View Doc		Jul 09, 2010

### Textual Qualifications on Title

Qualifications Text

### Tenants in Common not registered pursuant to the Land Registration Act

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

### Recorded Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
FARM CREDIT CANADA	MORTGAGEE	1133 ST. GEORGE BLVD SUITE 200 MONCTON NB CA E1E 4E1	MORTGAGE	2010	96917175 View Form View Doc		Oct 01, 2010

### Parcel Description

ALL that certain lot, piece or parcel of land situate, lying and being at Marshalltown, in the County of Digby and Province of Nova Scotia and on the west side of the middle Cross Road leading from the Digby to Yarmouth highway, to the Digby Neck Road and bounded and described as follows:

Being a certain piece of upland bounded on the South and West by the Marsh;

Bound on the East by the aforesaid Cross Road;

Bound on the North and West by lands of the late Charles Dugas;

Being a piece of land out of the Estate of the late Benjamin Abbott.

Containing seventy-five acres more or less.

Being the same lands and premises as were conveyed to Benjamin Seeley by Indenture dated

September 19th, 1939 from Mrs. Daisy Bell Marshall and James Robert Marshall.

Save and Except that portion of the lot on north of the Middle Cross Road.

Further Saving and Excepting the Middle Cross Road.

SUBJECT TO an Easement/Right of Way In favour of Nova Scotia Power Inc. as conveyed in a document registered at the Digby County Land Registration Office on July 9, 2010 as Document No. 96318176.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<a href="#">103740545</a> View Doc	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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*No Non Enabling Plans Found*

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
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*No AFR Bundles Found*

**Parcel Relationships**

Related PID	Type of Relationship
-------------	----------------------

*No Related PIDs Found*

- [Back to Results](#)
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- [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)



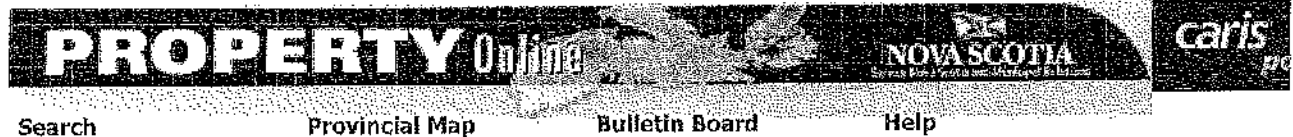
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Compression: Off



## Land Registration View

\* Indicates Interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30273817</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	65.6 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Jan 25, 1996 12:00:00AM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 29, 2008 01:51:08PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Not Assigned by Municipality

**Comments**  
0544575065800  
1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>04214021</b>	\$11,400 (2017 RESOURCE FOREST) \$7,000 (2017 RESOURCE TAXABLE)	020	000	

- [Back to Results](#)   
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 [Parcel Archive View](#)   
 [Map View](#)

### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA BOW 3T0	DEED	2009	<b>94251072</b>	View Form View Doc	Sep 11, 2009	No

### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

**Benefits to the Registered Interests**

Benefit Details	Interest Holder Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------	----------------------	------	------	-------	----------------	-------------------

No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
FARM CREDIT CANADA	MORTGAGEE	1133 ST. GEORGE BLVD SUITE 200 MONCTON NB CA E1E 4E1	MORTGAGE	2010	96917175		Oct 01, 2010
					<a href="#">View Form</a>		
					<a href="#">View Doc</a>		

**Parcel Description**

ALL that certain lot, piece or parcel of land situate, lying and being at Marshalltown in the County of Digby, Province of Nova Scotia, and bounded and described as follows;

Easterly by land of Flora Anderson;

Northerly by land now being conveyed to Benjamin Harris Seeley being referred to as Lot No. 3 herein; also being known as the C. F. Dunn Lot.

Southerly by land of Fred Ryan; and

Westerly by the Morehouse Island, so called.

Reserving thereout the cross-road connecting the Digby Nect Highway and the main Halifax-Yarmouth highway and containing forty (40) acres more or less.

Being the same lands and premises as were conveyed to Benjamin Seeley by Indenture dated August 21st, 1961 from Lillian Joseph.

Save and Except that portion of the lot on north of the Middle Cross Road.

Further Saving and Excepting the Middle Cross Road.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<b>103740545</b>	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013
	<a href="#">View Doc</a>					

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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*No Non Enabling Plans Found*

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
-----------	---------	------	------	------------------	-----------------

*No AFR Bundles Found*

**Parcel Relationships**

Related PID	Type of Relationship
-------------	----------------------

*No Related PIDs Found*

- [Back to Results](#)
- [Details View](#)
- [Parcel Archive View](#)
- [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)

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**Exhibit C: Unencumbered**



Search Provincial Map Bulletin Board Help

### Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30146070</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	11.43 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Sep 10, 2013 09:35:23AM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 29, 2008 01:42:23PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
283 MIDDLE CROSS ROAD MARSHALLTOWN	DIGBY COUNTY	Yes	Assigned by Municipality

**Comments**

MAP:0544575065800  
MAP:1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>04214072</b>	\$500 (2017 RESOURCE FOREST) \$7,000 (2017 RESOURCE TAXABLE)	020	000	

[Back to Results](#)
[Details View](#)
[Parcel Archive View](#)
[Map View](#)

**Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA BOW ST0	DEED	2009	94251072		Sep 11, 2009	No
						View Form View Doc		

**Farm Loan Board - Occupants & Mailing Addresses**

<b>Name</b>	<b>Interest Holder Type</b>	<b>Mailing Address</b>
-------------	-----------------------------	------------------------

No Records Found

**Benefits to the Registered Interests**

Benefit Details Interest Holder Type Type Year Doc # Book/Page/Plan Registration Date

No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier) Interest Holder Type Mailing Address Type Year Doc # Book/Page/Plan Registration Date

						<b>314</b>	
VARIOUS PTDS	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	UNKNOWN NS CA	DEED	1966	<input type="checkbox"/> View Doc	Book 220 Page 211	Apr 12, 1966

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier) Interest Holder Type Mailing Address Type Year Doc # Book/Page/Plan Registration Date

No Records Found

**Recorded Interests**

Interest Holder (Qualifier) Interest Holder Type Mailing Address Type Year Doc # Book/Page/Plan Registration Date

No Records Found

**Parcel Description**

ALL that certain lot, piece or parcel of land situate, lying and being at Marshalltown, being on the Western side of the crossroad leading from Marshalltown to Highway 217 and bring more particularly bounded and described as follows:

On the North and West by land now or formerly of Stephen Marshall;

On the South by land now or formerly of Thomas Abbott; and

On the East by the crossroad referred to above.

Reserving thereout, however, a right-of-way crossing the said land being used by marsh owners.

Being the first lot in an Indenture dated July 17th, 1936 from Mary Holmes to Benjamin Seeley and being referred to as Lot No. 1.

Subject to a Right of Way in favor of various marsh land owners more particularly described in a Deed from the heirs of Annie and Whitfield Holmes to Benjamin Seeley dated the 12th day of September, 1935 and recorded in the Registry of Deeds for Digby County on April 12, 1966 in book 220 at Page 211 as Document number 314.



The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<a href="#">103740545</a> View Doc	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
<i>No Non Enabling Plans Found</i>						

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
<i>No AFR Bundles Found</i>					

**Parcel Relationships**

Related PID	Type of Relationship
<i>No Related PIDs Found</i>	

- [Back to Results](#)
- [Details View](#)
- [Parcel Archive View](#)
- [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

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- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)

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## Land Registration View

\* Indicates Interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30146500</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	2.88 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Sep 10, 2013 09:35:42AM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 29, 2008 01:53:33PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
SOUTH MARSH ROAD BRIGHTON	DIGBY COUNTY	Yes	Not Assigned by Municipality

### Comments

LOC:NORTH OF  
MAP:0544575065800  
MAP:1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>04214102</b>	\$200 (2017 RESOURCE FARM)	020	000	

[Back to Results](#)    [Details View](#)    [Parcel Archive View](#)    [Map View](#)

### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA B0W 3T0	DEED	2009	<b>94251072</b>	View Form View Doc	Sep 11, 2009	No

### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

**Benefits to the Registered Interests**

Benefit Details	Interest Holder	Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Parcel Description**

ALL that certain lot, piece or parcel of marshland situate, lying and being at the Head of St. Marys Bay in the County of Digby and known as the duck pond and bounded as follows:

On the East by land now or formerly of Capt. John Ryan;

On the South by lands now or formerly of Harry Marshall;

On the West by a stake and on the North by lands now or formerly of Berton Mansfield.


Contains by estimation five acres more or less.

Being the same lands and premises as were conveyed to Benjamin Seeley by Indenture dated September 29th, 1915 from Hanford Johns.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst	Type	Inst No	Year	Type	Book/Page
------	------	---------	------	------	-----------

Document <b>103740545</b>  View Doc 2013	CHANGE OF ADDRESS RE LR PARCEL	Registration System LAND REGISTRATION	Registration Date Sep 09, 2013
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**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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*No Non Enabling Plans Found*

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
-----------	---------	------	------	------------------	-----------------

*No AFR Bundles Found*

**Parcel Relationships**

Related PID	Type of Relationship
-------------	----------------------

*No Related PIDs Found*

<a href="#">Back to Results</a>	<a href="#">Details View</a>	<a href="#">Parcel Archive View</a>	<a href="#">Map View</a>
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<a href="#">Boundary/Area Problem</a>	<a href="#">General Problem</a>	<a href="#">Municipal Tax Query</a>
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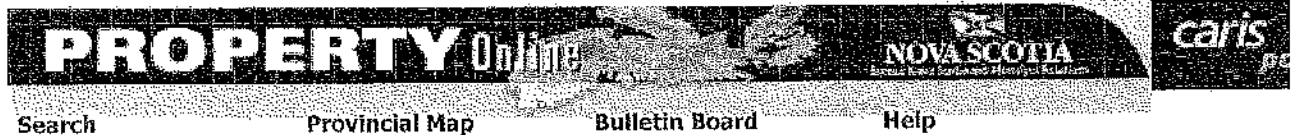
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## Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>30358329</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	2.77 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Nov 19, 2008 03:31:38PM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Dec 29, 2008 01:55:12PM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Not Assigned by Municipality

### Comments

MAP:0544575065800  
 MAP:0544575065850  
 MAP:1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>10182093</b>	\$500 (2017 RESOURCE FOREST)	020	000	

- |                                 |                              |                                     |                          |
|---------------------------------|------------------------------|-------------------------------------|--------------------------|
| <a href="#">Back to Results</a> | <a href="#">Details View</a> | <a href="#">Parcel Archive View</a> | <a href="#">Map View</a> |
|---------------------------------|------------------------------|-------------------------------------|--------------------------|

### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA B0W 3T0	DEED	2009	<b>94251072</b>	<a href="#">View Form</a> <a href="#">View Doc</a>	Sep 11, 2009	No

### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

**Benefits to the Registered Interests**

Benefit Details	Interest Holder	Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Parcel Description**

ALL that certain lot, piece or parcel of land situate, lying and being at Marshalltown at the head of Saint Marys Bay and being more particularly bounded and described as follows:

Southwesterly by the Northeastern side of Morehouse Island, so-called;

Northwestwardly by lands owned by John Hendersons heirs;

Northwestwardly by lands formerly owned by John Small; and

Southeastwardly by lands formerly owned by James Mansfield.

Containing by estimation 50 acres more or less.

Being the same lands and premises are were conveyed to Benjamin Seeley by Indenture dated April 21st, 1932 and by Indenture dated October 28th, 1920 and recorded at the Registry of Deeds office in Weymouth on April 20, 1932. Said property being conveyed by C. F. Dunn.

Save and Except that portion of the lot on south of the Middle Cross Road.

Further Saving and Excepting the Middle Cross Road.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<b>103740545</b> View Doc	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
<i>No Non Enabling Plans Found</i>						

**AFR Bundles**

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
<i>No AFR Bundles Found</i>					

**Parcel Relationships**

Related PID	Type of Relationship
<i>No Related PIDs Found</i>	

- [Back to Results](#)
- [Details View](#)
- [Parcel Archive View](#)
- [Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

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- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)

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### Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

PID	<b>30358402</b>	Parcel Type	STANDARD PARCEL	Status	ACTIVE
Area	0.6 ACRE(S)	Parcel Access	PUBLIC	Manag. Unit	MU0602
Lot		Created	Nov 28, 2008 09:56:47AM		
PDCA Status	APPROVED	Municipal Unit	MUNICIPALITY OF THE DISTRICT OF DIGBY	Manner of Tenure	NOT APPLICABLE
LR Status	LAND REGISTRATION	LR Date	Dec 29, 2008 01:56:21PM		

Location	County	Primary Location	Source
MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Not Assigned by Municipality

#### Comments

0544575065800  
1044550065800

Assessment Account	Value	Tax District	Tax Ward	Tax Sub
<b>10185416</b>	\$100 (2017 RESOURCE FOREST)	020	000	

[Back to Results](#)
[Details View](#)
[Parcel Archive View](#)
[Map View](#)

#### Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE	POST OFFICE BOX 40 WEYMOUTH NS CA B0W 3T0	DEED	2009	<b>94251072</b>	View Form View Doc	Sep 11, 2009	No

#### Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

#### Benefits to the Registered Interests



**Benefit Details Interest Holder Type Type Year Doc # Book/Page/Plan Registration Date**

No Records Found

**Burdens on the Registered Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Textual Qualifications on Title**

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

**Parcel Description**

ALL that certain lot, piece or parcel of land situate, lying and being at Marshelltown in the County of Digby, Province of Nova Scotia, and bounded and described as follows:

Easterly by land of Flora Anderson;

Northerly by land now being conveyed to Benjamin Harris Seeley being referred to as Lot No. 3 herein; also being known as the C. F. Dunn Lot.

Southerly by land of Fred Ryan; and

Westerly by the Morehouse Island, so called.

Reserving thereout the cross-road connecting the Digby Nect Highway and the main Halifax-Yarmouth highway and containing forty (40) acres more or less.

Being the same lands and premises as were conveyed to Benjamin Seeley by Indenture dated August 21st, 1961 from Lillian Joseph.

Save and Except that portion of the lot on south of the Middle Cross Road.

The parcel was created by a subdivision that predates subdivision control or planning legislation or by-laws in the municipality and therefore no subdivision approval was required for creation of this parcel.

### Non-Enabling Documents

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<b>103740545</b>	2013	CHANGE OF ADDRESS RE LR PARCEL		LAND REGISTRATION	Sep 09, 2013

[View Doc](#)

### Non-Enabling Plans

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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*No Non Enabling Plans Found*

### AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
-----------	---------	------	------	------------------	-----------------

*No AFR Bundles Found*

### Parcel Relationships

Related PID	Type of Relationship
-------------	----------------------

*No Related PIDs Found*

- [Back to Results](#)
- [Details View](#)
- [Parcel Archive View](#)
- [Map View](#)

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- [Boundary/Area Problem](#)
- [General Problem](#)
- [Municipal Tax Query](#)

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### Property Details

<b>PID</b>	<b>30358410</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	5.0 ACRE(S)	<b>Parcel Access</b>		<b>Manag. Unit</b>	MU0602
<b>Lot</b>		<b>Created</b>	Nov 28, 2008 11:34:23AM		
<b>PDCA Status</b>	No Description	<b>Municipal Unit</b>	MUNICIPALITY OF THE DISTRICT OF DIGBY	<b>Manner of Tenure</b>	NOT APPLICABLE

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
MIDDLE CROSS ROAD ROXVILLE	DIGBY COUNTY	Yes	Not Assigned by Municipality

**Comments**

0544575065800  
 0544575065850  
 1044550065800

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>10185483</b>	\$1,700 (2017 RESOURCE FARM)	020	000	

[View All Related PIDs History](#)
[Back to Results](#)
[Map View](#)

<b>Owner Name</b>	<b>Interest Holder Type</b>	<b>Qualifier</b>	<b>Province</b>	<b>Country</b>
JONATHAN MULLEN MINK RANCH LIMITED	FEE SIMPLE			

Inst Type	Inst No	Year Type	Book/Page	Registration System	Registration Date
	<b>93374594</b>				
Document	View Form	2009 DEED		REGISTRY OF DEEDS	May 19, 2009
	View Doc				
	<b>1</b>				
Document	View Doc	1988 DEED	Book 435 Page 370	REGISTRY OF DEEDS	Jan 04, 1988
	<b>4982</b>				
Document	View Doc	1987 WILL/GRANT OF PROBATE	Book 429 Page 734	REGISTRY OF DEEDS	Aug 01, 1987
Document		1974 DEED	Book 281 Page 242	REGISTRY OF DEEDS	Jan 01, 1974

939

 View Doc

Inst Type	Inst No	Year Type	Plan Name	Drawer Number	Registration Date
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No Plans Found

Inst Type	Inst No	Year Type	Plan Name	Filing Reference	Instrument Date
Non-Registered	226784	2008	REQUEST FOR PID ASSIGNMENT		Nov 28, 2008

**Parcel Relationships**

Related PID

Type of Relationship

No Related PIDs Found

<a href="#">View All Related PIDs History</a>	<a href="#">Back to Results</a>	<a href="#">Map View</a>
-----------------------------------------------	---------------------------------	--------------------------

Non-Land Registration parcels ARE NOT REGISTERED PURSUANT TO THE *Land Registration Act*. As such, ownership and all information in this report is believed to be an accurate reflection of registered documents affecting the parcel of land to which it relates, however, it is not intended to be relied upon by the reader as advice on the current state of any title to land. A search of the records at the appropriate Registry of Deeds office may be required to determine the current owner (s) of the parcel of land under consideration. THESE ARE NOT OFFICIAL RECORDS.

Land Registration parcels ARE REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

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<a href="#">Boundary/Area Problem</a>	<a href="#">Owner Problem</a>	<a href="#">General Problem</a>	<a href="#">Municipal Tax Query</a>
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THIS QUIT CLAIM DEED made this 15<sup>th</sup> day of May, 2009.

BETWEEN:

ELIZABETH GERTRUDE McPHEE formerly known as ELIZABETH GERTRUDE SEELEY

(hereinafter called the "Grantor")  
OF THE ONE PART

-and-

JONATHAN MULLEN MINK RANCH LIMITED of Digby County, Nova Scotia;

(hereinafter called the "Grantee")  
OF THE OTHER PART

WITNESSETH THAT FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) paid by the Grantee to the Grantor, the Grantor hereby forever quits claim to the Grantee ALL that lot of land situate more particularly bounded and described in the Schedule "A" and hereunder attached;

IN THIS QUIT CLAIM DEED the singular includes the plural and the masculine includes the feminine with the intent that this Quit Claim Deed shall be read with all appropriate changes of number and gender.

IN WITNESS WHEREOF the said Grantor has properly executed These Presents this day and year first above written.

SIGNED, SEALED AND DELIVERED )  
-in the presence of- )  
Brian Watts )

Elizabeth Gertrude McPhee  
ELIZABETH GERTRUDE McPHEE

PROVINCE OF NOVA SCOTIA )  
COUNTY OF KINGS )

I CERTIFY that on this 15<sup>th</sup> day of May, A.D., 2009, ELIZABETH GERTRUDE McPHEE, one of the Parties mentioned in the foregoing and annexed Indenture, signed and executed the said Indenture in my presence and I have signed as a witness to such execution.

Bill Watts  
A COMMISSIONER OF THE SUPREME COURT  
OF NOVA SCOTIA

CANADA  
PROVINCE OF NOVA SCOTIA  
COUNTY OF KINGS

W. W. WATTS  
A Barrister of the  
Supreme Court of Nova Scotia

AFFIDAVIT OF SPOUSAL STATUS

I, ELIZABETH GERTRUDE McPHEE, make oath and say as follows:

1. THAT I acknowledge that I executed the foregoing instrument under seal on the date of this affidavit.
2. THAT this acknowledgment is made pursuant to s.79(1)(a) of the Land Registration Act, (Nova Scotia) and the Registry Act R.S.N.S. 1989, c.392 for the purpose of registering this instrument.
3. THAT I am nineteen years of age and are residents of Canada under the Income tax Act (Canada).
4. (A) THAT for the purpose of this my affidavit, "spouse" means either a man or woman who :
  - (i) are married to each other;
  - (ii) are married to each other by marriage that is voidable and has not been annulled by a declaration of nullity;
  - (iii) have gone through a form of marriage with each other in good faith, that is void and are cohabitating or have cohabited within the preceding year.
 (B) THAT for the purpose of this my affidavit, "spouse" includes an individual who is a party to a registered domestic partner declaration made in accordance with Section 53 of the Vital Statistics Act but does not include a former domestic partner.
5. That Wayne McPhee is my spouse, however, this land and property has never been occupied as a matrimonial home and further, we do not have:
  - (i) any former domestic partner with rights contemplated by section 55 of the Vital Statistics Act, or
  - (ii) any former spouse with rights under the Matrimonial Property Act.
6. That the sale of the property in Schedule "A" attached hereto constitutes and exempt supply pursuant to Part I of Schedule V of the Excise tax Act.

SWORN TO Jointly and Severally, )  
at Kentville, in the County of Kings )  
and Province of Nova Scotia, this )  
15<sup>th</sup> day of May, 2009, )  
before me: )  
Bill Watts )  
W.W.(Bill) Watts )  
A Barrister of the Supreme Court of Nova Scotia )

Elizabeth Gertrude McPhee  
ELIZABETH GERTRUDE McPHEE

W. W. WATTS  
A Barrister of the  
Supreme Court of Nova Scotia

SCHEDULE 'A'

LOT NO. 8

ALL that certain lot, piece or parcel of land situate, lying and being in Marshalltown, in the County of Digby and Province of Nova Scotia and on the West side of the Middle Cross Road leading from the Digby to Yarmouth Highway, to the Digby Neck Road and bounded and described as follows:

BEING a certain piece of upland bounded on the South and West by the Marsh;

ON the East by the aforesaid Cross Road;

ON the North and West by lands of the late Charles Dugas and being a piece of land out of the Estate of the late Benjamin Abbott,

CONTAINING five acres, more or less.

BEING the same lands and premises as were conveyed to Benjamin Seeley by Indenture dated September 19, 1939 from Mrs. Daisy Bell Marshall and James Robert Marshall.

BEING AND INTENDED TO BE the same eight (8) lots as conveyed by Deed from Mrs. Annie Seeley, widow, by Deed dated April 1, 1974 to Benjamin Harris Seeley and recorded on April 2, 1974 in the Registry of Deeds Office in Weymouth, Nova Scotia in Book 261 at Page 242.

**APPENDIX C: EMPLOYEE LISTING**



**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")  
Employee Listing**

The following document summarizes the employees currently employed by the Applicants. Staffing levels fluctuate throughout the year and additional part time employees are employed on an as needed basis. All employees excluding principles are paid on an hourly basis, vacation pay is paid weekly and no employer paid benefits are available.

<b>Victory Farms Incorporated</b>		
<b>Title</b>	<b>Rate</b>	<b>Full Time/Part Time</b>
Principle	\$671/week	Full Time
Principle	\$671/week	Full Time
Manager – Shetty Leased Ranch	\$18/hr	Full Time
Manager – Maynard Mullen Leased Ranch	\$20/hr	Full Time
Manager – Riverdale Road Ranch	\$18/hr	Full Time
Office Administration	\$20/hr	Full Time
Farm Hand	\$17/hr	Full Time
Farm Hand	\$14/hr	Full Time
Farm Hand	\$14/hr	Part Time
Farm Hand	\$18/hr	Part Time
Farm Hand	\$13/hr	Part Time
Farm Hand	\$13/hr	Part Time
Farm Hand	\$15/hr	Part Time
Farm Hand	\$15/hr	Part Time
Farm Hand	\$14/hr	Part Time
Farm Hand	\$14.5/hr	Part Time

<b>Jonathan Mullen Mink Ranch</b>		
<b>Title</b>	<b>Rate</b>	<b>Full Time/Part Time</b>
Manager – Middle Cross Road Ranch	\$20/hr	Full Time
Farm Hand	\$14/hr	Part Time
Farm Hand	\$15/hr	Part Time

**APPENDIX D: FINANCIAL STATEMENTS OF THE APPLICANTS**

**VICTORY FARMS INCORPORATED**  
**JANUARY 2017 FINANCIAL STATEMENTS**

**Disclaimer:**

**The above statements have not been audited, reviewed or otherwise verified.**

**Victory Farms Incorporated**  
**Balance Sheet As at 01/31/2017**

**ASSET**

**Current Assets**

Chequing: 100 270 8	21,469.01	
US Funds Account 4001251	75.59	
AgrilInvest Acct#100-401-9	580.08	
<b>Total Cash</b>		<b>22,124.68</b>
340 Co-op - Equity		939.20
Cash Surrender Value of Life Insura		48,964.19
Accounts Receivable	95,292.01	
Accrued receivables	447,135.57	
Lease: Tractors - Advance Payments	3,000.00	
<b>Total Receivable</b>		<b>545,427.58</b>
Prepaid Expenses		10,284.90
Investment Tax Credit Receivable		34,547.65
U.S. Tax Withholding		16,284.41
<b>Total Current Assets</b>		<b>678,572.61</b>

**Inventory Assets**

Mink - Pelters		2,376,528.00
<b>Total Inventory Assets</b>		<b>2,376,528.00</b>

**Capital Assets**

Mink - Breeders		530,368.00
<b>New Account</b>		<b>530,368.00</b>

**Capital Assets**

Vehicles	134,521.96	
Accum. Amort.- Vehicles	-108,030.96	
<b>Net - Vehicles</b>		<b>26,491.00</b>
Investment: Jonathan Mullen Mink		853,047.14
Investment: Above & Beyond Inc		133,631.89
Trinity Farms Inc		472,788.44
Organic Management Solutions Ltd		1,947,127.34
Land		10,366.25
Providence Farms Inc		274,939.02
Farm Purchase: Shetty Fur Farm		150,000.00
Maynard Mullen Fur Farm Purchase		5,000.00
Office Furniture & Equipment	5,014.63	
Accum. Amort. -Furn. & Equip.	-3,362.76	
<b>Net - Furniture &amp; Equipment</b>		<b>1,651.87</b>
Computers		5,040.94
Accum. amort - Computers		-4,654.68

Roadway		14,499.00
Acc Dep - Roadway		-8,927.19
Ranch		91,049.23
Accum. amort - Ranch		-15,108.47
Cages	226,203.22	
Accum. Amort: Cages	-110,950.58	
New Pens	1,257,302.64	
Other	9,255.77	
Accum. Amort: New Pens	-826,801.34	
Accum. Amort: Other	-5,849.72	
New Equipment	492,084.46	
Accum. Amort. - Equipment	-346,662.02	
Net - Ranch		<u>694,582.43</u>
Home Improvement	95,017.57	
Accum. Amort. - Home	-24,153.77	
Buildings - cost	119,948.66	
Less: Accum amort - Building Cost	-44,814.82	
Net - Home		<u>145,997.64</u>
<b>Total Capital Assets</b>		<u><u>4,797,521.85</u></u>

**Other Non-Current Assets**

Capital Lease: cost		19,200.00
Less: accumulated amortization		-17,715.66
<b>Total Other Non-Current Assets</b>		<u><u>1,484.34</u></u>

**TOTAL ASSET** 8,384,474.80

**LIABILITY**

**Current Liabilities**

Account Payable	323,716.43
Accounts Payable & Accrued Expenses	502,941.51
NAFA Acct19670: Demand Rev Loan	1,250,000.00
NAFA: Acct 19668	1,000,000.00
NAFA Acct19669 Feed Advance	2,611,958.49
Scotiabank Ln520435676435/VnZ140701	16,424.46
FCC Loan448943 27085.00	5,418.93
GWL (Premium loan)	15,524.31
FCC Loan #448799:169631.25	112,372.16
AmLegeng Operating Line	5,383,035.01
ALC: Term Loan #451	500,000.00
ALC: 2015 Term Loan #412	1,400,000.00
Farm Loan Board: 750,000.00	553,360.07
NSFLB Ln#831802JR	333,503.14
Due to/from Jason Mullen Mink Ranch	16,609.27
FCCLoan - 38000.00 Trinity	10,337.51

Platinum: Jonathan Mullen	18,165.42
Platinum Business: 9966	669.53
Corporate Taxes payable	-2,037.00
Vacation payable	272.68
WCB Payable	0.02
HST Paid on Purchases	<u>-52,034.93</u>
HST Owing (Refund)	<u>-52,034.93</u>
<b>Total Current Liabilities</b>	<u>14,000,237.01</u>

**Long Term Liabilities**

Due: Jason Mullen	128,266.25
Due to 2351604 Nova Scotia Limited	522,121.48
Loans from Shareholders	-392,287.76
Deferred Government Assistance	45,681.17
Deferred Investment Tax Credit	62,619.20
Deferred Income Taxes	<u>22,175.83</u>
<b>Total Long Term Liabilities</b>	<u>388,576.17</u>

**TOTAL LIABILITY** 14,388,813.18

**EQUITY**

**Share Capital**

Capital	<u>100.00</u>
<b>Total Share Capital</b>	<u>100.00</u>

**Retained Earnings**

Retained Earnings - Previous Year	-4,498,584.53
Current Earnings	<u>-1,505,853.85</u>
<b>Total Retained Earnings</b>	<u>-6,004,438.38</u>

**TOTAL EQUITY** -6,004,338.38

**LIABILITIES AND EQUITY** 8,384,474.80

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**Victory Farms Incorporated**

Income Statement 10/01/2016 to 01/31/2017

**REVENUE****Other Revenue**

Trintiy Farms: Feed Cart (reimburse)	1,235.22
Board & Care	35,953.33
Interest Revenue	36.05
AgriStability Program	263.01
<b>Total Other Revenue</b>	<u>37,487.61</u>

**TOTAL REVENUE** 37,487.61

**EXPENSE****Cost of Goods Sold**

Pelting	23,969.25
Feed: Shetty Site:	11,935.71
Feed: Reg Mullen	10,445.22
Feed: Trintiy Project	30,999.36
Feed: Billy O'Blenis	71,734.41
Feed: Victory/Maynard	315,196.20
Feed: Marshalltown	77,934.54
Feed: Bloomfield	20,327.16
Feed: Gosson site	69,126.90
Feed: Jeff Gosson	37,901.91
Trinity: Falkland Ridge	<u>92,240.23</u>
Feed Total	737,841.64
Vaccine/Testing	2,056.45
Ranch Expense	1,932.38
Satelite Ranch: Bloomfield	20,120.39
Shetty Ranch	3,200.00
Contract Agreements	258,545.79
Bedding: Shavings/Hay/Straw	-22.50
Gas & Oil	9,031.55
Propane	300.00
Adjustment Write-off	-145.20
Freight Expense	150.45
<b>Total Cost of Sales</b>	<u>1,056,980.20</u>

**Payroll Expenses**

Wages & Salaries	191,801.29
EI Expense	3,242.85
CPP Expense	6,279.32
WCB Expense	<u>4,709.63</u>

<b>Total Payroll Expense</b>	<u>206,033.09</u>
------------------------------	-------------------

**General & Administrative Expenses**

New Holland Lease Expense: tractor	3,987.08
Accounting & Legal	190,231.49
Fees/Registratons	702.55
Credit Card Charges	1,485.52
Insurance	49,189.77
Interest & Bank Charges	13,750.36
Office Supplies	794.29
Property Maintenance	487.65
Tools (under \$500.)	654.00
Machinery Repair & Maintenance	3,800.28
Vehicle Repair/Maintenance	3,088.94
Building Repair & Maintenance	4,611.70
Telephone	1,517.88
Utilities	6,026.66
<b>Total General &amp; Admin. Expenses</b>	<u>280,328.17</u>

<b>TOTAL EXPENSE</b>	<u>1,543,341.46</u>
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<b>NET INCOME</b>	<u><u>-1,505,853.85</u></u>
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Generated On: 03/03/2017



**VICTORY FARMS INCORPORATED**  
**FINANCIAL STATEMENTS**  
**(Unaudited - See Notice To Reader)**  
**SEPTEMBER 30, 2016**

**VICTORY FARMS INCORPORATED**

**SEPTEMBER 30, 2016**

**CONTENTS**

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Statement of Loss and (Deficit) Retained Earnings	3
Statement of Cash Flows	4
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**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of VICTORY FARMS INCORPORATED as at September 30, 2016 and the statements of loss and (deficit) retained earnings and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

New Minas, N.S.  
January 20, 2017



CONROY INVESTMENTS LIMITED

**VICTORY FARMS INCORPORATED**

**BALANCE SHEET**

(Unaudited - See Notice To Reader)

**AS AT SEPTEMBER 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 159,313	\$ 818
Accounts receivable	138,032	221,431
Accrued AgriStability payment (Note 10)	447,136	1,957,625
Inventory of mink (Note 1(a))	2,376,528	1,911,553
Prepaid expenses	23,425	26,041
Income taxes recoverable	<u>2,037</u>	<u>3,016</u>
	3,146,471	4,120,484
DUE FROM SHAREHOLDER	382,443	209,414
DEPOSITS RECEIVABLE	155,000	105,000
REFUNDABLE INVESTMENT TAX CREDIT	34,548	32,805
INCOME TAXES RECOVERABLE	16,284	16,284
EQUITY IN 340 RANCHERS CO-OPERATIVE	939	939
INVESTMENT IN AMERICAN LEGEND CO-OPERATIVE	-	30,715
DUE FROM RELATED PARTIES (Note 8)	3,864,727	3,688,419
MINK BREEDING STOCK (Note 1(a))	530,368	890,898
CASH SURRENDER VALUE OF LIFE INSURANCE	48,964	31,630
PROPERTY AND EQUIPMENT (Note 3)	<u>962,471</u>	<u>1,035,317</u>
	<u>\$ 9,142,215</u>	<u>\$ 10,161,905</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 4)	\$ 11,166,664	\$ 10,370,049
Accounts payable and accrued liabilities	629,623	1,219,777
Current portion of long term debt	<u>125,902</u>	<u>116,559</u>
	11,922,189	11,706,385
LONG TERM DEBT (Note 5)	921,038	1,014,089
DUE TO RELATED PARTIES (Note 8)	666,996	666,996
FUTURE INCOME TAXES LIABILITY (Note 2)	22,176	17,050
DEFERRED GOVERNMENT ASSISTANCE	45,681	50,757
DEFERRED INVESTMENT TAX CREDIT	<u>62,619</u>	<u>66,775</u>
	<u>13,640,699</u>	<u>13,522,052</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (Note 6)	100	100
DEFICIT	<u>(4,498,584)</u>	<u>(3,360,247)</u>
	<u>(4,498,484)</u>	<u>(3,360,147)</u>
	<u>\$ 9,142,215</u>	<u>\$ 10,161,905</u>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Director

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**STATEMENT OF LOSS AND (DEFICIT) RETAINED EARNINGS**

(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Contract revenue	\$ 68,407	\$ 493,738
Mink and pelts sold	3,012,729	4,670,596
Other income (Note 7)	<u>1,204,098</u>	<u>1,169,187</u>
	<u>4,285,234</u>	<u>6,333,521</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and legal	150,319	18,132
Amortization	109,443	124,861
Bad debts	-	152,000
Bank charges and short term interest	623,878	680,630
Contracted mink care	3,925	33,297
Custom pelting	457,656	513,275
Donations	400	400
Feed costs	1,795,409	2,558,556
Gas, oil and grease	107,203	119,196
Insurance (including life insurance)	91,318	90,657
Interest on long term debt	51,817	61,562
Lease expense	11,961	11,961
Lights	46,540	52,857
Membership dues, fees and commissions	179,728	301,814
Mink purchased including freight	63,910	105,451
Miscellaneous	2,620	2,613
Office supplies	2,218	2,535
Property taxes	7,490	7,450
Ranch supplies and vaccines	222,360	351,072
Rental - cages & ranch	25,000	60,000
Repairs and maintenance	29,124	101,402
Telephone	4,650	5,781
Travel, entertainment and meals	4,000	3,940
Wages and benefits	<u>1,534,859</u>	<u>1,585,301</u>
	5,525,828	6,944,743
<b>LOSS BEFORE INVENTORY ADJUSTMENT</b>	<b>(1,240,594)</b>	<b>(611,222)</b>
INCREASE (DECREASE) IN INVENTORY FOR SALE	464,975	(2,541,273)
(DECREASE) IN BREEDING HERD DEVELOPMENT COSTS	<u>(360,531)</u>	<u>(82,847)</u>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(1,136,150)</b>	<b>(3,235,342)</b>
<b>INCOME TAXES (RECOVERED) (Note 9)</b>	<u>2,187</u>	<u>(50,354)</u>
<b>NET LOSS</b>	<b>(1,138,337)</b>	<b>(3,184,988)</b>
<b>(DEFICIT) RETAINED EARNINGS, beginning of year</b>	<b>(3,360,247)</b>	<b>49,741</b>
<b>DIVIDENDS PAID</b>	<u>-</u>	<u>225,000</u>
<b>(DEFICIT), end of year</b>	<u><b>\$ (4,498,584)</b></u>	<u><b>\$ (3,360,247)</b></u>

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net loss	\$ (1,138,337)	\$ (3,184,988)
Adjustments for:		
Amortization	109,443	124,861
(Gain) loss on sale of property & equipment	(9,006)	460
Future income taxes	<u>5,125</u>	<u>1,586</u>
	(1,032,775)	(3,058,081)
Net changes in working capital balances		
Accounts and deposits receivable	33,399	549,234
Accrued AgriStability payment	1,510,489	(1,957,625)
Inventory	(464,975)	2,541,273
Prepaid expenses	2,616	2,662
Income taxes	979	(42,183)
Accounts payable and accrued liabilities	<u>(590,154)</u>	<u>341,931</u>
	<u>(540,421)</u>	<u>(1,622,789)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Investment tax credit earned	5,092	-
Applied investment tax credit	(1,742)	-
Advances (to) from related parties	(176,308)	481,024
(Increase) Decrease in loan to shareholder	(173,028)	40,273
FCC operating loan repayments	-	(3,531,191)
American Legend (repayments) advances	(3,087,014)	4,920,680
NAFA advances	3,883,629	-
Net repayment of long term debt	(83,708)	(131,198)
Dividends paid	<u>-</u>	<u>(225,000)</u>
	<u>366,921</u>	<u>1,554,588</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property and equipment	(50,923)	(21,734)
Proceeds from sale of investments	39,721	-
Increase in cash surrender value of Life Ins	(17,334)	(26,772)
Proceeds from sale of property and equipment	-	22,152
Decrease in breeding stock	<u>360,531</u>	<u>82,847</u>
	<u>331,995</u>	<u>56,493</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>158,495</b>	<b>(11,708)</b>
<b>CASH, beginning of year</b>	<u>818</u>	<u>12,526</u>
<b>CASH, end of year</b>	<u>\$ 159,313</u>	<u>\$ 818</u>

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company, incorporated September 27, 2004 under the laws of Nova Scotia, operates a mink ranch near Weymouth, N.S. Currently the company raises its own mink and on occasion, contracts to carry out a grow out operation for other ranchers.

(a) Inventory and Breeding Stock

The mink inventory can consist of live mink available for sale as breeding stock as well as mink designated for pelting and eventual sale at the pelt auctions the following spring. In addition the company retains a breeding herd consisting of male and female breeders that will be bred in the spring following year end. All mink, whether breeding stock or inventory for sale as pelts or live animals are carried at the lower of estimated cost and net realizable value. For 2016, the mink breeding stock consisted of 16,574 female breeders with an estimated production cost of \$38.11 per animal (2015 - 28,267 male and female breeders at \$45.65) and a carrying value (market) of \$32.00 per animal (2015 females carried at \$30 and males at \$38). Inventory of mink, designated for pelting, is carried at the lower of average estimated cost and market value. At year end the company's inventory consisted of 84,876 mink (2015 - 83,111) carried at an average market value of \$28.00 per animal (2015 carrying value \$23.00) with 2016 production cost estimated at \$41.66 per animal (2015 - \$47.44).

	<u>2016</u>			<u>2015</u>		
	# of mink or pelts	Estimated Avg. cost*	Carrying value	# of mink or pelts	Estimated Avg. cost*	Carrying value
Female breeders	16,574	\$ 32.00	\$ 530,368	22,906	\$ 30.00	\$ 687,180
Male breeders	-	-	-	5,361	38.00	203,718
Total breeders	<u>16,574</u>	<u>\$ 32.00</u>	<u>\$ 530,368</u>	<u>28,267</u>	<u>\$ 31.52</u>	<u>\$ 890,898</u>
Mink for pelts	<u>84,876</u>	<u>\$ 28.00</u>	<u>\$2,376,528</u>	<u>83,111</u>	<u>\$ 23.00</u>	<u>\$1,911,553</u>

\* - lower of cost and estimated market value

(b) Property and Equipment

Property and equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	- 4%	diminishing balance
Computer	- 30%	diminishing balance
Equipment and feed cart	- 20%	diminishing balance
Mink pens and cages	- 10%	diminishing balance
Roadway	- 17%	diminishing balance
Vehicles	- 30%	diminishing balance
Wells & power lines	- 10%	diminishing balance

Amortization rates are halved in year of acquisition.

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Deferred government assistance & investment tax credits

Deferred government assistance and deferred investment tax credits are amortized using the same amortization rates as are used when amortizing the related asset.

(d) Investments in 340 Ranchers Co-op & American Legend Co-op

The equity in 340 Ranchers Co-operative and the investment in American Legend Co-operative are valued at cost.

(e) Contracting Revenue

The company contracts to raise mink for other ranchers, including some related parties. The company makes an estimate of revenue earned to year end, and defers unearned receipts, if any. After year end, a final settlement is recorded, once pelting and grading have been completed.

**2. FUTURE INCOME TAXES**

Future income taxes occur when certain revenues or expenses are recognized in different periods for income tax and accounting purposes. In this statement future income taxes arise primarily as a result of differences in the timing of amortization expensed for accounting purposes vs capital cost allowance claimed for tax purposes. The result of this timing difference is the decrease of taxable income in the current period, and the creation of a future income tax liability, which will be realized as the timing difference reverses.

The company has not recognized the benefit available from \$4,005,313 of income tax losses which may be carried forward and applied against future taxable income. These losses begin to expire in 2035.

**3. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2016</u>	<u>Net 2015</u>
Land	\$ 10,366	\$ -	\$ 10,366	\$ 10,366
Buildings	214,966	68,969	145,997	152,081
Ranch equipment	492,084	346,662	145,422	138,500
Feed cart	19,200	17,716	1,484	1,855
Computer	5,041	4,655	386	552
Vehicles	134,522	108,031	26,491	37,844
Mink pens & cages	1,483,506	937,752	545,754	608,551
Office equipment	5,015	3,363	1,652	2,065
Other-Well & Power	9,256	5,850	3,406	3,785
Manure Storage	91,049	15,108	75,941	73,005
Roadway	<u>14,499</u>	<u>8,927</u>	<u>5,572</u>	<u>6,713</u>
	<u>\$ 2,479,504</u>	<u>\$ 1,517,033</u>	<u>\$ 962,471</u>	<u>\$ 1,035,317</u>



**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

<b>4. BANK INDEBTEDNESS</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
(a) NAFA non revolving loan, interest at CIBC prime plus 3% secured by mink	\$ 1,000,000	\$ -
(b) NAFA revolving loan, interest at CIBC prime plus 3% secured by mink	2,883,629	-
(c) American Legend Operating Line, interest at prime plus 1.5%, secured by mink	5,383,035	7,470,049
(d) American Legend Breeding Loan, interest at FCC's variable rate plus 2%	-	1,000,000
(e) American Legend Producer Loan #0412, interest at FCC variable rate plus 2% compounded monthly not in advance	1,400,000	1,400,000
(f) American Legend Producer Loan #0451, interest at 5.25% fixed annually	<u>500,000</u>	<u>500,000</u>
	<u>\$ 11,166,664</u>	<u>\$ 10,370,049</u>
<b>5. LONG TERM DEBT</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
4.5% variable Farm Credit Canada Loan, repayable in monthly instalments of principal and interest of \$505.69, due in 2017, secured by vehicle	\$ 5,419	\$ 11,081
5.2% variable Farm Credit Canada Loan, repayable in annual instalments of principal and interest of \$22,503.36, remaining amortization term estimated to expire in 2022, secured by 2012 Kobelco excavator	112,372	127,989
N.S. Farm Loan Board loan, repayable in monthly payments of \$3,178.62, including interest at 4.2%, amortized until estimated due date in 2027, secured by a second mortgage over real estate as well as a first charge over property owned by the shareholder, a corporate guarantee and postponement of claim by Jonathan Mullen Mink Ranch Limited and a guarantee and postponement of claim by shareholder Jonathan Mullen	333,503	351,398
Great West Life policy premium loan in respect of life insurance policies payable to Victory Farms Inc., interest at 6%, no set terms of repayment	15,524	-
5.49% Ally Credit loan, repayable in monthly payments of \$1,198.91, maturing 2015, secured by 2011 Chev Truck	-	3,561

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

5. LONG TERM DEBT (Continued)	<u>2016</u>	<u>2015</u>
Balance brought forward	\$ 466,818	\$ 494,029
4.60% Farm Credit Canada loan, repayable in monthly payments of \$403.42, maturing 2016, secured by 2008 Chev Truck	-	3,949
5.20% N.S. Farm Loan Board loan, repayable in 180 blended monthly payments of \$5,995.63, principal and interest, maturing 2026, secured by 4,500 breeder females, 1,100 breeder males, 9,500 breeder cages and 10,500 pelter cages	553,360	585,322
0% Scotiabank loan, repayable in 60 monthly payments of \$714.11, maturing 2018, secured by 2011 Chev Truck	16,424	24,280
4.55% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$710.24 principal and interest, maturing 2018	10,338	18,195
4.90% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$711.05 principal and interest, maturing 2016	<u>-</u>	<u>4,873</u>
Total long-term debt	1,046,940	1,130,648
Less: Estimated current portion	<u>125,902</u>	<u>116,559</u>
	<u>\$ 921,038</u>	<u>\$ 1,014,089</u>

The estimated principal payments required in each of the next five years are as follows:

2017 -	\$ 125,902
2018 -	99,844
2019 -	95,149
2020 -	99,955
2021 -	105,005
Subsequent	- \$ 521,085

**6. CAPITAL STOCK**

Authorized  
40,000 at no par value

	<u>2016</u>	<u>2015</u>
Issued capital 100 common shares	<u>\$ 100</u>	<u>\$ 100</u>

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

**7. OTHER INCOME**

	<u>2016</u>	<u>2015</u>
Gain (Loss) on sale of property & equipment \$	9,006	\$ (460)
Farm equipment and mink rental	7,411	5,475
Government assistance * - including		
AgriInvest and AgriStability estimate	943,626	2,065,000
Other including feed and animal rental	15,666	101,028
Patronage & Volume Rebates	31,571	50,308
Foreign exchange gain (loss)	<u>196,818</u>	<u>(1,052,164)</u>
	<u>\$ 1,204,098</u>	<u>\$ 1,169,187</u>

\* AgriStability benefit estimates are accrued in respect of each year and adjustments to actual are recorded when the final benefit is known.

**8. DUE FROM (TO) RELATED PARTIES**

	<u>2016</u>	<u>2015</u>
DUE FROM ABOVE & BEYOND FARMS INC.	\$ 405,303	\$ 499,954
DUE FROM JONATHAN MULLEN MINK RANCH LTD.	903,276	916,660
DUE FROM ORGANIC MANAGEMENT SOLUTIONS LTD.	1,947,127	1,883,777
DUE FROM TRINITY FARMS INC.	334,082	113,285
DUE FROM PROVIDENCE FARMS INC.	<u>274,939</u>	<u>274,743</u>
<b>DUE FROM RELATED PARTIES</b>	<u>\$ 3,864,727</u>	<u>\$ 3,688,419</u>
DUE TO JASON MULLEN	\$ 128,266	\$ 128,266
DUE TO JASON MULLEN MINK RANCH LIMITED	16,609	16,609
DUE TO 2351604 NOVA SCOTIA LIMITED	<u>522,121</u>	<u>522,121</u>
<b>DUE TO RELATED PARTIES</b>	<u>\$ 666,996</u>	<u>\$ 666,996</u>

All of the above advances, receivable from or due to the various related parties, are carried at cost, are non-interest bearing and carry no set terms of repayment.

**9. PROVISION FOR INCOME TAXES**

	<u>2016</u>	<u>2015</u>
Current income taxes	\$ (2,938)	\$ (51,940)
Future income taxes (Note 2)	<u>5,125</u>	<u>1,586</u>
	<u>\$ 2,187</u>	<u>\$ (50,354)</u>

No benefit has been recorded for the value of farm losses available for carry forward for application against future taxable income.

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2016**

**10. ACCRUED AGRISTABILITY PAYMENT**

The company has received AgriStability payments during 2016 for the 2015 tax year in the amount of \$1,848,452. An AgriStability estimate of \$1,957,625 was accrued in 2015. Consequently the difference of \$109,173 has been charged against 2016 AgriStability income.

Also received during 2016 was the interim 2016 payment of \$590,772. A further \$447,136 has been accrued at year end for the estimated expected balance of the AgriStability 2016 year payment.

**11. COMPARATIVE FINANCIAL STATEMENTS**

Certain figures on the 2015 comparative financial statements have been restated in order to conform with the presentation adopted in the current year.

VICTORY FARMS INCORPORATED  
FINANCIAL STATEMENTS  
(Unaudited - See Notice To Reader)  
SEPTEMBER 30, 2015

VICTORY FARMS INCORPORATED

SEPTEMBER 30, 2015

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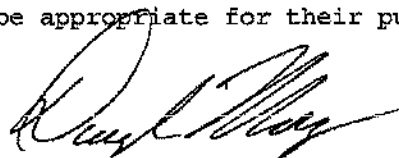
**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of VICTORY FARMS INCORPORATED as at September 30, 2015 and the statements of (loss) income and (deficit) retained earnings and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

New Minas, N.S.  
April 7, 2016



CONROY INVESTMENTS LIMITED

VICTORY FARMS INCORPORATED

BALANCE SHEET  
(Unaudited - See Notice To Reader)

AS AT SEPTEMBER 30, 2015

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts receivable	\$ 326,431	\$ 875,665
Accrued AgriStability payment (Note 12)	1,957,625	-
Inventory of mink	1,911,553	4,452,826
Prepaid expenses	26,041	28,703
Income taxes recoverable	<u>19,300</u>	<u>5,781</u>
	4,240,950	5,362,975
DUE FROM SHAREHOLDER	209,414	249,687
REFUNDABLE INVESTMENT TAX CREDIT	32,805	1,969
EQUITY IN 340 RANCHERS CO-OPERATIVE	939	939
INVESTMENT IN AMERICAN LEGEND CO-OPERATIVE	30,715	30,715
DUE FROM RELATED PARTIES (Note 8)	3,688,419	4,169,443
MINK BREEDING STOCK	890,898	973,745
CASH SURRENDER VALUE OF LIFE INSURANCE	31,630	4,858
PROPERTY AND EQUIPMENT (Note 3)	<u>1,035,317</u>	<u>1,177,237</u>
	<u>\$ 10,161,087</u>	<u>\$ 11,971,568</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Notes 4 and 10)	\$ 10,369,231	\$ 8,968,034
Accounts payable and accrued liabilities	1,219,777	877,847
Current portion of long term debt	<u>116,559</u>	<u>131,177</u>
	11,705,567	9,977,058
LONG TERM DEBT (Note 5)	1,014,089	1,130,669
DUE TO RELATED PARTIES (Note 8)	666,996	666,996
FUTURE INCOME TAXES LIABILITY (Note 2)	17,050	15,464
DEFERRED GOVERNMENT ASSISTANCE	50,757	56,397
DEFERRED INVESTMENT TAX CREDIT	<u>66,775</u>	<u>75,143</u>
	<u>13,521,234</u>	<u>11,921,727</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (Note 6)	100	100
(DEFICIT) RETAINED EARNINGS (Note 10)	<u>(3,360,247)</u>	<u>49,741</u>
	<u>(3,360,147)</u>	<u>49,841</u>
	<u>\$ 10,161,087</u>	<u>\$ 11,971,568</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

SEE ACCOMPANYING NOTES



**VICTORY FARMS INCORPORATED**

**STATEMENT OF (LOSS) INCOME AND (DEFICIT) RETAINED EARNINGS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Contract revenue	\$ 493,738	\$ 511,157
Mink and pelts sold	4,670,596	5,423,355
Other income (Notes 7 and 10)	<u>1,169,187</u>	<u>115,826</u>
	<u>6,333,521</u>	<u>6,050,338</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and legal	18,132	11,222
Amortization	124,861	150,234
Bad debts	152,000	-
Bank charges and short term interest	680,630	385,396
Contracted mink care	966,723	894,411
Custom pelting	513,275	212,998
Donations	400	400
Feed costs	2,288,784	2,428,129
Gas, oil and grease	68,660	65,490
Insurance (including life insurance)	90,657	82,550
Interest on long term debt	61,562	62,798
Lease expense	11,961	7,907
Lights	25,755	25,766
Membership dues, fees and commissions	301,814	96,100
Mink purchased including freight	105,451	546,913
Miscellaneous	2,613	824
Office supplies	2,535	2,896
Property taxes	7,450	7,829
Ranch supplies and vaccines	252,778	242,997
Rental - cages & ranch	60,000	95,000
Repairs and maintenance	101,402	92,970
Telephone	5,781	11,708
Travel, entertainment and meals	3,940	4,102
Wages and benefits	<u>1,097,579</u>	<u>1,129,232</u>
	<u>6,944,743</u>	<u>6,557,872</u>
<b>(LOSS) BEFORE INVENTORY ADJUSTMENT</b>	<b>(611,222)</b>	<b>(507,534)</b>
<b>(DECREASE) INCREASE IN INVENTORY FOR SALE</b>	<b>(2,541,273)</b>	<b>1,632,297</b>
<b>BREEDING HERD DEVELOPMENT COSTS</b>	<u><b>(82,847)</b></u>	<u><b>(797,327)</b></u>
<b>(LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(3,235,342)</b>	<b>327,436</b>
<b>INCOME TAXES (RECOVERED) (Notes 9 and 10)</b>	<u><b>(50,354)</b></u>	<u><b>73,968</b></u>
<b>NET (LOSS) INCOME</b>	<b>(3,184,988)</b>	<b>253,468</b>
<b>RETAINED EARNINGS, beginning of year</b>	<b>49,741</b>	<b>21,273</b>
<b>DIVIDENDS PAID</b>	<u><b>225,000</b></u>	<u><b>225,000</b></u>
<b>(DEFICIT) RETAINED EARNINGS, end of year</b>	<u><u><b>\$ (3,360,247)</b></u></u>	<u><u><b>\$ 49,741</b></u></u>

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net (loss) income	\$ (3,184,988)	\$ 253,468
Adjustments for:		
Amortization	124,861	150,234
Loss on sale of property and equipment	460	-
Future income taxes	<u>1,586</u>	<u>9,007</u>
	(3,058,081)	412,709
Net changes in working capital balances		
Accounts receivable	549,234	(734,391)
Accrued Aristability payment	(1,957,625)	-
Inventory	2,541,273	(1,632,297)
Prepaid expenses	2,662	(6,797)
Income taxes	(42,183)	17,260
Prepaid sales deposits	-	(1,400,000)
Accounts payable and accrued liabilities	<u>341,931</u>	<u>(30,750)</u>
	<u>(1,622,789)</u>	<u>(3,374,266)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Applied investment tax credit	-	29,143
Advances from (to) related parties	481,024	(3,052,389)
Decrease in loan to shareholder	40,273	38,093
FCC operating loan (repayments) advances	(3,531,191)	2,271,191
American Legend advances	4,920,680	3,363,452
Repayment of long term debt	(131,198)	(115,534)
Dividends paid	<u>(225,000)</u>	<u>(225,000)</u>
	<u>1,554,588</u>	<u>2,308,956</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property and equipment	(21,734)	(63,421)
Increase in investments	-	(20,932)
Increase in cash surrender value of Life Ins	(26,772)	(4,858)
Proceeds from sale of property and equipment	22,152	-
(Increase) Decrease in breeding stock	<u>82,847</u>	<u>797,327</u>
	<u>56,493</u>	<u>708,116</u>
<b>DECREASE IN CASH</b>	<b>(11,708)</b>	<b>(357,194)</b>
<b>CASH, beginning of year</b>	<b><u>12,526</u></b>	<b><u>369,720</u></b>
<b>CASH, end of year (Note 4)</b>	<b><u>\$ 818</u></b>	<b><u>\$ 12,526</u></b>

SEE ACCOMPANYING NOTES

## VICTORY FARMS INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS (Unaudited - See Notice To Reader)

SEPTEMBER 30, 2015

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company, incorporated September 27, 2004 under the laws of Nova Scotia, operates a mink ranch near Weymouth, N.S. Currently the company raises its own mink and on occasion, contracts to carry out a grow out operation for other ranchers.

##### (a) Inventory and Breeding Stock

The mink inventory can consist of live mink available for sale as breeding stock as well as mink designated for pelting and eventual sale at the pelt auctions the following spring. In addition the company retains a breeding herd consisting of male and female breeders that will be bred in the spring following year end. All mink, whether breeding stock or inventory for sale as pelts or live animals are carried at the lower of estimated cost and net realizable value. For 2015, the breeding stock consisted of 28,267 mink with an estimated production cost of \$45.65 per animal (2014 - 21,000 at \$46.37) and a carrying value (market) of \$31.52 per animal. Inventory of mink, designated for pelting, is carried at the lower of average estimated cost and market value. At year end the company's inventory consisted of 83,111 mink (2014 - 104,386) carried at an average market value of \$23.00 per animal (production cost estimated at \$47.44) (2014 - \$42.66 est cost).

	2015			2014		
	# of mink or pelts	Estimated Avg. cost	Carrying value	# of mink or pelts	Estimated Avg. cost	Carrying value
Female breeders	22,906	\$ 30.00	\$ 687,180	18,500	\$ 45.97	\$ 850,445
Male breeders	<u>5,361</u>	<u>38.00</u>	<u>203,718</u>	<u>2,500</u>	<u>49.32</u>	<u>123,300</u>
Total breeders	<u>28,267</u>	<u>\$ 31.52</u>	<u>\$ 890,898</u>	<u>21,000</u>	<u>\$ 46.37</u>	<u>\$ 973,745</u>
Mink for pelts	<u>83,111</u>	<u>\$ 23.00</u>	<u>\$1,911,553</u>	<u>104,386</u>	<u>\$ 42.66</u>	<u>\$4,452,826</u>

##### (b) Property and Equipment

Property and equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	- 4% diminishing balance
Computer	- 30% diminishing balance
Equipment and feed cart	- 20% diminishing balance
Mink pens and cages	- 10% diminishing balance
Vehicles	- 30% diminishing balance
Wells & power lines	- 10% diminishing balance

Amortization rates are halved in year of acquisition.

##### (c) Deferred government assistance & investment tax credits

Deferred government assistance and deferred investment tax credits are amortized using the same amortization rates as are used when amortizing the related asset.

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Investments in 340 Ranchers Co-op & American Legend Co-op

The equity in 340 Ranchers Co-operative and the investment in American Legend Co-operative are valued at cost.

(e) Contracting Revenue

The company contracts to raise mink for other ranchers, including some related parties. The company makes an estimate of revenue earned to year end, and defers unearned receipts, if any. After year end, a final settlement will be recorded, once pelting and grading have been completed.

**2. FUTURE INCOME TAXES**

Future income taxes occur when certain revenues or expenses are recognized in different periods for income tax and accounting purposes. In this statement future income taxes arise primarily as a result of differences in the timing of amortization expensed for accounting purposes vs capital cost allowance claimed for tax purposes. The result of this timing difference is the decrease of taxable income in the current period, and the creation of a future income tax liability, which will be realized as the timing difference reverses.

**3. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2015</u>	<u>Net 2014</u>
Land	\$ 10,366	\$ -	\$ 10,366	\$ 10,366
Buildings	214,966	62,885	152,081	158,417
Ranch equipment	447,250	308,750	138,500	199,541
Feed cart	19,200	17,345	1,855	2,319
Computer	5,041	4,489	552	788
Vehicles	134,522	96,678	37,844	58,437
Mink pens & cages	1,483,393	874,842	608,551	676,772
Office equipment	5,015	2,950	2,065	2,581
Other-Well & Power	9,256	5,471	3,785	4,205
Manure Storage	85,074	12,069	73,005	55,723
Roadway	<u>14,499</u>	<u>7,786</u>	<u>6,713</u>	<u>8,088</u>
	<u>\$ 2,428,582</u>	<u>\$ 1,393,265</u>	<u>\$ 1,035,317</u>	<u>\$ 1,177,237</u>

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2015**

4. <b>BANK INDEBTEDNESS</b>	<u>2015</u>	<u>2014</u>
(a) Bank deposit (including AgriInvest) balance	\$ (818)	\$ (12,526)
(b) Farm Credit Canada loan at a variable rate plus 2.00% compounded monthly, repayable out of the proceeds received from the annual ALC fur auction, secured by presently owned and hereafter acquired personal property including pelts and live animals and their progeny		3,531,191
(c) American Legend Operating Line, interest at prime plus 1.5%, secured by mink (Note 10)	7,470,049	2,549,369
(d) American Legend Breeding Loan, interest at FCC's variable rate plus 2% (Note 10)	1,000,000	1,000,000
(e) American Legend Producer Loan #0412, interest at FCC variable rate plus 2% compounded monthly not in advance (Note 10)	1,400,000	1,400,000
(f) American Legend Producer Loan #0451, interest at 5.25% fixed annually (Note 10)	<u>500,000</u>	<u>500,000</u>
	<u>\$ 10,369,231</u>	<u>\$ 8,968,034</u>

5. <b>LONG TERM DEBT</b>	<u>2015</u>	<u>2014</u>
4.5% variable Farm Credit Canada Loan, repayable in annual instalments of principal and interest of \$505.69, remaining amortization term of 3 years until 2017, secured by vehicle	\$ 11,081	\$ 16,494
5.5% variable Farm Credit Canada Loan, repayable in annual instalments of principal and interest of \$22,503.36, remaining amortization term of 8 years until 2022, secured by 2012 Kobelco excavator	127,989	142,547
N.S. Farm Loan Board loan, repayable in monthly payments of \$3,178.62, including interest at 4.2%, amortized over 13 years to 2027, secured by a second mortgage over real estate as well as a first charge over property owned by the shareholder, a corporate guarantee and postponement of claim by Jonathan Mullen Mink Ranch Limited and a guarantee and postponement of claim by shareholder Jonathan Mullen	351,398	376,238
5.49% Ally Credit loan, repayable in monthly payments of \$1,198.91, maturing 2015, secured by 2011 Chev Truck	3,561	17,342

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2015**

5. LONG TERM DEBT (Continued)	<u>2015</u>	<u>2014</u>
Balance brought forward	\$ 494,029	\$ 552,621
4.60% Farm Credit Canada loan, repayable in monthly payments of \$403.42, maturing 2016, secured by 2008 Chev Truck	3,949	8,497
5.20% N.S. Farm Loan Board loan, repayable in 180 blended monthly payments of \$5,995.63, principal and interest, maturing 2026, secured by 4,500 breeder females, 1,100 breeder males, 9,500 breeder cages and 10,500 pelter cages	585,322	629,265
0% Scotiabank loan, repayable in 60 monthly payments of \$714.11, maturing 2018, secured by 2011 Chev Truck	24,280	32,849
4.55% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$710.24 principal and interest, maturing 2018	18,195	25,703
4.90% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$711.05 principal and interest, maturing 2016	<u>4,873</u>	<u>12,911</u>
Total long-term debt	1,130,648	1,261,846
Less: Estimated current portion	<u>116,559</u>	<u>131,177</u>
	<u>\$ 1,014,089</u>	<u>\$ 1,130,669</u>

The estimated principal payments required in each of the next five years are as follows:

2016 -	\$116,559
2017 -	108,418
2018 -	99,854
2018 -	95,149
2019 -	99,955
Subsequent	- \$ 610,713

**6. CAPITAL STOCK**

Authorized  
40,000 at no par value

	<u>2015</u>	<u>2014</u>
Issued capital		
100 common shares	<u>\$ 100</u>	<u>\$ 100</u>

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2015**

**7. OTHER INCOME**

	<u>2015</u>	<u>2014</u>
Loss on sale of property and equipment	\$ (460)	\$ -
Equipment rental	5,475	8,523
Government assistance * - including		
AgriInvest, 2015 AgriStability estimate	2,065,000	22,500
Other including feed and animal rental	101,028	79,157
Patronage & Volume Rebates	50,308	102,976
Foreign exchange loss (Note 10)	<u>(1,052,164)</u>	<u>(97,330)</u>
	<u>\$ 1,169,187</u>	<u>\$ 115,826</u>

\* AgriInvest \$15,000 plus estimated 2015 AgriStability payment of \$2,050,000 (Note 12)

**8. DUE FROM (TO) RELATED PARTIES**

	<u>2015</u>	<u>2014</u>
DUE FROM ABOVE & BEYOND FARMS INC.	\$ 499,954	\$ 838,099
DUE FROM JONATHAN MULLEN MINK RANCH LTD.	916,660	766,154
DUE FROM ORGANIC MANAGEMENT SOLUTIONS LTD.	1,883,777	1,796,436
DUE FROM TRINITY FARMS INC.	113,285	531,857
DUE FROM PROVIDENCE FARMS INC.	<u>274,743</u>	<u>236,897</u>
<b>DUE FROM RELATED PARTIES</b>	<u><b>\$ 3,688,419</b></u>	<u><b>\$ 4,169,443</b></u>
DUE TO JASON MULLEN	\$ 128,266	\$ 128,266
DUE TO JASON MULLEN MINK RANCH LIMITED	16,609	16,609
DUE TO 2351604 NOVA SCOTIA LIMITED	<u>522,121</u>	<u>522,121</u>
<b>DUE TO RELATED PARTIES</b>	<u><b>\$ 666,996</b></u>	<u><b>\$ 666,996</b></u>

All of the above advances, receivable from or due to the various related parties, are non-interest bearing and carry no set terms of repayment.

**9. PROVISION FOR INCOME TAXES**

	<u>2015</u>	<u>2014</u>
Current income taxes	\$ (51,940)	\$ 64,961
Future income taxes (Note 2)	<u>1,586</u>	<u>9,007</u>
	<u>\$ (50,354)</u>	<u>\$ 73,968</u>

No benefit has been recorded for the value of farm losses available for carry forward for application against future taxable income. A benefit has been recorded in 2015 in respect of the carry back of farm losses against taxable income earned in eligible prior years.

## VICTORY FARMS INCORPORATED

### NOTES TO FINANCIAL STATEMENTS (Unaudited - See Notice To Reader)

SEPTEMBER 30, 2015

#### 10. PRIOR PERIOD ADJUSTMENT - OVERSTATEMENT OF 2014 FOREIGN EXCHANGE LOSS

The 2014 comparative financial statements have been restated in order to correct an error under which three loans, borrowed from a United States lender, were converted to their Canadian dollar equivalent as at the end of the 2014 fiscal year. These loans are to be settled in Canadian dollars and thus the original loan, expressed in US dollars, should not have been adjusted to Canadian dollars. Consequently, the three loans have been restated to the amounts originally borrowed, in Canadian dollars. The exchange loss for 2014 has been reduced by \$256,555 in order to reflect this correction and the related American Legend (ALC) loans payable have likewise been reduced by the same amount. Current income tax expense for 2014 has been increased by \$43,531 and income taxes payable have been increased by the same amount. The total 2014 change to net income of \$213,024 has therefore increased opening 2015 retained earnings over and above the amount previously reported. In addition the company has restated a \$729,084 balance due from ALC, previously carried in accounts receivable, by netting it against the operating line due to ALC in Note 4.

#### 11. COMPARATIVE FINANCIAL STATEMENTS

Certain figures on the 2014 comparative financial statements have been restated in order to conform with the presentation adopted in the current year.

#### 12. ACCRUED AGRISTABILITY PAYMENT

The company has recorded two AgriStability payments, received (i) during the fiscal year and (ii) just prior to the statement release, in respect of initial and revised interim applications for the 2015 fiscal year. The two payments totaled \$309,655 of which \$92,375 was received before year end and a further \$217,280 was received prior to release of these statements. The recent \$217,280 payment has been accrued on the balance sheet.

Management believes that based on AgriStability's assessment of the interim claim, it is likely that a large final claim will also be received following submission. The company has accrued a further \$1,740,345 (\$1,957,625 total accrued at year end) which is its estimate of the remaining balance to be received, after filing the final application, under the AgriStability program for 2015. The total benefit estimated for 2015 amounts to \$2,050,000. This figure represents the approximate mid-point in what is believed to be a range (\$1.9 to \$2.2 million, approximately) of possible outcomes in respect of the 2015 payment, due to potential assessing interpretations. There is some measurement uncertainty associated with estimating the remaining AgriStability payment for 2015 due to possible assessment and mink valuation alternatives. Consequently any difference in the amount received from the amount accrued will be recognized in income in the year that the assessment is completed by the AgriStability Administration. See also Note 7.



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VICTORY FARMS INCORPORATED  
FINANCIAL STATEMENTS  
(Unaudited - See Notice To Reader)  
SEPTEMBER 30, 2014

VICTORY FARMS INCORPORATED

SEPTEMBER 30, 2014

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**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of VICTORY FARMS INCORPORATED as at September 30, 2014 and the statements of income and retained earnings (deficit) and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

New Minas, N.S.  
March 26, 2015



CONROY INVESTMENTS LIMITED

VICTORY FARMS INCORPORATED

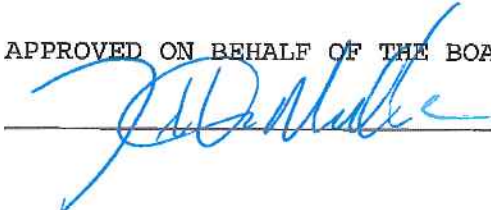
BALANCE SHEET

(Unaudited - See Notice To Reader)

AS AT SEPTEMBER 30, 2014

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts receivable	\$ 1,604,749	\$ 870,357
Inventory of mink	4,452,826	2,820,529
Prepaid expenses	28,703	21,906
Income taxes recoverable	<u>21,246</u>	<u>23,041</u>
	6,107,524	3,735,833
DUE FROM SHAREHOLDER	249,687	287,780
REFUNDABLE INVESTMENT TAX CREDIT	30,035	28,811
EQUITY IN 340 RANCHERS CO-OPERATIVE	939	939
INVESTMENT IN AMERICAN LEGEND CO-OPERATIVE	30,715	9,783
DUE FROM RELATED PARTIES (Note 8)	4,169,443	1,117,054
MINK BREEDING STOCK	973,745	1,771,072
CASH SURRENDER VALUE OF LIFE INSURANCE	4,858	-
PROPERTY AND EQUIPMENT (Note 3)	<u>1,177,237</u>	<u>1,282,871</u>
	<u>\$ 12,744,183</u>	<u>\$ 8,234,143</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 4)	\$ 9,953,673	\$ 3,705,280
Accounts payable and accrued liabilities	877,847	908,599
Prepaid sales deposits	-	1,400,000
Current portion of long term debt	<u>131,177</u>	<u>120,381</u>
	10,962,697	6,134,260
LONG TERM DEBT (Note 5)	1,130,669	1,256,999
DUE TO RELATED PARTIES (Note 8)	666,996	666,996
FUTURE INCOME TAXES LIABILITY (Note 2)	15,464	6,457
DEFERRED GOVERNMENT ASSISTANCE	56,397	62,663
DEFERRED INVESTMENT TAX CREDIT	<u>75,143</u>	<u>85,395</u>
	<u>12,907,366</u>	<u>8,212,770</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (Note 6)	100	100
RETAINED EARNINGS (DEFICIT)	<u>(163,283)</u>	<u>21,273</u>
	<u>(163,183)</u>	<u>21,373</u>
	<u>\$ 12,744,183</u>	<u>\$ 8,234,143</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

SEE ACCOMPANYING NOTES



**VICTORY FARMS INCORPORATED**

**STATEMENT OF INCOME AND RETAINED EARNINGS (DEFICIT)**

(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2014**

	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>		
Contract revenue	\$ 511,157	\$ 13,396
Mink and pelts sold	5,423,355	3,018,078
Other income (Note 7)	<u>(140,729)</u>	<u>107,906</u>
	<u>5,793,783</u>	<u>3,139,380</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and legal	11,222	6,660
Amortization	150,234	161,754
Bank charges and short term interest	385,396	207,337
Contracted mink care	894,411	586,589
Custom pelting	212,998	135,730
Donations	400	1,400
Feed costs	2,428,129	1,607,614
Gas, oil and grease	65,490	37,204
Insurance (including life insurance)	82,550	42,587
Interest on long term debt	62,798	69,887
Lease expense	7,907	6,954
Lights	25,766	6,043
Membership dues, fees and commissions	96,100	151,594
Mink purchased including freight	546,913	1,138,456
Miscellaneous	824	2,780
Office supplies	2,896	2,542
Property taxes	7,829	8,211
Ranch supplies and vaccines	242,997	80,050
Rental - cages & ranch	95,000	-
Repairs and maintenance	92,970	105,037
Telephone	11,708	9,218
Travel, entertainment and meals	4,102	5,292
Wages and benefits	<u>1,129,232</u>	<u>621,386</u>
	<u>6,557,872</u>	<u>4,994,325</u>
<b>LOSS BEFORE INVENTORY ADJUSTMENT</b>	<b>(764,089)</b>	<b>(1,854,945)</b>
<b>INCREASE IN INVENTORY FOR SALE</b>	<b>1,632,297</b>	<b>1,616,400</b>
<b>BREEDING HERD DEVELOPMENT COSTS</b>	<u>(797,327)</u>	<u>487,059</u>
<b>INCOME BEFORE INCOME TAXES</b>	<b>70,881</b>	<b>248,514</b>
<b>PROVISION FOR INCOME TAXES (Note 9)</b>	<u>30,437</u>	<u>38,039</u>
<b>NET INCOME</b>	<b>40,444</b>	<b>210,475</b>
<b>RETAINED EARNINGS, beginning of year</b>	<b>21,273</b>	<b>110,798</b>
<b>DIVIDENDS PAID</b>	<u>225,000</u>	<u>300,000</u>
<b>RETAINED EARNINGS (DEFICIT), end of year</b>	<b>\$ <u>(163,283)</u></b>	<b>\$ <u>21,273</u></b>

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED SEPTEMBER 30, 2014**

	<u>2014</u>	<u>2013</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net income	\$ 40,444	\$ 210,475
Adjustments for:		
Amortization	150,234	161,754
Loss on sale of property and equipment	-	5,251
Future income taxes	<u>9,007</u>	<u>7,995</u>
	199,685	385,475
Net changes in working capital balances		
Accounts receivable	(734,392)	(766,882)
Inventory	(1,632,297)	(121,216)
Prepaid expenses	(6,797)	(5,458)
Income taxes	1,795	30,357
Prepaid sales deposits	(1,400,000)	1,400,000
Accounts payable and accrued liabilities	<u>(30,750)</u>	<u>712,791</u>
	<u>(3,602,756)</u>	<u>1,635,067</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Applied investment tax credit	1,077	3,474
Advances (to) from related parties	(3,052,389)	39,179
Decrease (Increase) in loan to shareholder	38,093	(187,701)
FCC operating loan advances (repayments)	2,271,191	(630,000)
American Legend operating line	3,620,008	1,910,000
Increase in long term debt	-	80,847
Repayment of long term debt	(115,534)	(93,375)
Dividends paid	<u>(225,000)</u>	<u>(300,000)</u>
	<u>2,537,446</u>	<u>822,424</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property and equipment	(63,421)	(126,872)
Increase in investments	(20,932)	(7,049)
Increase in cash surrender value of Life Ins	(4,858)	-
Proceeds from sale of property and equipment	-	11,487
Decrease (Increase) in breeding stock	<u>797,327</u>	<u>(1,982,241)</u>
	<u>708,116</u>	<u>(2,104,675)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(357,194)</b>	<b>352,816</b>
<b>CASH, beginning of year</b>	<b><u>369,720</u></b>	<b><u>16,904</u></b>
<b>CASH, end of year (Note 4)</b>	<b><u>\$ 12,526</u></b>	<b><u>\$ 369,720</u></b>

SEE ACCOMPANYING NOTES

**VICTORY FARMS INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company, incorporated September 27, 2004 under the laws of Nova Scotia, operates a mink ranch near Weymouth, N.S. Currently the company raises its own mink and on occasion, contracts to carry out a grow out operation for other ranchers.

(a) Inventory and Breeding Stock

The mink inventory can consist of live mink available for sale as breeding stock as well as mink designated for pelting and eventual sale at the pelt auctions the following spring. In addition the company retains a breeding herd consisting of male and female breeders that will be bred in the spring following year end. All mink, whether breeding stock or inventory for sale as pelts or live animals are carried at the lower of estimated cost and net realizable value.

	<u>2014</u>			<u>2013</u>		
	# of mink or pelts	Estimated Avg. cost	Carrying value	# of mink or pelts	Estimated Avg. cost	Carrying value
Female breeders	18,500	\$ 45.97	\$ 850,445	32,000	\$ 46.45	\$ 1,486,400
Male breeders	2,500	49.32	123,300	6,400	44.48	284,672
Total breeders	<u>21,000</u>	<u>\$ 46.37</u>	<u>\$ 973,745</u>	<u>38,400</u>	<u>\$ 46.12</u>	<u>\$ 1,771,072</u>
Mink for pelts	104,386	\$ 42.66	\$ 4,452,826	31,123	\$ 42.58	\$ 1,325,345
Live mink for sale	-	-	-	32,486	46.02	1,495,184
Total inventories	<u>104,386</u>	<u>\$ 42.66</u>	<u>\$ 4,452,826</u>	<u>63,609</u>	<u>\$ 44.34</u>	<u>\$ 2,820,529</u>

(b) Property and Equipment

Property and equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	- 4% diminishing balance
Computer	- 30% diminishing balance
Equipment and feed cart	- 20% diminishing balance
Mink pens and cages	- 10% diminishing balance
Vehicles	- 30% diminishing balance
Wells & power lines	- 10% diminishing balance

Amortization rates are halved in year of acquisition.

(c) Deferred government assistance & investment tax credits

Deferred government assistance and deferred investment tax credits are amortized using the same amortization rates as are used when amortizing the related asset.

**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Investments in 340 Ranchers Co-op & American Legend Co-op

The equity in 340 Ranchers Co-operative and the investment in American Legend Co-operative are valued at cost.

(e) Contracting Revenue

The company contracts to raise mink for other ranchers, including some related parties. The company makes an estimate of revenue earned to year end, and defers unearned receipts, if any. After year end, a final settlement will be recorded, once pelting and grading have been completed.

**2. FUTURE INCOME TAXES**

Future income taxes occur when certain revenues or expenses are recognized in different periods for income tax and accounting purposes. In this statement future income taxes arise primarily as a result of differences in the timing of amortization expensed for accounting purposes vs capital cost allowance claimed for tax purposes. The result of this timing difference is the decrease of taxable income in the current period, and the creation of a future income tax liability, which will be realized as the timing difference reverses.

**3. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2014</u>	<u>Net 2013</u>
Land	\$ 10,366	\$ -	\$ 10,366	\$ 10,366
Buildings	214,966	56,549	158,417	165,018
Ranch equipment	463,663	264,122	199,541	228,224
Feed cart	19,200	16,881	2,319	2,899
Computer	5,041	4,253	788	1,126
Vehicles	145,022	86,585	58,437	83,481
Mink pens & cages	1,483,393	806,621	676,772	718,874
Office equipment	5,015	2,434	2,581	2,664
Other-Well & Power	9,256	5,051	4,205	4,673
Manure Storage	65,165	9,442	55,723	55,801
Roadway	<u>14,499</u>	<u>6,411</u>	<u>8,088</u>	<u>9,745</u>
	<u>\$ 2,435,586</u>	<u>\$ 1,258,349</u>	<u>\$ 1,177,237</u>	<u>\$ 1,282,871</u>



**VICTORY FARMS INCORPORATED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2014**

<b>4. BANK INDEBTEDNESS</b>	<u><b>2014</b></u>	<u><b>2013</b></u>
(a) Bank deposit (including AgriInvest) balance	\$ (12,526)	\$ (369,720)
(b) Farm Credit Canada loan at a variable rate plus 2.00% compounded monthly, repayable out of the proceeds received from the annual ALC fur auction, secured by presently owned and hereafter acquired personal property including pelts and live animals and their progeny	3,531,191	1,260,000
(c) American Legend Operating Line, interest at prime plus 1.5%, secured by mink	5,359,384	1,815,000
(d) American Legend Breeding stock loan	<u>1,075,624</u>	<u>1,000,000</u>
	<u>\$ 9,953,673</u>	<u>\$ 3,705,280</u>
<b>5. LONG TERM DEBT</b>	<u><b>2014</b></u>	<u><b>2013</b></u>
4.5% variable Farm Credit Canada Loan, repayable in annual instalments of principal and interest of \$505.69, remaining amortization term of 3 years until 2017, secured by vehicle	\$ 16,494	\$ 21,688
5.5% variable Farm Credit Canada Loan, repayable in annual instalments of principal and interest of \$22,503.36, remaining amortization term of 8 years until 2022, secured by 2012 Kobelco excavator	142,547	156,446
N.S. Farm Loan Board loan, repayable in monthly payments of \$3,178.62, including interest at 4.2%, amortized over 13 years to 2027, secured by a second mortgage over real estate as well as a first charge over property owned by the shareholder, a corporate guarantee and postponement of claim by Jonathan Mullen Mink Ranch Limited and a guarantee and postponement of claim by shareholder Jonathan Mullen	376,238	396,446
5.49% Ally Credit loan, repayable in monthly payments of \$1,198.91, maturing 2015, secured by 2011 Chev Truck	17,342	30,386
4.60% Farm Credit Canada loan, repayable in monthly payments of \$403.42, maturing 2016, secured by 2008 Chev Truck	8,497	12,838

VICTORY FARMS INCORPORATED

NOTES TO FINANCIAL STATEMENTS  
(Unaudited - See Notice To Reader)

SEPTEMBER 30, 2014

5. LONG TERM DEBT (Continued)	<u>2014</u>	<u>2013</u>
5.20% N.S. Farm Loan Board loan, repayable in 180 blended monthly payments of \$5,995.63, principal and interest, maturing 2026, secured by 4,500 breeder females, 1,100 breeder males, 9,500 breeder cages and 10,500 pelter cages	\$ 629,265	\$ 664,679
0% Scotiabank loan, repayable in 60 monthly payments of \$714.11, maturing 2018, secured by 2011 Chev Truck	32,849	41,418
4.55% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$710.24 principal and interest, maturing 2018	25,703	32,883
4.90% Farm Credit Canada loan, repayable in 60 blended monthly payments of \$711.05 principal and interest, maturing 2016	<u>12,911</u>	<u>20,596</u>
Total long-term debt	1,261,846	1,377,380
Less: Estimated current portion	<u>131,177</u>	<u>120,381</u>
	<u>\$ 1,130,669</u>	<u>\$ 1,256,999</u>

The estimated principal payments required in each of the next five years are as follows:

2015 -	131,177
2016 -	116,540
2017 -	108,409
2018 -	99,864
2019 -	95,149
Subsequent	- \$ 710,707

6. CAPITAL STOCK

Authorized

40,000 at no par value

Issued capital

100 common shares

	<u>2014</u>	<u>2013</u>
	\$ <u>100</u>	\$ <u>100</u>

**VICTORY FARMS INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**SEPTEMBER 30, 2014**

**7. OTHER INCOME**

	<u>2014</u>	<u>2013</u>
Loss on sale of property and equipment	\$ -	\$ (5,251)
Equipment rental	8,523	6,319
Government assistance - AgriInvest, etc	22,500	13,637
Other including feed and animal rental	79,157	57,074
Patronage & Volume Rebates	102,976	41,468
Foreign exchange loss	<u>(353,885)</u>	<u>(5,341)</u>
	<u>\$ (140,729)</u>	<u>\$ 107,906</u>

**8. DUE FROM (TO) RELATED PARTIES**

	<u>2014</u>	<u>2013</u>
DUE FROM ABOVE & BEYOND FARMS INC.	\$ 838,099	\$ 219,815
DUE FROM JONATHAN MULLEN MINK RANCH LTD.	766,154	935,986
DUE FROM ORGANIC MANAGEMENT SOLUTIONS LTD.	1,796,436	(221,267)
DUE FROM TRINITY FARMS INC.	531,857	182,520
PROVIDENCE FARMS INC	<u>236,897</u>	<u>-</u>
<b>DUE FROM RELATED PARTIES</b>	<u><b>\$ 4,169,443</b></u>	<u><b>\$ 1,117,054</b></u>
DUE TO JASON MULLEN	\$ 128,266	\$ 128,266
DUE TO JASON MULLEN MINK RANCH LIMITED	16,609	16,609
DUE TO 2351604 NOVA SCOTIA LIMITED	<u>522,121</u>	<u>522,121</u>
<b>DUE TO RELATED PARTIES</b>	<u><b>\$ 666,996</b></u>	<u><b>\$ 666,996</b></u>

All of the above advances, receivable from or due to the various related parties, are non-interest bearing and carry no set terms of repayment.

**9. PROVISION FOR INCOME TAXES**

	<u>2014</u>	<u>2013</u>
Current income taxes	\$ 21,430	\$ 30,044
Future income taxes (Note 2)	<u>9,007</u>	<u>7,995</u>
	<u><b>\$ 30,437</b></u>	<u><b>\$ 38,039</b></u>

**JONATHAN MULLEN MINK RANCH LIMITED**  
**JANUARY 2017 FINANCIAL STATEMENTS**

**Disclaimer:**

**The above statements have not been audited, reviewed or otherwise verified.**

**JONATHAN MULLEN MINK RANCH LIMITED**

Balance Sheet As at 01/31/2017

**ASSET****Current Assets**

Petty Cash	2.01	
Chequing Bank Account	851.29	
US Chequing: 400 144 2	60.32	
US Exchange	<u>1.74</u>	
Total Cash		915.36
Investment in ALC Class A stock		1,000.00
Investment in ALC Class B stock		10,025.42
Investment Tax Credit Receivable		95,470.45
Accounts Receivable	<u>2.72</u>	
Total Receivable		2.72
Prepaid Expenses		<u>3,365.43</u>
<b>Total Current Assets</b>		<b><u>110,779.38</u></b>

**Capital Assets**

Vehicles	50,669.00	
Organic Management Solutions	-700.00	
Acc Depreciation-Vehicle	-43,430.45	
Investment: Above & Beyond Inc	-11,500.00	
Trinity Farms Inc	-800.00	
Property: Lighthouse Road	111,100.00	
Land	93,747.38	
Utilities/Security - Set up	20,315.66	
Acc Dep-Utilities Set Up	-2,901.34	
Acc. Depreciation-PerimeterFencing	-33,130.55	
Acc. Deprec - Ranch Manure System	-42,538.64	
Ranch & Manure System	249,859.64	
Perimeter Fencing	49,209.66	
Cages	362,202.56	
Buildings	101,810.17	
New Pens	745,733.23	
Well	9,883.42	
Acc. Depreciation - Well	-3,559.11	
Acc. Deprec - Pens	-123,557.10	
Acc.Deprec - Cages	-143,378.97	
Acc.Deprec - Building	-17,391.54	
New Equipment	86,073.99	
Acc Depreciatio -NewEquipment	<u>-50,960.16</u>	
<b>Total Capital Assets</b>		<b><u>1,406,756.85</u></b>

**TOTAL ASSET** 1,517,536.23

**LIABILITY****Current Liabilities**

Account Payable	39,867.72
Accounts payable & accrued expenses	11,434.42
FCC Loan 434323-01	2,807.55
U. S. tax withholding	-3,671.00
HST Paid on Purchases	<u>-156.78</u>
HST Owing (Refund)	-156.78
<b>Total Current liabilities</b>	<u>50,281.91</u>

**Long Term liabilities**

Farm Canada Credit: 350000.00	277,131.53
Farm Credit Canada: 500,000.00	405,172.72
Due: Victory Farms Inc	868,271.14
Jason Mullen Mink: Loan	1,250.16
Loans from Shareholders	-1,614.34
Deferred investment tax credit	<u>78,278.23</u>
<b>Total Long Term liabilities</b>	<u>1,628,489.44</u>

**TOTAL LIABILITY** 1,678,771.35

**EQUITY****Share Capital**

Common Shares	<u>100.00</u>
<b>Total Share Capital</b>	<u>100.00</u>

**Retained Earnings**

Dividends	-150,000.00
Retained Earnings - Previous Year	-1,084.65
Current Earnings	<u>-10,250.47</u>
<b>Total Retained Earnings</b>	<u>-161,335.12</u>

**TOTAL EQUITY** -161,235.12

**LIABILITIES AND EQUITY** 1,517,536.23

Generated On: 03/03/2017

**JONATHAN MULLEN MINK RANCH LIMITED**

**Income Statement 01/01/2017 to 01/31/2017**

**REVENUE**

**TOTAL REVENUE** 0.00

**EXPENSE**

**Cost of Goods Sold**

Ranch Expense 103.63  
Gas & Oil 119.26  
**Total Cost of Sales** 222.89

**Payroll Expenses**

Wages & Salaries 7,394.40  
EI Expense 165.72  
CPP Expense 332.66  
WCB Expense 163.41  
**Total Payroll Expense** 8,056.19

**General & Administrative Expenses**

Interest & Bank Charges 70.65  
Telephone/Security 282.83  
Utilities 1,617.91  
**Total General & Admin. Expenses** 1,971.39

**TOTAL EXPENSE** 10,250.47

**NET INCOME** -10,250.47

**Generated On: 03/03/2017**

**JONATHAN MULLEN MINK RANCH LIMITED**  
**DECEMBER 2016 FINANCIAL STATEMENTS**

**Disclaimer:**

**The above statements have not been audited, reviewed or otherwise verified.**



**JONATHAN MULLEN MINK RANCH LIMITED**  
**Income Statement 01/01/2016 to 12/31/2016**

**REVENUE**

**Livestock Revenue**

Mink Sales	1.00
US Exchange - Gain or Loss	-42.61
Misc Sale Expense	-0.16
NSMBA Fee	-0.12
Contract Care	240,000.00
Volume Discount	2.00
<b>Total Livestock Revenue</b>	<u>239,960.11</u>

**Other Revenue**

Other Income	425.05
<b>Total Other Revenue</b>	<u>425.05</u>

**TOTAL REVENUE** 240,385.16

**EXPENSE**

**Cost of Goods Sold**

Ranch Expense	1,862.98
Bedding, Shavings, Straw, Hay	59.50
Gas & Oil	1,771.28
Freight/Delivery Expense	11.25
<b>Total Cost of Sales</b>	<u>3,705.01</u>

**Payroll Expenses**

Wages & Salaries	102,756.16
EI Expense	2,308.23
CPP Expense	4,181.12
WCB Expense	3,185.93
P/roll Penalties, Interest	1,872.89
HST Penalties/Interest	3.07
<b>Total Payroll Expense</b>	<u>114,107.40</u>

**General & Administrative Expenses**

Accounting & Legal	11,257.44
Fees/Subscriptions	2,295.85
Insurance	2,515.00
Interest & Bank Charges	3,408.27
Long term Interest	320.80
Property Taxes	7,537.73
Property Taxes - Lighthouse Rd	745.20
Machinery Repair & Maintenance	288.40
Vehicle: repair & maintenance	833.54
Building Repair & Maintenance	3,598.85
Telephone/Security	3,452.01
Utilities	5,016.70
<b>Total General &amp; Admin. Expenses</b>	<u>41,269.79</u>

**TOTAL EXPENSE** 159,082.20

**NET INCOME** 81,302.96

Generated On: 01/11/2017

JONATHAN MULLEN MINK RANCH LIMITED  
Balance Sheet As at 12/31/2016

ASSET

<b>Current Assets</b>	
Petty Cash	2.01
Chequing Bank Account	3,146.22
US Chequing: 400 144 2	60.32
US Exchange	1.74
<b>Total Cash</b>	<b>3,210.29</b>
Investment in ALC Class A stock	1,000.00
Investment in ALC Class B stock	10,026.42
Investment Tax Credit Receivable	95,470.45
Accounts Receivable	2.72
<b>Total Receivable</b>	<b>2.72</b>
Prepaid Expenses	3,205.43
<b>Total Current Assets</b>	<b>113,074.31</b>

**Capital Assets**

Vehicles	50,889.00
Organic Management Solutions	-700.00
Acc Depreciation-Vehicle	-43,130.45
Investment: Above & Beyond Inc	-11,500.00
Trinity Farms Inc	-800.00
Property: Lighthouse Road	111,100.00
Land	93,747.33
Utilities/Security - Set up	20,315.66
Acc Dep-Utilities Set Up	-2,901.34
Acc. Depreciation-Perimeter Fencing	-33,130.55
Acc. Deprec - Ranch Manure System	-42,638.64
Ranch & Manure System	249,859.04
Perimeter Fencing	49,200.66
Cages	362,202.56
Buildings	101,810.17
New Pens	745,733.23
Well	9,883.42
Acc. Depreciation - Well	-3,669.11
Acc. Deprec - Pens	-123,567.10
Acc. Deprec - Cages	-143,378.97
Acc. Deprec - Building	-17,391.54
New Equipment	88,073.99
Acc Depreciation -New Equipment	-50,990.16
<b>Total Capital Assets</b>	<b>1,406,756.85</b>

**TOTAL ASSET** 1,519,831.16

LIABILITY

**Current Liabilities**

Account Payable	35,473.97
Accounts payable & accrued expenses	11,434.42
CCC Loan 434323-01	2,907.55
U. S. tax withholding	-3,671.00
HST Charged on Sale	12,000.00
HST Paid on Purchases	-716.57
HST Owing (Refund)	11,281.43
<b>Total Current Liabilities</b>	<b>60,326.87</b>

**Long Term Liabilities**

Farm Canada Credit: 350000.00	277,131.53
Farm Credit Canada: 600,000.00	405,172.72
Due: Victory Farms Inc	850,271.14
Jason Mullen Mink Loan	1,280.16
Loans from Shareholders	-1,614.34
Deferred Investment tax credit	78,278.23
<b>Total Long Term Liabilities</b>	<b>1,810,469.44</b>

**TOTAL LIABILITY** 1,670,815.81

EQUITY

**Share Capital**

Common Shares	100.00
<b>Total Share Capital</b>	<b>100.00</b>

**Retained Earnings**

Dividends	-150,000.00
Retained Earnings - Previous Year	-62,387.61
Current Earnings	81,302.96
<b>Total Retained Earnings</b>	<b>-131,084.65</b>

**TOTAL EQUITY** -130,984.65

**LIABILITIES AND EQUITY** 1,519,831.16

FILE COPY

JONATHAN MULLEN MINK RANCH LIMITED

FINANCIAL STATEMENTS  
(Unaudited - See Notice To Reader)

DECEMBER 31, 2015

JONATHAN MULLEN MINK RANCH LIMITED

DECEMBER 31, 2015

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**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of JONATHAN MULLEN MINK RANCH LIMITED as at December 31, 2015 and the statements of income and (deficit) retained earnings and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

New Minas, N.S.  
August 10, 2016



CONROY INVESTMENTS LIMITED

**JONATHAN MULLEN MINK RANCH LIMITED**

**BALANCE SHEET**

(Unaudited - See Notice To Reader)

**AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 947	\$ -
Accounts receivable	-	32
Prepaid expenses	3,365	3,888
Income taxes receivable	3,671	4,063
Due from shareholder	<u>-</u>	<u>4,385</u>
	7,983	12,368
REFUNDABLE INVESTMENT TAX CREDIT	95,470	95,470
INVESTMENT IN AMERICAN LEGEND CO-OPERATIVE	11,025	11,025
DUE FROM TRINITY FARMS INC.	-	1,286
PROPERTY AND EQUIPMENT (Note 2)	<u>1,419,757</u>	<u>1,499,480</u>
	<u>\$ 1,534,235</u>	<u>\$ 1,619,629</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 3)	\$ -	\$ 2,200
Accounts payable and accrued liabilities	43,234	38,209
Government remittances payable	20,864	103,782
Due to Jason Mullen Mink Ranch Limited	1,250	1,250
Current portion of long term debt	<u>60,518</u>	<u>67,493</u>
	125,866	212,934
DUE TO VICTORY FARMS INCORPORATED	937,993	715,281
LONG TERM DEBT (Note 4)	624,384	684,260
DEFERRED INVESTMENT TAX CREDIT	<u>78,278</u>	<u>91,228</u>
	<u>1,766,521</u>	<u>1,703,703</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (Note 5)	100	100
DEFICIT	<u>(232,386)</u>	<u>(84,174)</u>
	<u>(232,286)</u>	<u>(84,074)</u>
	<u>\$ 1,534,235</u>	<u>\$ 1,619,629</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

SEE ACCOMPANYING NOTES

**JONATHAN MULLEN MINK RANCH LIMITED**

**STATEMENT OF INCOME AND (DEFICIT) RETAINED EARNINGS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Contract revenue	\$ 269,400	\$ 389,053
Volume rebates and pelt sales	<u>-</u>	<u>85</u>
	269,400	389,138
Production and contract costs (Page 5)	<u>133,737</u>	<u>222,382</u>
CONTRIBUTION FROM MINK CARE AND SALES	135,663	166,756
<b>OTHER INCOME</b>		
Other income	729	2,449
Interest income	<u>-</u>	<u>404</u>
	<u>136,392</u>	<u>169,609</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and legal	2,697	846
Advertising and donations	50	-
Amortization	66,773	72,724
Bank charges and short term interest	8,329	10,420
Freight expense	(351)	157
Insurance	4,465	5,601
Interest on long term debt	29,770	35,767
Lease expense	217	3,044
Memberships, dues and fees	1,685	5,542
Property taxes	8,008	7,815
Repairs and maintenance	4,033	15,129
Telephone	3,237	3,166
Travel, entertainment and meals	-	36
Utilities	<u>5,691</u>	<u>8,079</u>
	<u>134,604</u>	<u>168,326</u>
<b>NET INCOME</b>	1,788	1,283
<b>(DEFICIT) RETAINED EARNINGS, beginning of year</b>	<u>(84,174)</u>	<u>64,543</u>
	(82,386)	65,826
<b>DIVIDENDS PAID</b>	<u>150,000</u>	<u>150,000</u>
<b>(DEFICIT) RETAINED EARNINGS, end of year</b>	\$ <u>(232,386)</u>	\$ <u>(84,174)</u>

SEE ACCOMPANYING NOTES

**JONATHAN MULLEN MINK RANCH LIMITED**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net income	\$ 1,788	\$ 1,283
Amortization	<u>66,773</u>	<u>72,724</u>
	68,561	74,007
Net changes in working capital balances		
Accounts receivable	32	20
Prepaid expenses	523	571
Income taxes receivable	392	66,829
Due to (from) shareholder	4,385	(4,385)
Government remittances payable	(82,918)	49,078
Accounts payable and accrued liabilities	<u>5,025</u>	<u>1,083</u>
	<u>(4,000)</u>	<u>187,203</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Unapplied investment tax credit	-	(674)
Advances from related companies	223,998	31,936
Dividends paid	(150,000)	(150,000)
Repayment of long term debt	<u>(66,851)</u>	<u>(65,833)</u>
	<u>7,147</u>	<u>(184,571)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property and equipment	-	(511)
ALC investment	-	(325)
Increase in deferred investment tax credit	<u>-</u>	<u>51</u>
	<u>-</u>	<u>(785)</u>
<b>INCREASE IN CASH</b>	<b>3,147</b>	<b>1,847</b>
<b>CASH (DEFICIENCY), beginning of year</b>	<b><u>(2,200)</u></b>	<b><u>(4,047)</u></b>
<b>CASH (DEFICIENCY), (Note 3), end of year</b>	<b><u>\$ 947</u></b>	<b><u>\$ (2,200)</u></b>

SEE ACCOMPANYING NOTES



JONATHAN MULLEN MINK RANCH LIMITED

SCHEDULE OF PRODUCTION AND CONTRACT COSTS  
(Unaudited - See Notice To Reader)

YEAR ENDED DECEMBER 31, 2015

PRODUCTION AND CONTRACT EXPENSES	<u>2015</u>	<u>2014</u>
Gas, grease and oil	\$ 2,206	\$ 5,844
Ranch supplies	1,706	4,815
Wages and benefits	<u>129,825</u>	<u>211,723</u>
TOTAL DIRECT COSTS	<u>133,737</u>	<u>222,382</u>
DIRECT COSTS ALLOCATED TO MINK CONTRACTING (A)	133,737	222,382
DIRECT COSTS ALLOCATED TO MINK PRODUCTION (B)	<u>-</u>	<u>-</u>
TOTAL PRODUCTION AND CONTRACT COSTS (A + B)	\$ <u>133,737</u>	\$ <u>222,382</u>

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company was incorporated on October 21, 2008 in the province of Nova Scotia. It operates a mink ranch in the Weymouth, N.S. area, from which it either (a) raises its own mink or (b) contracts to provide care and raise mink owned by other ranchers.

(a) Inventory

Inventory normally consists of mink pelts and is valued at the lower of cost and net realizable value. Cost is calculated using the direct costing method under which direct materials, direct labour and variable and semi-variable overhead is charged to inventory. At year end inventory consisted of 0 pelts (2014 - 0 pelts).

(b) Breeding Stock

Breeding stock is valued at the lower of cost and net realizable value. Cost is calculated using the direct costing method under which direct materials, direct labour and variable and semi-variable overhead is charged to inventory. No breeding stock was on hand at the end of either the 2015 or 2014 fiscal years.

(c) Property and Equipment

Property and equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	- 4% diminishing balance
Equipment	- 20% diminishing balance
Fence	- 20% diminishing balance
Mink pens and cages	- 20% diminishing balance
Ranch manure system	- 4% diminishing balance
Utility set up	- 4% diminishing balance
Vehicles	- 30% diminishing balance
Well	- 10% diminishing balance

Amortization rates are halved in year of acquisition.

(d) Due to or from Related Companies

The advances payable to Victory Farms Incorporated, a related company due to common ownership, are non-interest bearing and carry no specific repayment terms.

(e) Income taxes

The company uses the taxes payable method to account for income taxes. Under this method the company reports as an expense only the cost of current income taxes for that year, determined in accordance with the rules established by the taxation authorities.

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2015**

**2. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2015</u>	<u>Net 2014</u>
Land	\$ 204,847	\$ -	\$ 204,847	\$ 204,847
Buildings	101,810	17,392	84,418	87,936
Ranch equipment	86,074	50,960	35,114	43,892
Perimeter fencing	49,210	33,131	16,079	20,099
Vehicles	50,669	43,430	7,239	10,341
Mink pens & cages	1,107,936	266,936	841,000	891,238
Ranch manure system	249,860	42,539	207,321	215,960
Utility set up	20,316	2,901	17,415	18,140
Well	<u>9,883</u>	<u>3,559</u>	<u>6,324</u>	<u>7,027</u>
	<u>\$ 1,880,605</u>	<u>\$ 460,848</u>	<u>\$ 1,419,757</u>	<u>\$ 1,499,480</u>

**3. BANK INDEBTEDNESS**

	<u>2015</u>	<u>2014</u>
Cheques issued in excess of funds on hand	\$ <u>-</u>	\$ <u>2,200</u>

**4. LONG TERM DEBT**

	<u>2015</u>	<u>2014</u>
(a) 4.99% GMAC loan, repayable in blended monthly payments of principal and interest of \$969.10, amortized over 5 years, secured by 2011 GMC truck	\$ -	\$ 9,495
(b) Farm Credit Canada real property loan, repayable in blended annual payments of \$44,878, including interest at a variable rate of 3.834%, amortized over 11 years with original term maturing in September 2020, secured by mortgage over property in Roxville, N.S. and guaranteed by Victory Farms Incorporated	395,873	423,460

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2015**

**4. LONG TERM DEBT (continued)**

	<u>2015</u>	<u>2014</u>
(c) Farm Credit Canada real property loan repayable in blended annual payments of \$32,021, including interest at a variable rate of 3.9%, amortized over 15 years with original term maturing in July 2016, secured by mortgage over real estate and guaranteed by Victory Farms Incorporated	\$ 277,107	\$ 296,417
(d) Farm Credit Canada farm implement loan repayable in blended monthly payments of \$946.96, including interest at a fixed rate of 4.9%, amortized over 5 years	<u>11,922</u>	<u>22,381</u>
	684,902	751,753
Less: Estimated current portion	<u>60,518</u>	<u>67,493</u>
	<u>\$ 624,384</u>	<u>\$ 684,260</u>

The estimated principal payments required in each of the next five years are as follows:

2016 -	\$ 60,518
2017 -	52,477
2018 -	53,743
2019 -	55,999
2020 -	58,352
Subsequent to	- 403,813

**5. CAPITAL STOCK**

Authorized  
40,000 at no par value

Issued capital  
100 common shares

	<u>2015</u>	<u>2014</u>
	<u>\$ 100</u>	<u>\$ 100</u>

**FILE COPY**

**JONATHAN MULLEN MINK RANCH LIMITED**

**FINANCIAL STATEMENTS**  
**(Unaudited - See Notice To Reader)**

**DECEMBER 31, 2014**

**JONATHAN MULLEN MINK RANCH LIMITED**

**DECEMBER 31, 2014**

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We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

New Minas, N.S.  
June 18, 2015



CONROY INVESTMENTS LIMITED

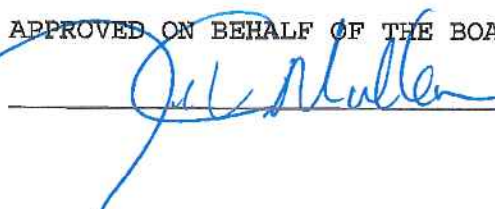
**JONATHAN MULLEN MINK RANCH LIMITED**

**BALANCE SHEET**  
(Unaudited - See Notice To Reader)

**AS AT DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts receivable	\$ 32	\$ 52
Prepaid expenses	3,888	4,459
Income taxes receivable	4,063	70,892
Due from shareholder	<u>4,385</u>	<u>-</u>
	12,368	75,403
REFUNDABLE INVESTMENT TAX CREDIT	95,470	94,796
INVESTMENT IN AMERICAN LEGEND CO-OPERATIVE	11,025	10,700
DUE FROM TRINITY FARMS INC.	1,286	1,196
PROPERTY AND EQUIPMENT (Note 2)	<u>1,499,480</u>	<u>1,587,588</u>
	<u>\$ 1,619,629</u>	<u>\$ 1,769,683</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 3)	\$ 2,200	\$ 4,047
Accounts payable and accrued liabilities	38,209	37,125
Government remittances payable	103,782	54,704
Due to Jason Mullen Mink Ranch Limited	1,250	-
Current portion of long term debt	<u>67,493</u>	<u>67,980</u>
	212,934	163,856
DUE TO ABOVE & BEYOND FARMS INC.	-	70,640
DUE TO VICTORY FARMS INCORPORATED	715,281	613,865
LONG TERM DEBT (Note 4)	684,260	749,606
DEFERRED INVESTMENT TAX CREDIT	<u>91,228</u>	<u>107,073</u>
	<u>1,703,703</u>	<u>1,705,040</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (Note 5)	100	100
(DEFICIT) RETAINED EARNINGS	<u>(84,174)</u>	<u>64,543</u>
	<u>(84,074)</u>	<u>64,643</u>
	<u>\$ 1,619,629</u>	<u>\$ 1,769,683</u>

APPROVED ON BEHALF OF THE BOARD:

 Director



SEE ACCOMPANYING NOTES



**JONATHAN MULLEN MINK RANCH LIMITED**

**STATEMENT OF INCOME AND (DEFICIT) RETAINED EARNINGS**

(Unaudited - See Notice To Reader)

**YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>		
Contract revenue	\$ 389,053	\$ 392,160
Volume rebates and pelt sales	<u>85</u>	<u>366</u>
	389,138	392,526
Production and contract costs (Page 5)	<u>222,382</u>	<u>199,512</u>
<b>CONTRIBUTION FROM MINK CARE AND SALES</b>	166,756	193,014
<b>OTHER INCOME</b>		
Gain on sale of assets	-	7,184
Other income	2,449	17,905
Interest income	<u>404</u>	<u>-</u>
	<u>169,609</u>	<u>218,103</u>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Accounting and legal	846	4,159
Amortization	72,724	78,281
Bad debts	-	26,856
Bank charges and short term interest	10,420	11,223
Freight expense	157	15
Insurance	5,601	5,384
Interest on long term debt	35,767	38,330
Lease expense	3,044	15,002
Membership dues and fees	5,542	1,825
Property taxes	7,815	7,732
Repairs and maintenance	15,129	4,273
Telephone	3,166	3,085
Travel, entertainment and meals	36	57
Utilities	<u>8,079</u>	<u>7,109</u>
	<u>168,326</u>	<u>203,331</u>
<b>INCOME BEFORE INCOME TAXES</b>	1,283	14,772
<b>INCOME TAXES (RECOVERED)</b>	<u>-</u>	<u>(643)</u>
<b>NET INCOME</b>	1,283	15,415
<b>RETAINED EARNINGS, beginning of year</b>	<u>64,543</u>	<u>49,128</u>
	65,826	64,543
<b>DIVIDENDS PAID</b>	<u>150,000</u>	<u>-</u>
<b>(DEFICIT) RETAINED EARNINGS, end of year</b>	<u>\$ (84,174)</u>	<u>\$ 64,543</u>

SEE ACCOMPANYING NOTES

**JONATHAN MULLEN MINK RANCH LIMITED**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice To Reader)

**YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net income	\$ 1,283	\$ 15,415
Amortization	72,724	78,281
Gain on disposal of equipment	<u>-</u>	<u>(7,184)</u>
	74,007	86,512
Net changes in working capital balances		
Accounts receivable	20	26,804
Prepaid expenses	571	671
Income taxes receivable	66,829	(7,010)
Due (from) to shareholder	(4,385)	6,809
Government remittances payable	49,078	(1,614)
Accounts payable and accrued liabilities	<u>1,083</u>	<u>(42,629)</u>
	<u>187,203</u>	<u>69,543</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Unapplied investment tax credit	(674)	(1,516)
Advances from related companies	31,936	8,127
Dividends paid	(150,000)	-
Repayment of long term debt	<u>(65,833)</u>	<u>(64,127)</u>
	<u>(184,571)</u>	<u>(57,516)</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property and equipment	(511)	(32,276)
ALC investment	(325)	(4,700)
Increase in deferred investment tax credit	51	2,528
Proceeds from disposal of equipment	<u>-</u>	<u>16,800</u>
	<u>(785)</u>	<u>(17,648)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,847</b>	<b>(5,621)</b>
<b>CASH (DEFICIENCY), beginning of year</b>	<b><u>(4,047)</u></b>	<b><u>1,574</u></b>
<b>CASH (DEFICIENCY), (Note 3), end of year</b>	<b>\$ <u>(2,200)</u></b>	<b>\$ <u>(4,047)</u></b>

SEE ACCOMPANYING NOTES

JONATHAN MULLEN MINK RANCH LIMITED

SCHEDULE OF PRODUCTION AND CONTRACT COSTS  
(Unaudited - See Notice To Reader)

YEAR ENDED DECEMBER 31, 2014

PRODUCTION AND CONTRACT EXPENSES	<u>2014</u>	<u>2013</u>
Gas, grease and oil	\$ 5,844	\$ 9,230
Miscellaneous	-	172
Ranch supplies	4,815	4,603
Wages and benefits	<u>211,723</u>	<u>185,507</u>
TOTAL DIRECT COSTS	<u>222,382</u>	<u>199,512</u>
DIRECT COSTS ALLOCATED TO MINK CONTRACTING (A)	222,382	199,512
DIRECT COSTS ALLOCATED TO MINK PRODUCTION (B)	<u>-</u>	<u>-</u>
TOTAL PRODUCTION AND CONTRACT COSTS (A + B)	\$ <u>222,382</u>	\$ <u>199,512</u>

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The company was incorporated on October 21, 2008 in the province of Nova Scotia. It operates a mink ranch in the Weymouth, N.S. area, from which it either (a) raises its own mink or (b) contracts to provide care and raise mink owned by other ranchers.

(a) Inventory

Inventory normally consists of mink pelts and is valued at the lower of cost and net realizable value. Cost is calculated using the direct costing method under which direct materials, direct labour and variable and semi-variable overhead is charged to inventory. At year end inventory consisted of 0 pelts (2013 - 0 pelts).

(b) Breeding Stock

Breeding stock is valued at the lower of cost and net realizable value. No breeding stock was on hand at the end of either the 2014 or 2013 fiscal years.

(c) Property and Equipment

Property and equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	- 4% diminishing balance
Equipment	- 20% diminishing balance
Fence	- 20% diminishing balance
Mink pens and cages	- 20% diminishing balance
Ranch manure system	- 4% diminishing balance
Utility set up	- 4% diminishing balance
Vehicles	- 30% diminishing balance
Well	- 10% diminishing balance

Amortization rates are halved in year of acquisition.

(d) Due to or from Related Companies

The advances payable to or receivable from Victory Farms Incorporated, Trinity Farms Inc. and Above & Beyond Farms Inc., related companies due to common ownership, are non-interest bearing and carry no specific repayment terms.

(e) Income taxes

The company uses the taxes payable method to account for income taxes. Under this method the company reports as an expense only the cost of current income taxes for that year, determined in accordance with the rules established by the taxation authorities.

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2014**

**2. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net <u>2014</u></b>	<b>Net <u>2013</u></b>
Land	\$ 204,847	\$ -	\$ 204,847	\$ 204,847
Buildings	101,810	13,874	87,936	91,600
Ranch equipment	86,074	42,182	43,892	54,865
Perimeter fencing	49,210	29,111	20,099	25,124
Vehicles	50,669	40,328	10,341	14,773
Mink pens & cages	1,107,936	216,698	891,238	944,718
Ranch manure system	249,860	33,900	215,960	224,958
Utility set up	20,316	2,176	18,140	18,896
Well	<u>9,883</u>	<u>2,856</u>	<u>7,027</u>	<u>7,807</u>
	<u>\$ 1,880,605</u>	<u>\$ 381,125</u>	<u>\$ 1,499,480</u>	<u>\$ 1,587,588</u>

**3. BANK INDEBTEDNESS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cheques issued in excess of funds on hand	\$ <u>2,200</u>	\$ <u>4,047</u>

**4. LONG TERM DEBT**

	<b><u>2014</u></b>	<b><u>2013</u></b>
(a) 4.99% GMAC loan, repayable in blended monthly payments of principal and interest of \$969.10, amortized over 5 years, secured by 2011 GMC truck	\$ 9,495	\$ 20,344
(b) Farm Credit Canada real property loan, repayable in blended annual payments of \$45,742, including interest at a variable rate of 4.2%, amortized over 15 years with original term maturing in June 2015, secured by mortgage over property in Roxville, N.S. and guaranteed by Victory Farms Incorporated	423,460	449,931

**JONATHAN MULLEN MINK RANCH LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited - See Notice To Reader)

**DECEMBER 31, 2014**

**4. LONG TERM DEBT (continued)**

	<u>2014</u>	<u>2013</u>
(c) Farm Credit Canada real property loan repayable in blended annual payments of \$32,021, including interest at a variable rate of 4.2%, amortized over 15 years with original term maturing in July 2016, secured by mortgage over real estate and guaranteed by Victory Farms Incorporated	\$ 296,417	\$ 314,950
(d) Farm Credit Canada farm implement loan repayable in blended monthly payments of \$946.96, including interest at a fixed rate of 4.9%, amortized over 5 years	<u>22,381</u>	<u>32,361</u>
	751,753	817,586
Less: Estimated current portion	<u>67,493</u>	<u>67,980</u>
	<u>\$ 684,260</u>	<u>\$ 749,606</u>

The estimated principal payments required in each of the next five years are as follows:

2015 -	\$ 67,493
2016 -	60,518
2017 -	52,441
2018 -	53,742
2019 -	55,999
Subsequent -	461,560

**5. CAPITAL STOCK**

Authorized

40,000 at no par value

Issued capital

100 common shares

	<u>2014</u>	<u>2013</u>
	\$ <u>100</u>	\$ <u>100</u>

**6. COMPARATIVE FINANCIAL STATEMENTS**

Certain of the comparative financial statement figures have been restated in order to conform with the presentation adopted in the current year.

**APPENDIX E: LEASED ASSETS**

**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")  
Leased Assets**

Listed below are the leased units of equipment utilized by the Applicants.

Any bid submitted for consideration pursuant to the Bidding Procedures appended to the Sales Process must identify with particularity which, if any, of the below-listed units of equipment the bidder would wish to seek to receive an assignment of lease from the applicable lessor.

Assignments of the applicable leases are at the discretion of the applicable equipment lessors, and therefore neither the Monitor nor the Applicants express any assurances as to the availability of any lease assignments desired by a bidder.

For greater certainty, the leased equipment noted below does not form part of the Purchased Assets, as defined in the Sales Process.

With respect to leased equipment which a bidder wishes to retain, to the extent that bidder is determined to be a Qualified Bidder and ultimately concludes a definitive purchase agreement with the Applicants, it shall be a condition of closing any such transaction that on or before the closing date, applicable equipment leases shall have been assumed by the identified purchaser, or new leases entered into with those lessors, which are satisfactory to the purchaser.

The subject leased equipment is as follows:

- 2014 New Holland T4.95A Tractor with 655TL Loader and Bucket (approx. 285 hrs)
- 2014 New Holland T4.95A Tractor with 655TL Loader and Bucket (approx. 525 hrs)
- 2013 Chevrolet Silverado Extended Cab LTZ



## **APPENDIX F: SALES PROCESS**

Court Administration

FEB 16 2017

Halifax, N.S.

2016

Hfx No. 454744

Supreme Court of Nova Scotia



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

**Stalking Horse and Bidding Procedures Order**

JUSTICE GLENG G. MCDOUGALL

**AND UPON MOTION OF** Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants") for an order approving the Stalking Horse Asset Purchase Agreement and related sales process;

**AND UPON READING** the affidavit of Jonathan Mullen sworn February 9, 2017, the Sixth Report of Deloitte Restructuring Inc., in its capacity as Monitor (the "Monitor"), dated February 10, 2017 ("the Sixth Report") and the exhibits thereto, filed, and on hearing the submissions of counsel for the Applicants, the Monitor, and those for the secured creditors as appeared:

**IT IS ORDERED THAT:**

**Service**

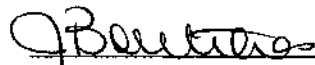
1. The time for service of the Notice of Motion, the Sixth Report and the other materials filed herein is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

**Stalking Horse Process**

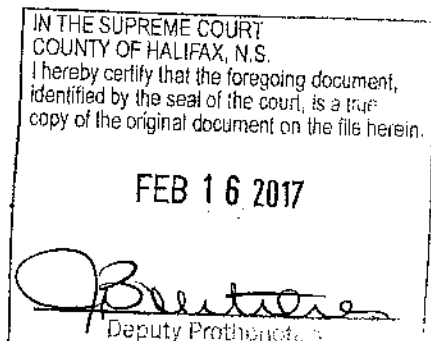
2. The Applicants are hereby authorized and directed, *nunc pro tunc*, to enter into an agreement to sell all or substantially all of their assets, property and undertakings (the "Purchased Assets") to North American Fur Auctions Inc. (the "Stalking Horse Bidder"), substantially in the form of the agreement attached as Appendix "B" to the Sixth Report (the "Stalking Horse Asset Purchase Agreement"), and such agreement, subject to the terms of this Order, is hereby approved and accepted for the purpose of conducting the Stalking Horse Process (defined below) in accordance with the Bidding Procedures (defined below).

3. The bidding procedures described in the Sixth Report and attached hereto as Schedule "A" (the "Bidding Procedures") and the sale process and auction described therein (collectively, the "Stalking Horse Process") be and are hereby approved and the Monitor is hereby authorized and directed to conduct the Stalking Horse Process.
4. In connection with the Stalking Horse Process and pursuant to section 7(3)(c) of the *Personal Information Protection and Documents Act* (Canada), the Applicants and/or the Monitor may disclose personal information of identifiable individuals to prospective bidders for the Purchased Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of such assets. Each prospective bidder to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the said assets and related business, and if it does not complete a purchase thereof, shall return all such information to the Applicants and/or the Monitor or in the alternative shall destroy all such information and certify such destruction to the Applicants and/or the Monitor.
5. With respect to paragraph 8.8 of the Sixth Report of the Monitor filed February 10, 2017, the advertisements proposed shall each run once weekly for five consecutive weeks.
6. With respect to paragraph 8.10 of the Sixth Report of the Monitor filed February 10, 2017, the auction of the Purchased Assets shall take place, if necessary, on March 31, 2017, as provided for in paragraph 17 of the Bidding Procedures.

Issued February 16, 2017

  
Deputy Prothonotary

JESSICA BOUTILIER  
Deputy Prothonotary



JESSICA BOUTILIER  
Deputy Prothonotary

## **Schedule A — Bidding Procedures**

### **Bidding Procedures**

1. Set forth below are the bidding procedures (the "Bidding Procedures") to be employed with respect to the sale (the "Sale") of the assets, property and undertakings (the "Purchased Assets") of Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants") by the Applicants.
2. On February 16, 2017, the Court issued an order (the "Bidding Procedures Order") approving and accepting for the purpose of conducting the Stalking Horse Process in accordance with these Bidding Procedures that certain asset purchase agreement dated February 10, 2017 (the "Stalking Horse Asset Purchase Agreement" or "Stalking Horse Bid") between the Applicants and North American Fur Auctions Limited, or its assignee (the "Stalking Horse Bidder"), and approving these Bidding Procedures.
3. All amounts specified herein are in Canadian dollars.
4. Within five (5) business days following the Auction (defined below), the Applicants shall bring a motion (the "Sale Approval Motion") seeking the granting of an order by the Court authorizing and approving the Sale of the Purchased Assets to the Successful Bidder(s) (such order, as approved, the "Approval and Vesting Order").

### **Assets to Be Sold**

5. The Applicants, in consultation with Deloitte Restructuring Inc., (the "Monitor") in its capacity as the Court-appointed Monitor of the Applicants, are offering for sale all of the Applicants' right, title and interest in and to all of the Purchased Assets and encourages bids for all of the Purchased Assets, in whole.

### **Permitted Encumbrances**

6. The mortgages of real property made by the Applicants in favour of Nova Scotia Farm Loan Board and Farm Credit Canada shall be Permitted Encumbrances, and the sale herein contemplated shall be subject to said mortgages of real property.

## **The Bidding Process**

7. The Applicants, in consultation with the Monitor, shall (i) determine whether any person is a Qualified Bidder, (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations, (iii) receive offers from Qualified Bidders, and (iv) negotiate any offers made to purchase the Purchased Assets (collectively, the "Bidding Process"). The Monitor, in consultation with the Applicants and the secured creditors, shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that will better promote the goals of the Bidding Process, provided, however, that such other rules are not inconsistent with any of (i) the provisions of the Stalking Horse Asset Purchase Agreement (including the deadlines therein), (ii) the Bid Deposit Requirement (as defined below), and (iii) the bid protections granted to the Stalking Horse Bidder herein.

## **Participation Requirements**

8. A "Qualified Bidder" is a potential bidder that the Monitor, in consultation with the Applicants and the secured creditors, determines is likely (based on financial information submitted by the bidder, the availability of financing, experience and other considerations deemed relevant by the Monitor) to be able to consummate a sale if selected as the Successful Bidder (as defined below). Notwithstanding the foregoing, the Stalking Horse Bidder shall be deemed a Qualified Bidder.

## **Due Diligence**

9. Any Person that wishes to participate in the Bidding Process must (i) execute a confidentiality agreement in form and substance acceptable to the Monitor and (ii) be a Qualified Bidder. The Monitor shall not be obligated to furnish information of any kind whatsoever to any Person that the Monitor determines not to be a Qualified Bidder. The Monitor will afford any Qualified Bidder the time and opportunity to conduct reasonable due diligence subject to the time frames contemplated by these Bidding Procedures. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders.

## **Bid Deadline**

10. A Qualified Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Materials (defined below) to each of (i) the Monitor, Deloitte Restructuring Inc. Inc., 1969 Upper Water Street, Suite 1500, Halifax, NS, Canada B3J 3R7, Attention: James Foran; and (ii) counsel to the Monitor, McInnes Cooper, 1969 Upper Water Street, Suite 1300, Purdy's Wharf Tower II Halifax, NS, B3J 2V1, Attention: Ben R. Durnford, not later than 12:00 p.m. (Nova Scotia time) on March 24, 2017 (the "Bid Deadline"). In the event that a bid is determined to be a Qualified Bid, the Monitor shall deliver a written copy of any such Qualified Bid and the Required Bid Materials to the Stalking Horse Bidder's counsel, Burchell MacDougall LLP, 710 Prince St, PO Box 1128, Truro NS, B2N 5H1, Attention: Brian W. Stilwell, and to the Applicants' counsel, BoyneClarke LLP, 99 Wyse Road, Suite 600, Dartmouth, NS, B2Y 3Z5, Attention: Tim Hill, Q.C.

## **Bid Requirements**

11. All bids must include (unless such requirement is waived by the Monitor, with the concurrence of the Applicants and the secured creditors) (the "Required Bid Materials"):
  - (i) A cash purchase price equal to or greater than \$4,000,000, (the "Minimum Bid Amount");
  - (ii) An acknowledgement that the sale is subject to the Permitted Encumbrances;
  - (iii) A letter stating that the bidder's offer is irrevocable until the first business day after the Purchased Assets have been sold pursuant to the closing of the sale or sales thereof approved by the Court;
  - (iv) An executed copy of a proposed purchase agreement and a blackline of the Qualified Bidder's proposed purchase agreement reflecting variations from the Stalking Horse Asset Purchase Agreement (the "Marked Agreement"). All Qualified Bids must provide: (a) a commitment to close within five (5) business days after satisfaction of all conditions and a covenant to use commercial best efforts to satisfy all conditions; and (b) the identity of and contact information for the bidder and full disclosure of any affiliates and any debt or equity financing sources involved in such bid;

- (v) A cash deposit in the amount of \$400,000 in the form of a wire transfer, certified cheque or such other form acceptable to the Monitor (the "Bid Deposit"), which shall be placed in an escrow account (the "Escrow Account"). The Escrow Account shall not be subject to any Liens whatsoever of the Applicants' creditors or otherwise, and funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder at the Auction, its Bid Deposit will be applied to the purchase price payable by it under its bid on the closing thereof, and (ii) if the Qualified Bidder is not the Successful Bidder at the Auction, then its Bid Deposit shall be returned to it (subject to the other provisions of these Bidding Procedures and the terms of its asset purchase agreement with the Monitor);
- (vi) A representation of the bidder and written evidence that the bidder has a commitment for financing or other evidence of the proposed purchaser's ability to consummate the proposed transaction, including executed copies of any financing agreements, commitments, guarantees of the payment obligations of the proposed purchaser, and which the Monitor, in consultation with the Applicants and the secured creditors, believes to be sufficient to satisfy the bidder's obligations under its proposed bid, including to consummate the transaction contemplated by the proposed agreement submitted by it as provided above;
- (vii) A representation of the bidder and written evidence that the bidder has entered into an agreement with Nova Scotia Farm Loan Board and Farm Credit Canada to assume the debt secured by the mortgages of real property which form part of the Permitted Encumbrances, should the bidder be the successful bidder;
- (viii) The bid shall identify with particularity those executory contracts and unexpired leases of the Applicants with respect to which the bidder seeks to receive an assignment;
- (ix) The bid shall not request or entitle the bidder to any transaction or break up fee, expense reimbursement, termination or similar type of fee or payment and shall include an acknowledgement and representation of the bidder that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise,

regarding the Purchased Assets, title to same, the financial performance of the Purchased Assets, the fitness for use of or the physical condition of the Purchased Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or the Stalking Horse Asset Purchase Agreement;

- (x) The bid shall not contain any due diligence, financing or regulatory contingencies of any kind other than those contained in the Stalking Horse Asset Purchase Agreement, though the bid may be subject to the satisfaction of other specific conditions in all material respects at the Closing Date (defined below);
- (xi) The bid shall fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;
- (xii) The bid shall state that the offering party consents to the jurisdiction of the Court;
- (xiii) The bid shall include evidence of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the submitted purchase agreement of the bidder;
- (xiv) The bid shall state that the offering party has not acted and will not act in collusion with any other undisclosed party or entity in connection with its bid; and
- (xv) The bid shall identify with particularity any liabilities being assumed.

12. A bid received from a Qualified Bidder that includes all of the Required Bid Materials and is received by the Bid Deadline is a "Qualified Bid." The Monitor, in consultation with the Applicants and the secured creditors, reserves the right to determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "Lead Bid"). Forthwith after the Bid Deadline, the Monitor, in consultation with the Applicants and the secured creditors, shall determine which Qualified Bid shall be the Lead Bid for the purposes of the Auction. A copy of the Lead Bid will be provided to all Qualified Bidders prior to the Auction Date.

13. Notwithstanding the bid requirements detailed above, the Stalking Horse Bid shall be deemed a Qualified Bid.



### **Credit Bidding**

14. None of the bidders shall be permitted to credit bid any indebtedness owed to them by the Applicants in connection with the making of a Qualified Bid or in the conduct of the Auction. If any of the secured creditors or any affiliate thereof (other than the Stalking Horse Bidder) wishes to participate in the Auction, they must qualify as a Qualified Bidder in accordance with these Bidding Procedures and will forfeit any right of consultation with the Monitor provided for herein.

### **"As Is, Where Is, with All Faults"**

15. The sale of the Purchased Assets shall be on an "as is", "where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Monitor or the Applicants or their respective agents, representatives or estates, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive purchase agreement with the Applicants. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, title to the Purchased Assets, the financial performance of the Purchased Assets or the physical condition or location of the Purchased Assets or their fitness for use, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Applicants.

### **Free of Any and All Liens**

16. Except as otherwise provided in the Stalking Horse Asset Purchase Agreement or another Successful Bidder's purchase agreement, and subject to mortgages of real property in favour of Nova Scotia Farm Loan Board and Farm Credit Canada and any other security, charges or other restrictions ("Permitted Encumbrances") which may be defined in the Approval and Vesting Order, all of the Applicants' right, title and interest in and to the

Purchased Assets subject thereto shall, pursuant to the provisions of section 36 of the Companies' Creditors Arrangement Act, be sold free and clear of any and all security, charge or other restriction, other than Permitted Encumbrances as provided for in the Approval and Vesting Order.

### **The Auction and Auction Procedures**

17. If a Qualified Bid (other than that submitted by the Stalking Horse Bidder) or Qualified Bids which, in either case, in the aggregate provide for cash consideration of not less than the Minimum Bid Amount, have been received by the Monitor on or before the Bid Deadline, the Monitor shall conduct an auction (the "Auction") with respect to all of the Purchased Assets, with the Lead Bid as the starting bid for the Auction. The Auction shall be conducted at the offices of Deloitte Restructuring Inc. Inc., 1969 Upper Water Street, Suite 1500, Halifax, NS, Canada B3J 3R7 (the "Auction Site") at 11:00 a.m. (Nova Scotia time) on March 31, 2017 (the "Auction Date"), or such other place and time as the Monitor shall notify all Qualified Bidders who have submitted Qualified Bids and expressed their intent to participate in the Auction as set forth above. Prior to moving the Auction Date, the Monitor shall consult with the Stalking Horse Bidder and the Applicants and the secured creditors.
18. Except as otherwise provided herein, based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Monitor determines is relevant, the Monitor, in consultation with the Applicants and the secured creditors, may conduct the Auction in any manner that it determines will achieve the maximum value for the Purchased Assets, provided that all Qualified Bidders that have timely submitted a Qualified Bid shall be entitled to be present during each round of bidding, the identity of each such Qualified Bidder shall be disclosed to all other Qualified Bidders, and all material terms of each Qualified Bid and each subsequent bid made by each such Qualified Bidder shall be disclosed to all other Qualified Bidders. The Monitor, in consultation with the Applicants and the secured creditors also may set opening bid amounts in each round of bidding as the Monitor determines to be appropriate.
19. If Qualified Bidders submit Qualified Bids, then the Monitor, in consultation with the Applicants and the secured creditors, shall (i) promptly following the Bid Deadline, review each Qualified Bid on the basis of the financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the sale as contemplated in the Stalking Horse and Bidding Procedures

Order and the Bidding Procedures, and (ii) as soon as practicable after the conclusion of the Auction, identify the best offer for the Purchased Assets (to the extent any such bid is acceptable to the Monitor, in consultation with the Applicants and the secured creditors, a "Successful Bid" and the bidder or bidders making such bid, the "Successful Bidder"). At the hearing on the Sale Approval Motion, the Monitor will present the Successful Bid to the Court for approval. The Monitor reserves all rights not to submit any bid which is not acceptable to the Monitor for approval by the Court. The Monitor acknowledges that the Stalking Horse Bid is a Qualified Bid and shall be submitted to the Court for approval in the event that there is no other Successful Bid. Except as otherwise provided herein or as restricted by the Stalking Horse Asset Purchase Agreement, the Monitor upon consultation with the Applicants, may adopt rules for bidding at the Auction that, in its business judgment, will better promote the goals of the bidding process or any order of the Court entered in connection herewith.

20. If no Qualified Bid is submitted by the Bid Deadline or all Qualified Bids that have been submitted have been withdrawn prior to the Bid Deadline or the Auction Date, then the Monitor shall cancel the Auction (in which case, the Successful Bid shall be the Stalking Horse Bid, and the Successful Bidder shall be the Stalking Horse Bidder).

#### **Overbid Amount; Minimum Bid Increment**

21. There shall be an overbid amount that a Qualified Bidder must bid to exceed the Stalking Horse Bid ("Overbid Amount"), and that amount shall be at least \$100,000 for all bids made by Qualified Bidders. At the Auction, all subsequent bids shall not be less than \$50,000 in excess of the preceding bid, unless modified by the Monitor.

#### **Acceptance of Qualified Bids**

22. The sale of the Purchased Assets to any Successful Bidder by the Applicants is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion. The Applicants' presentation of any Qualified Bid to the Court for approval does not obligate the Applicants to close the transaction contemplated by such Qualified Bid until the Court approves the bid. The Applicants will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Sale Approval Motion.

### **Sale Approval Motion Hearing**

23. The Sale Approval Motion shall be made on or before April 14, 2017. The Applicants, in consultation with the Monitor, in the exercise of its business judgment, in consultation with the Applicants and the secured creditors, reserves their rights to the extent consistent with the Stalking Horse Asset Purchase Agreement, to change the date of the hearing of the Sale Approval Motion in order to achieve the maximum value for the Assets.
24. At the hearing of the Sale Approval Motion, the Applicants shall seek approval from the Court to consummate the Successful Bid, and at the Monitor's election, to consummate the next best Qualified Bid (the "Back-Up Bid", and the party submitting the Back-Up Bid, the "Back-Up Bidder") should the Successful Bid not be closed in accordance with its terms for any reason.
25. If the Successful Bidder fails to consummate an approved Sale within five (5) business days after satisfaction of all conditions thereof ("the Closing Date"), the Applicants, in consultation with the Monitor, may, but shall not be required, to consummate the Back-Up Bid without the requirement of any further approval thereof by the Court. The Back-Up Bid shall remain open until the first business day following the consummation of the sale of the Purchased Assets to the Successful Bidder.

### **Modifications**

26. The Monitor, after consultation with the Applicants and the secured creditors, may (a) determine which Qualified Bid, if any, is the best offer; and (b) reject at any time before the issuance and entry of an Approval and Vesting Order approving a Qualified Bid, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Monitor, the Applicants' estate or their creditors. Notwithstanding the foregoing, the provisions of this paragraph shall not operate or be construed to permit the Monitor to - accept any Qualified Bid that (i) does not require a bid deposit of at least \$400,000 be placed in a protected, segregated account, which shall serve as protection and security for the Stalking Horse Bidder as outlined herein, (ii) does not equal or exceed the Overbid Amount, or (iii) impose any terms and conditions upon the Stalking Horse Bidder that are contradictory to or in breach of the terms of the Stalking Horse Asset Purchase Agreement

other than any such terms and conditions set forth in these Bidding Procedures or the Bidding Procedures Order.

### **Miscellaneous**

27. The Auction and these Bidding Procedures are for the benefit of the Applicants and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Bidding Procedures Order. The bid protections incorporated in these Bidding Procedures are for the benefit of the Stalking Horse Bidder.
28. The Monitor shall not have any liability whatsoever to any person or party, including without limitation the Applicants, the Stalking Horse Bidder, any other bidder or any creditor or other stakeholder, for any act or omission related to the process contemplated by these Bidding Procedures.
29. Except as provided in the Bidding Procedures Order and Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Bidding Procedures Order.

## **APPENDIX G: PURCHASE PRICE ALLOCATION**

**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")  
Purchase Price Allocation**

<b>Assets</b>	<b>Allocation of Purchase Price</b>
<b>The following real property:</b> PID: 30146070; PID: 30146500; PID: 30358329; PID: 30358402; PID: 30358410.	\$9,900 (the unencumbered real property amount)
<b>The following real property:</b> PID: 30145965; PID: 30145973; PID: 30273817	The amounts due at closing on the mortgages in favor of Farm Credit Canada and Nova Scotia Farm Loan Board
<b>Live mink, pelts, and the proceeds thereof</b>	90% of the purchase price, net of Pending Agristability payment amount and the unencumbered real property amount
<b>All other personal property</b>	10% of purchase price, net of Pending Agristability payment amount and the unencumbered real property amount
<b>Pending Agristability payment</b>	\$447,136, discounted at a 1% discount rate between the date of closing and the date of anticipated receipt (the Pending Agristability payment amount)

## Appendix B: Aviator Arrangement



## AGREEMENT TO TRADE

January 31, 2017

Aviator Farms Ltd. (Daniel Mullen) agrees to trade 3350 Dark female mink pelts and 1033 dark male mink pelts,

for

750 dark male live breeders and 3633 dark female live breeders from Victory Farms Ltd (Jonathan Mullen). Victory Farms also agrees to the terms of this trade.

This trade is an even trade, 4383 pelts for 4383 live breeders.

Aviator Farms Ltd discloses that the 4383 pelts are held as security by American Legend Co-operative (ALC). Upon disclosing the intentions of Aviator Farms Ltd to trade pelts for live breeders, to ALC, senior management gave their verbal blessing and consent to complete this trade, with the understanding that upon completion of trade, the pelts would cease to be held as ALC security and the acquired live breeders would then replace them as security.

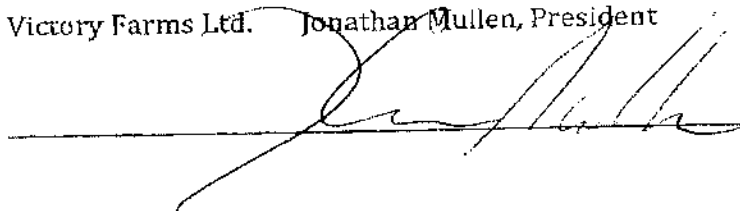
Likewise, Victory Farms discloses that the 4383 live breeders are held as security by North American Fur Auctions (NAFA). Upon disclosing the intentions of Victory Farms Ltd to trade live breeders for pelts, to NAFA, senior management gave their verbal blessing and consent to complete this trade, with the understanding that upon completion of trade, the live breeders would cease to be held as NAFA security and the acquired pelts would then replace them as security.

This trade was completed on January 31, 2017.

Aviator Farms Ltd. Daniel Mullen, President



Victory Farms Ltd. Jonathan Mullen, President



## Appendix C: Cash Flow Reconciliation

**Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited**  
**Cash Flow Reconciliation**  
**For the weeks ending February 10, 2017 to March 31, 2017**

	Cumulative		
	Projected	Actual	Variance
Opening cash	8,758	8,758	-
Operating inflows			
Other	-	343.73	344
HST	70,000	60,019	(9,981)
Total inflows	70,000	60,362	(9,638)
Operating outflows			
Compensation	158,719	158,382	337
Feed costs	142,305	136,000	6,305
Contracted mink care	244,629	220,870	23,760
Operating expenses	37,399	36,523	876
Professional fees	157,500	105,634	51,866
Repairs and maintenance	11,000	11,049	(49)
Pelting costs	312,096	136,496	175,601
HST	-	-	-
Total outflows	1,063,648	804,953	258,695
Operating cash flow	(993,648)	(744,591)	(268,333)
Cash position (before DIP)	(984,890)	(735,833)	249,057
DIP funding	1,037,300	837,275	(200,025)
Closing cash position (after DIP)	52,410	101,442	49,032

## Appendix D: Fifth Extension Cash Flow Projection

IN THE MATTER OF  
THE COMPANIES CREDITOR ARRANGEMENT ACT,  
and  
IN THE MATTER OF  
THE COMPROMISE OR ARRANGEMENT OF THE APPLICANTS,  
VICTORY FARMS INCORPORATED AND JONATHAN MULLEN MINK RANCH  
LIMITED

The management of Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 3<sup>rd</sup> day of April, 2017, consisting of weekly projections for the period April 7<sup>th</sup> to June 2<sup>nd</sup>, 2017.

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

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

The projection has been prepared by Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited solely for the purpose described in Note A, using a set of hypothetical and probable assumptions set out in Note B.

Dated at Digby, Nova Scotia this 3<sup>rd</sup> day of April, 2017.

Victory Farms Incorporated  
Jonathan Mullen Mink Ranch Limited

Per: 

Jonathan Mullen  
President

VICTORY FARMS INCORPORATED AND JONATHAN MULLEN MINK RANCH  
LIMITED

ASSUMPTIONS TO THE CASH FLOW PROJECTIONS  
FOR THE PERIOD APRIL 7 TO JUNE 2, 2017

Note A: The statement of projected cash flow is being filed pursuant to the *Companies Creditor Arrangement Act* using the hypothetical assumptions set out in Note B.

Note B: Opening cash balance reflects the estimated cash contained within the Applicant's account at RBC.

HST refunds and expenditures relate to ITCs and HST payables claimed by the Applicants and are assumed to be received/paid under normal filing cycles during the period covered by the projections.

Compensation expense is based on current head count levels and management's estimate of future needs during the period covered by the projections.

Feed costs are based on management's estimate using the size of the herd, current feed prices and expected feeding requirements during the period covered by the projections.

Contracted mink care payments are based on existing arrangements the Applicants have entered into with other mink farmers to care for mink.

Operating expenses are based on historical amounts.

Professional fees are based on estimates provided by the various professional firms involved.

Repairs and maintenance expenses are based on historical averages and are management's best estimates of amounts required during the period covered by the projections.

Pelting costs are based on the existing market prices and based on approximately 49 thousand pelts being invoiced during the period.

DIP funding is based on an estimate of available funds provided by the DIP Lender factoring in interest charges applied to the balance.

# Deloitte.

The attached statement of projected cash flow of Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited, as of the 3<sup>rd</sup> day of April, 2017 consisting of weekly projections for the period April 7<sup>th</sup> to June 2<sup>nd</sup>, 2017, has been prepared by the management of the insolvent debtor for the purpose described in Note A, using the probable and hypothetical assumptions set out in Note B.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied to us by the management and employees of the insolvent debtor. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- a) the hypothetical assumptions are not consistent with the purpose of the projection;
- b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note A, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 3<sup>rd</sup> day of April, 2017.

**DELOITTE RESTRUCTURING INC.**

Acting in its capacity as  
Monitor of Victory Farms Incorporated and  
Jonathan Mullen Mink Ranch Limited  
and not in its personal capacity

Per:



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

Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (Combined)  
 Fifth Extension Cash Flow Projection  
 For the period April 7 to June 2, 2017

Week	1	2	3	4	5	6	7	8	9	Total
Date (MM/DD/YYYY)	4/7/2017	4/14/2017	4/21/2017	4/28/2017	5/5/2017	5/12/2017	5/19/2017	5/26/2017	6/2/2017	
Opening cash	101,442	38,681	393,323	31,934	177,095	48,012	18,088	140,429	98,670	101,442
Operating inflows	-	-	-	44,000	-	-	-	30,000	-	74,000
HST	-	-	-	44,000	-	-	-	30,000	-	74,000
Total inflows	-	-	-	88,000	-	-	-	60,000	-	148,000
Operating outflows	27,896	11,674	23,787	11,674	26,515	10,327	21,062	10,327	24,969	168,170
Compensation	12,075	12,075	13,225	13,225	17,193	17,193	17,193	17,193	52,900	172,270
Feed costs	20,025	-	84,000	-	82,970	-	-	-	82,970	269,965
Contracted mink care	1,825	8,905	1,405	20,440	1,405	1,405	1,405	5,740	1,405	43,935
Operating expenses	-	11,704	-	52,500	-	-	-	37,500	-	101,704
Professional fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Repairs and maintenance	-	-	237,972	-	-	-	-	-	-	237,972
Pelting costs	-	-	-	-	-	-	-	-	-	-
Total outflows	62,761	45,358	361,390	98,839	129,082	29,924	40,659	71,759	163,244	1,003,016
Operating cash flow	(62,761)	(45,358)	(361,390)	(54,839)	(129,082)	(29,924)	(40,659)	(41,759)	(163,244)	(929,016)
Cash position (before DIP)	38,681	(6,677)	31,934	(22,905)	48,012	18,088	(22,571)	98,670	(64,574)	(827,574)
DIP Financing	-	400,000	-	200,000	-	-	163,000	-	-	763,000
Cash position (after DIP)	38,681	393,323	31,934	177,095	48,012	18,088	140,429	98,670	(64,574)	(64,574)



**Appendix E: The Advertisement**

**INVITATION FOR OFFERS – VICTORY FARMS INCORPORATED AND JONATHAN MULLEN MINK RANCH LIMITED**

Deloitte Restructuring Inc., in its capacity as Monitor of Victory Farms Inc. and Jonathan Mullen Mink Ranch Limited (the “Applicants”), by virtue of an order from the Supreme Court of Nova Scotia dated February 16, 2017, is conducting a stalking horse and bidding procedures process in respect of certain of the assets of the Applicants. The deadline for bid submissions is March 24, 2017.

The Applicants operate a mink farm located in Digby County, NS with annual pelt production of approximately 80,000 pelts.

Information regarding the stalking horse and bidding procedures can be accessed via the Monitor’s website at <http://www.insolvencies.deloitte.ca/en/VictoryFarms>.

Further information can be obtained by contacting Kurt MacLeod at 902.721.5602 or via email at [kmacleod@deloitte.ca](mailto:kmacleod@deloitte.ca).

**Deloitte Restructuring Inc.**  
**Acting in its capacity as**  
**Monitor of Victory Farms Inc. and**  
**Jonathan Mullen Mink Ranch Limited**  
**and not in its personal capacity**

**Deloitte** 

**Appendix F: CMBA February Newsletter**

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## February 2017 Newsletter

Le français suivra. En attente de traduction.

[View this email in your browser](#)



### In This Edition:

- Joint Mink Research Committee Update
- Update on the Assessment Process for the Code of Practice
- Canadian Animal Health Coalition Report
- Pioneer Program Presentation
- Invitation for Offers - Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited

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## Joint Mink Research Committee Update February 2017

### On-Going Granted Research Projects

Dr. Nieminen, Univ. of Eastern Finland: Dr. Nieminen is proceeding with the fatty liver project that Dr. Rouvenin-Watt initiated. This is a two year project with an interim report due this summer.

Dr. Bursian, MSU; International Nutrition; Pro-Pep project: 50/50 industry/JMRC funded project: The first phase of the project, Use of Pro-Pep F as an alternative to Sodium Bisulfate(SBS) to Prevent Urinary Calculi in Mink, has been completed and the final report submitted. Summary of the project showed that Pro-Pep F would not be an effective replacement for SBS to prevent urinary calculi in mink based on urinary pH. We are waiting for the final results on the second phase of the project dealing with digestibility.

Dr. Bursian/Advanced Marine Technologies; "Squid Hydrolysate, a Potential Replacement for Fishmeal and Phosphoric Acid": This protein source digestibility and performance study is underway and an interim report has been submitted. The project was divided into two trials: Digestibility/Growth and Urinary pH. The preliminary results of the growth portion showed a positive result in body weight gain compared to the ranch control diet. The nitrogen fecal and urine analysis is still pending. The preliminary results of the urinary pH trial did not show dramatic changes compared to the control ranch diets, but further analysis is needed.

The feed through larvacide diflubenzuron, ClariFly, parent company has requested a further development of the

previous study to develop more data in hopes of getting a mink label. This will be funded directly by the company (Wellmark International). The company is in the process of labeling Clarify for mink.

Dr. Turner, Univ of Guelph, "Mink Microbiome in Farmed Raised Mink Health and Disease" project: An interim report has been submitted and the project is revealing some very interesting information, but more analysis is pending. Due to Dr. Turner not receiving a NSERC grant, she has been able to redirect some funding to help support her project but is requesting addition \$11,108 CAD to cover the hard costs of some needed lab testing. The JMRC approved this at our February meeting.

Dr. Lang, Memorial Univ(NFL), AD sequencing project: Molecular methods for the study of infectious mink diseases; Whole genome sequencing of ADV in wild animals in B.C.: Dr. Lang did receive NSERC approval for co-funding of his project. The initial phase of this study aims to better understand the relationship between AD viruses found on farms and those in the wildlife of NFL, NS, Ontario and BC. MEV and Foot pad necrosis samples are also being sequenced. Second phase involves whole genome sequencing of ADV in skunks, raccoons and mink in BC. Preliminary results show that some of the virus found in the different species could be considered separate viral species.

Dr. Mason/Diez, Guelph/MSU: Cage studies:

- Feeding Height project: completed, 95% of the data analyzed. A paper was presented at the International Society for Applied Ethology. They were invited to publish their paper in the journal, "Applied Animal Behavior Science". Basic results showed that all age animals preferred the lower feeding heights.
- Ceiling Height project: completed, 90 % of the data is analyzed.
  - Canadian vs. European (Females) cage floor area: completed; 80% of the data is completed. The completed paper will be published in Plos One Journal( a peer-reviewed journal).
  - Canadian vs. European (Males) cage floor; this project is completed, the data is being analyzed and the female phase is also completed and the data is starting to be analyzed.

Peter Peters/PEIFBA/Dr. Cepica; Comparing, IAT, Elisa, Maldi TOF in determining AD tolerance. This project is completed and Dr. Cepica has just submitted his final and lay reports.

Dr. Gray, Dalhousie Univ.; "Examination of the Physiological effects of Aleutian Disease in Farm raised mink" and the production of histological library is under way and we are waiting for the interim report.

Dr. Britton/Lang, "Whole genome sequencing of Aleutian Disease Virus from skunks, raccoons and mink in British Columbia": Significance to the mink industry is to understand the relationship between the strains of AD found in these groups of wildlife and the strains from in mink farms. Are wildlife strains actually derived from farmed and can strain infect mink. This project is being co-funded from the BC Animal Health Center and NL Research and Development Corporation.

Dr. Mason, "Enhancing the Use and Appreciation of Cage Enrichments Towards Effective, Beneficial NFACC Code Adoption": This project is a survey of what practical enrichments are being used on farms, which ones work the best, which ones do not work well. This project is underway and Lauren Dawson is conducting the survey's.

The results will then be presented at regional producer meeting across Canada and the North American Fur Conference next year.

#### Associated Research Projects

Dr. Easley, Non- penetrating Captive Bolt for individual animal Euthanasia: Initial evaluation of the Zephyr unit has been completed and even though the unit was easy to use and efficiently euthanized the mink, especially at pressures at or above 80 psi, caused an inappropriate amount of hemorrhage and at lower pressures, even with 2 rapid discharges of the unit, the unit still caused too much hemorrhage and did not effectively kill the mink. So, it was determined that the unit would not work well to euthanize mink on commercial mink farms. Thank you to Trimberger Mink Farms and Zimbal Minkery for their assistance with this study.

Dr. Drumhiller/Jason Roesler , American Public University; submitted an application for a project to investigate the "North American Perception of Fear and Threat of Physical Violence as a result of the Radical Environmental and Animal Rights Movement. So far, 71 surveys and 19 interviews have been completed. Please consider engaging in this survey/interview process. The data collected should help the industry better understand these effects and support our legislation.

#### **Dalhousie:**

Mink Research Partnership; has put out the second call for research projects. The two projects that have been approved for funding, one dealing with Manure Management and the other working on Genetic Markers for Aleutian Disease are both in progress. Updates will be received later this year.

Modern Mink Management Research Chair Position at Dalhousie University; has been filled. Dr. Younes Miar from Alberta/Guelph Universities. His field of expertise is molecular genetics and he will be working on developing systems that will allow the use of genomics in the mink industry.

#### **Michigan State University:**

Farm employee support position has worked out very well and has been renewed this year.

I recently spoke with the administration at MSU to discuss the research farm. Unfortunately, the Ag Dept is under tremendous financial pressure and Dr. Bursian wants to retire. We have not been able to find a MSU faculty member to replace him. Michael Whelan(FCUSA) and I prepared an industry impact and sent it to the Chairman of the AG/Bio Dept at MSU . An ad hoc committee will be established this spring to investigate options for the research farm.

#### Vaccine update

Production for this year is on track and supply will not be a problem.

John Easley, DVM

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## **Update on the Assessment of the Code of Practice**

The Code Assessment process continues to move forward with test piloting being completed in British Columbia and Ontario in February. The next face to face meeting of the code assessment development team will be June 6, 2017. This process is complicated and requires considerable input from all of the development team. It is expected that an assessment program leading to farm certification will be completed by the end of 2017.

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## **Canadian Animal Health Coalition Board Meeting Report February 7, 2017**

### Background

The CAHC's membership includes the Canadian Cattlemen's Association, Dairy Farmers of Canada, Canadian Pork Council, Canadian Sheep Industry, Canada Mink Breeders Association and the Canadian Veterinary Medical Association.

The CAHC provides the secretariat for the Canadian Animal Health and Welfare Council and the National Farm Animal Care Council (NFACC). It facilitates government funding for NFACC and other specific livestock related projects.

CAHC also is the home for the Canadian Livestock Training program that trains truckers in handling animals in shipping. CAHC is also involved in emergency management planning.

### Board Meeting

Main topics were providing input to the Next Policy Framework (NPF); producer mental health proposal; transport of animals monitoring research; Food and Farm Care Canada request for funding; CFIA transport Biosecurity Standard; Update on Emergency Management project.

Under the NPF, CAHC emphasize the importance of trade; risk management; assurance systems and public trust.

A University of Guelph researcher (Dr. Andria Jones-Bitton, DVM, PhD) is working on Mental Health, Mental Health Literacy and Emergency Response. This project has many positive aspects regarding mental health for farmers, veterinarians and others in rural communities. The project is Ontario based and funded by interested Ontario agricultural associations and particularly an \$80,000 from OMAFRA/UG. Total project is \$206,000. CAHC may help with the communications aspect.

There was a proposal to monitor livestock and poultry during transport to determine internal and external temperatures and humidity. The intent is to avoid unnecessary stress and deaths during transport.

Farm and Food Care Canada made pitch for funding a "partnership" to promote farming in a major newspaper. The request was turned down as this is not CAHC's mandate.

A draft Biosecurity Standard Livestock, Poultry and Deadstock Transport was tabled for comment.

The ramifications for mink farming if any will have to be determined.

Matt Taylor provided an update on the Emergency Management project. A number of the larger provincial associations are engaged. This disaster planning is important and needs to be monitored so the fur sector can be aware of what may be beneficial in the future.

Respectfully submitted,  
Gary Hazlewood  
February 16, 2017

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## Pioneer Program Presentation

On February 11, 2017, Gary Hazlewood was invited to give a presentation on Canada Mink Breeders at the Pioneer Program Event at NAFA's February 2017 sale. Here is the [presentation](#) that included information about what CMBA does and who they do it with.

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At the request of Deloitte in Halifax, NS, we are posting the following Invitation for Offers.

### **INVITATION FOR OFFERS – VICTORY FARMS INCORPORATED AND JONATHAN MULLEN MINK RANCH LIMITED**

Deloitte Restructuring Inc., in its capacity as Monitor of Victory Farms Inc. and Jonathan Mullen Mink Ranch Limited (the "Applicants"), by virtue of an order from the Supreme Court of Nova Scotia dated February 16, 2017, is conducting a stalking horse and bidding procedures process in respect of certain of the assets of the Applicants. The deadline for bid submissions is March 24, 2017.

The Applicants operate a mink farm located in Digby County, NS with annual pelt production of approximately 80,000 pelts.

Information regarding the stalking horse and bidding procedures can be accessed via the Monitor's website at <http://www.insolvencies.deloitte.ca/en/VictoryFarms>.

Further information can be obtained by contacting Kurt MacLeod at 902.721.5602 or via email at [kmaclod@deloitte.ca](mailto:kmaclod@deloitte.ca).

**Deloitte Restructuring Inc.**  
**Acting in its capacity as**  
**Monitor of Victory Farms Inc. and**  
**Jonathan Mullen Mink Ranch Limited**  
**and not in its personal capacity**

**Deloitte.**

---

## Save the Date for CMBA's 65th AGM!

The CMBA 65<sup>th</sup> Annual General Meeting will be held at the Crowne Plaza Toronto Airport on August 20-22, 2017. There will be interesting speakers and, as always, an opportunity to meet and talk with your fellow producers. See you there!



**Appendix G: AFF Advertisement**

## Local food security worth supporting

Unfortunately, especially for Atlantic Canadians over the age of 40 or so, hearing "St. John's" and "hydroponics" in the same breath might give one an uneasy feeling, a lingering taste of something gone bad in Newfoundland and Labrador's capital city.

That something gone bad was the multimillion-dollar Sprung greenhouse complex near the St. John's-Mount Pearl boundary, the result of a 1987 partnership between the provincial government and Calgary businessman Philip Sprung.

According to an excerpt on the Newfoundland and Labrador Heritage website, "Sprung claimed that his unique greenhouse covering and high-tech hydroponics process could grow more plants faster than conventional methods. Premier A. Brian Peckford announced the facility would create jobs, tap into a profitable export market, and supply local consumers with fresh and affordable vegetables year-round. Instead, the operation could not meet production quotas, find a suitable market, or turn a profit. It cost taxpayers \$22 million and the Progressive Conservative Party its credibility."

The project went into receivership, the greenhouses were sold and shipped off the island, and the scheme went down in history as "one of the most infamous projects in the province's economic history," according to Newfoundland and Labrador Heritage.

That's saying a lot in a province that's known some doozies, especially under Premier Joey Smallwood after the province joined Confederation. Not that Newfoundland and Labrador holds the patent for questionable economic development schemes in Atlantic Canada, not by a long shot.

Fortunately, Lester's Farm is the antithesis of the Sprung Greenhouse project and its ilk. The family has been farming in the St. John's area since the 1850s and they're getting into hydroponic production of different varieties of leafy greens slowly but surely, as Heather Jones reports in this issue of *Farm Focus*.

However, the Lester family has had its setbacks with hydroponics. "Of course you make every mistake that you could possibly make," Chris Lester told us.

The advantage is they started small.

He said the farm's nutrient film technique (NFT) hydroponic system cost close to \$50,000, and that it would only cost 20 to 30 percent of that initial outlay to double or triple production because some of the components in the existing system can handle much higher production.

Lester said the farm did receive some government funding for its hydroponic system.

"Our government is supportive of it," he said. "We have to little food security. I think we produce 10 percent of our own produce. But take away cabbage, potato, and turnip, and we're probably down to a quarter or one percent of it."

That's especially sobering when one considers the extra cost incurred by both the individual consumer and the environment to get all of that imported food to the island of Newfoundland and north to Labrador.

Atlantic Canada will always import food. Today, the region is as synonymous with Caribbean rum, molasses, and baked goods made largely with imported wheat flour as it is with blueberries, maple syrup, and lobsters.

However, whereas past generations of Atlantic Canadians imported a small fraction of their food and drink, today the opposite is true.

Our governments should support Atlantic Canadians becoming more food secure — at the same time keeping jobs, money, and knowledge in local communities — by supporting projects on the scale of the Lester's Farm hydroponic venture. *Ed*

## New potato varieties unveiled



Red-skinned selections made up eight of the 15 new potato varieties unveiled at the Agriculture and Agri-Food Canada (AAFC) potato selection release open house in Fredericton on Feb. 15. (Agriculture and Agri-Food Canada photo)



Agriculture and Agri-Food Canada (AAFC) held its annual potato selection release open house this year on Feb. 15 at the Fredericton Research and Development Centre. Simultaneous events were also held in Guelph, Ont., and Lethbridge, Alta. The AAFC's breeding team unveiled 15 new potato selections to industry this year. (Agriculture and Agri-Food Canada photo)

## Perennia hosts free workshops

Perennia will host two upcoming free workshops in Nova Scotia. Both are on cover crops and soil management.

Perennia specialists Jack van Roessel and Rossie Madden, and Scotian Gold's Soumy Murray will host a workshop in Bridgetown on March 7, from 10:30 a.m. until 2:30 p.m., at the End of the Line Pub, 73 Queen St. Participants are asked to register by March 3.

Madden will also host a workshop in Yarmouth on March 16, from 11 a.m. until 3 p.m., at Rudders, 96 Water St. Participants are asked to register for the Yarmouth workshop by March 13.

Lunch is not included with either workshop but can be purchased on-site at both locations.

To register, contact Terry McKay at 902-638-2396 or Terry.McKay@novascotia.ca, or Gail Walsh toll-free at 1-877-710-5210.

### INVITATION FOR OFFERS – VICTORY FARMS INCORPORATED AND JONATHAN MULLEN MINK RANCH LIMITED

Deloitte Restructuring Inc., in its capacity as Monitor of Victory Farms Inc. and Jonathan Mullen Mink Ranch Limited (the "Applicants"), by virtue of an order from the Supreme Court of Nova Scotia dated February 16, 2017, is conducting a striking horse and bidding procedures process in respect of certain of the assets of the Applicants. The deadline for bid submissions is March 24, 2017.

The Applicants operate a mink farm located in Digby County, NS with annual pelt production of approximately 80,000 pelts.

Deloitte Restructuring Inc.  
Acting in its capacity as  
Monitor of Victory Farms Inc. and  
Jonathan Mullen Mink Ranch Limited  
and not in its personal capacity

**Deloitte.**

Information regarding the striking horse and bidding procedures can be accessed via the Monitor's website at <http://www.insolvencies.deloitte.ca/en/VictoryFarms>.

Further information can be obtained by contacting Kurt MacLeod at 902.721.5602 or via email at [kmacleod@deloitte.ca](mailto:kmacleod@deloitte.ca).

**NORTHUMBERLAND**  
**SILO INC.**

Havey Whidden's in Stewiacke, NS  
Builders of Concrete & Steel Silos and Grain Bins • Shop: 902-652-3772 • Cell: 902-893-0774

## **Appendix H: ALLNS Advertisement**



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# Mink Farm

# FOR SALE

# Deloitte.

## Appendix I: Claims Process Order

## Supreme Court of Nova Scotia

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

**CLAIMS PROCEDURE ORDER**

**THIS MOTION** made by Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order:

1. establishing the claims process as described in the Monitor's Report; and
2. such further relief as the Applicants may request and this Court shall permit.

**UPON READING** the 7th Mullen Affidavit, the Report of Deloitte Restructuring Inc. in its capacity as the Court-appointed monitor (the "**Monitor**") and other materials filed in this proceeding and on hearing the submissions of counsel for the Applicants, the Monitor and such other counsel who were present and wished to be heard;

**AND UPON READING** the affidavit of service of Tim Hill sworn on April 3, 2017 confirming that all of the Applicants' secured creditors which are likely to be affected by this Claims Procedure Order were duly served with notice of this Motion;

**AND UPON IT APPEARING** that the Monitor has expressed its approval of the claims and claims bar process, and has recommended this Order for approval by the Court;

**IT IS HEREBY ORDERED THAT:**

1. The time for service of the Notice of Motion is hereby abridged and validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.

**DEFINITIONS**

2. The following terms shall have the following meanings ascribed thereto:

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**Claim**" means any right of any Designated Creditor against the Applicants in connection with any secured indebtedness, liability or obligation of any kind of the Applicants, which indebtedness, liability or obligation is in existence at the Valuation Date.

"**Claims Bar Date**" means, for the purposes of these proceedings only, 6 p.m. on April 28, 2017 or such later date as may be ordered by the Court;

"**Court**" means the Nova Scotia Supreme Court;

**"Designated Creditor"** means any of the following creditors having a Claim against the Applicants, and may, where the context requires, include the assignee of such a Claim or a trustee, receiver, receiver and manager, or other Person acting on behalf of such creditor: Nova Scotia Farm Loan Board; Farm Credit Canada; American Legend Cooperative; North American Fur Auctions Inc.; the Nova Scotia Workers' Compensation Board; Her Majesty in Right of Canada or any province of Canada, and any Person having a statutory or other claim capable by law of taking priority over the claims of the Designated Creditors listed herein;

**"Dispute Notice"** means a written notice to the Applicants, delivered by a Designated Creditor who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance, in accordance with para. 5 of this Order;

**"Funds Distribution Process"** means the process of applying for and obtaining an Order from the Court establishing the priority for payment amongst the Designated Creditors from those funds remaining from the proceeds of sale of the Assets of the Applicants.

**"Instruction Letter"** means the instruction letter to Designated Creditors attached in Schedule "A" hereto, regarding completion by Designated Creditors of the Proof of Claim and Schedule to Proof of Claim;

**"Notice of Claim"** means notice of any Claim by a Designated Creditor;

**"Notice of Disallowance"** means the notice referred to in paragraph 4 hereof advising a Designated Creditor that the Applicants have revised or rejected all or part of such Designated Creditor's Claim set out in the Proof of Claim and the Schedule to Proof of Claim;

**"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or agency or instrumentality thereof, or any other judicial entity howsoever designated or constituted;

**"Proof of Claim"** means the form of Proof of Claim, referred to in paragraph 3 hereof;

**"Proven Claim"** of a Designated Creditor means the amount of the Claim of such Designated Creditor finally determined in accordance with the provisions of the claims procedure described herein and the CCAA, but not any priority which may be claimed by said Designated Creditor;

**"Schedule to Proof of Claim"** means the Schedule to the Proof of Claim referred to in paragraph 3 hereof;

**"Valuation Date"** means August 31, 2016.

#### **CLAIMS PROCEDURE**

3. For the purpose of the Funds Distribution Process, the Monitor shall send by ordinary mail to each of the Designated Creditors the appropriate form of Proof of Claim, Schedule to Proof of Claim and Instruction Letter substantially in the form attached as Schedule "A", on or before 11:59 p.m. on April 12, 2017, requiring the Designated Creditor to set out its Claim and to return the completed Proof of Claim and Schedule to Proof of Claim to the Monitor so that it is received by the Monitor on or before the Claims Bar Date.
4. The Monitor in consultation with the Applicants shall review each Proof of Claim and Schedule to Proof of Claim filed and, shall accept, revise or reject the amount of the Claim (but not any priority claimed, which shall not be taken as determined) set out

therein for purposes of the Funds Distribution Process. The Monitor shall, as soon as possible after receipt of a Proof of Claim but in any event no later than ten days following the Claims Bar Date (or such later date as the Monitor may specify if it has agreed prior to the Claims Bar Date to receive such Proof of Claim after the Claims Bar Date), notify each Designated Creditor who has filed a Proof of Claim as to whether such Designated Creditor's Claim has been revised or rejected and the reasons therefor by delivery of a Notice of Disallowance by facsimile or registered mail substantially in the form attached as Schedule "B" hereto. Where the Monitor does not deliver by the aforementioned date a Notice of Disallowance to a Designated Creditor who has submitted a Proof of Claim, then the Monitor shall be deemed to have accepted such Designated Creditor's Claim, which Designated Creditor's Claim shall be treated as a Proven Claim for Funds Distribution Process purposes.

5. Any Designated Creditor who intends to dispute a Notice of Disallowance shall, within ten calendar days of the date of the Notice of Disallowance, notify the Monitor in writing of such intention by delivery of a Dispute Notice substantially in the form attached as Schedule "C" hereto to the Monitor by facsimile or registered mail.
6. Where a Dispute Notice is delivered the Designated Creditor and the Monitor, in consultation with the Applicants shall attempt to resolve same by agreement, which shall be concluded within fourteen (14) days of the delivery of the Dispute Notice. Where such a resolution by agreement is not reached, the Designated Creditor shall within seven (7) days thereafter apply to have the value of its Claim determined by the Court.
7. Where a Designated Creditor that receives a Notice of Disallowance fails to follow the procedure set out in paragraphs 5 and 6 hereof, the value of such Designated Creditor's Claim for all purposes of the Funds Distribution Process shall be deemed to be as set out in the Notice of Disallowance.
8. A Designated Creditor that does not file a Proof of Claim by the Claims Bar Date or such later date as the Monitor and such Designated Creditor may agree, or this Court may order, such Creditor shall be forever barred from making any Claim against the Applicants and shall not be entitled to any distribution under the Funds Distribution Process provisions hereof, and such Designated Creditor's Claim shall be forever extinguished.

#### **DISTRIBUTION**

9. Within thirty (30) days after the Claims Bar Date, or the final resolution of all claims made by Designated Creditors, whichever is the later, the Applicants and/or the Monitor shall make motion to the Court upon notice to all Designated Creditors for a Final Distribution Order which shall, *inter alia*, establish and set out the priority for payment purposes of all Proven Claims.

**DATED** at Halifax, Province of Nova Scotia, this 7<sup>th</sup> day of April, 2017.

\_\_\_\_\_  
DEPUTY PROTHONOTARY



## SCHEDULE "A": INSTRUCTIONS AND PROOF OF CLAIM

### **Instruction Letter for the Claims Procedure of Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited (the "Applicants")**

#### **A. CLAIM PROCEDURE FOR DESIGNATED CREDITORS**

By Order of The Supreme Court of Nova Scotia made April 7, 2017, under the *Companies' Creditors Arrangement Act* (the "CCAA"), the Applicants under the supervision of the Monitor, Deloitte Restructuring Inc. ("the Monitor"), have been authorized to conduct a claims procedure under the CCAA (the "Claims Procedure").

This letter provides instructions for responding to or completing the following forms:

- Proof of Claim
- Proxy
- Notice of Disallowance
- Dispute Notice

The Claims Procedure is intended for any Designated Creditor with a secured claim against the Applicants prior to August 31, 2016, (collectively the "Claims"). Please review the enclosed material for the complete definition of Designated Creditor and Claim.

If you have any questions regarding the Claims Procedure, please contact the Court-appointed Monitor at the address provided below.

All notices and enquiries with respect to the Applicants' Claims Procedure should be addressed to:

James Foran  
Vice President, Financial Advisory Services  
Deloitte  
1969 Upper Water Street, Suite 1500,  
Halifax, NS, Canada B3J 3R7  
Tel 902-721-5614  
Fax 902-423-5820  
Mobile 902-802-2789  
[jforan@deloitte.ca](mailto:jforan@deloitte.ca)

#### **B. FOR DESIGNATED CREDITORS SUBMITTING A PROOF OF CLAIM**

If you believe that you have a Claim against either of the Applicants you will have to file a Proof of Claim with the Monitor. The Proof of Claim must be received by 6:00 p.m. (Halifax Time) on April 28, 2017, the Claims Bar Date, unless the Monitor agrees in writing or the Court orders that the Proof of Claim be accepted after that date.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

If the Monitor after consultation with the Applicants disagrees with the value or status that you have ascribed to your Claim or the validity of your Claim as set out in your Proof of Claim, you will receive a Notice of Disallowance from the Monitor (see "For Designated Creditors Receiving Notice of Disallowance" below for details).

#### C. FOR DESIGNATED CREDITORS RECEIVING NOTICE OF DISALLOWANCE

If you have sent a Proof of Claim, the Monitor, after consultation with the Applicants, is entitled to challenge the valuation, status or validity of your Claim by sending to you a Notice of Disallowance no later than May 8, 2017. If the Monitor does not send you such a Notice, the Applicants are deemed to have accepted your Claim (but not any priority you may assert).

#### D. FOR DESIGNATED CREDITORS SUBMITTING DISPUTE NOTICE

If you are sent a Notice of Disallowance, you are entitled to dispute the disallowance of your Claim by sending by delivery, facsimile or courier a Dispute Notice (which will be enclosed with your Notice of Disallowance) to the Monitor which must be received by no later than Ten (10) days after the issuance of the Notice of Disallowance. If a Dispute Notice is not received by the Monitor by this time, your Claim will be finalized on the basis set out in the Notice of Disallowance.

Once the Monitor has received your Dispute Notice, you will be contacted by the Monitor to see if the dispute can be resolved. If the dispute cannot be resolved within fourteen (14) days of the delivery of the Dispute Notice, you must within seven (7) days thereafter apply to have the value of your Claim determined by the Court, failing which the Notice of Disallowance shall stand and be absolutely determinative of your claim.

**Proof of Claim of [Name of Applicants(s)]**

(hereinafter referred to as the "Applicants[s]")

Please read carefully the attached Instruction Letter for completing this Proof of Claim.

**A. PARTICULARS OF CREDITORS**

- 1 Full Legal Name of Designated Creditor: *[specify]* (the "Designated Creditor").  
(Full legal name should be the name of the original Designated Creditor of the Applicants[s], notwithstanding an assignment of a Claim, or a portion thereof, has occurred).
  - 2 Full Mailing Address of the Designated Creditor [*the original Designated Creditor not the Assignee*]; *[specify]*
  - 3 Telephone Number: *[telephone number]*
  - 4 Facsimile Number: *[fax number]*
  - 5 Attention (Contact Person): *[specify]*
- Has the Claim been sold or assigned by the Designated Creditor to another party?  
Yes  No

**B. PARTICULARS OF ASSIGNEE(S) [*if any*]**

- 1 Full Legal Name of Assignee(s): *[specify]*  
*[If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach separate sheet with the required information.]*
- 2 Full Mailing Address of the Assignee: *[specify]*
- 3 Telephone Number: *[telephone number]*
- 4 Facsimile Number: *[fax number]*
- 5 Attention (Contact Person): *[specify]*

**C. PROOF OF CLAIM**

I, *[name of Designated Creditor or Representative of the Designated Creditor]*, do hereby certify:

- 1 that I *[tick one]*  
 am the Designated Creditor of *[one or both]* of the Applicants[s]; **OR**  
 hold the position of *[specify]* of the Designated Creditor,  
and have knowledge of all the circumstances connected with the Claim described therein;
- 2 the Designated Creditor asserts its claim against *[List the Applicants(s) against which you assert your claim]* and
- 3 Such Applicants[s] is *[are]* indebted to the Designated Creditor as follows:  
**TOTAL CLAIM: \$[amount] CAD**

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at August 31, 2016. U.S. exchange rate conversion on such date was \$1.3124).

**D. PARTICULARS OF CLAIM**

The Particulars of the undersigned's total Claim and Security are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction[s] or agreement[s] giving rise to the Claim, name of any guarantor who has guaranteed the Claim, and amounts of invoices, particulars of all credits, discounts, *etc.* claimed, description of the security granted by the Applicants[s] to the Designated Creditor and estimated value of such security.)

**DO NOT ASSERT OR CLAIM ANY PRIORITY FOR YOUR CLAIM. THE PRIORITY OF ALL CLAIMS WILL BE DETERMINED BY THE COURT IN A SUBSEQUENT FINAL DISTRIBUTION ORDER. YOU WILL RECEIVE NOTICE OF THE APPLICATION FOR SAID ORDER, AND YOU WILL BE ABLE TO MAKE REPRESENTATIONS AS TO PRIORITIES AT THAT TIME.**

Dated at [place] this [day] day of April, 2017

Per: \_\_\_\_\_

[Name of Creditor]

This Proof of Claim must be received by the Monitor no later than 6:00 p.m. (Halifax Time) on April 28, 2017, by delivery, courier, email or facsimile at the following address:

Attention: James Foran  
Vice President, Financial Advisory Services  
Deloitte  
1969 Upper Water Street, Suite 1500,  
Halifax, NS, Canada B3J 3R7

Fax 902-423-5820

Email: jforan@deloitte.ca

SCHEDULE "B"

---

Reference Number [number]

**NOTICE OF DISALLOWANCE**

In the Matter of Victory Farms Incorporated and Jonathan Mullen Mink Ranch (the "Applicants")  
and the Companies' Creditors Arrangement Act

Limited *Please read carefully the Instruction Letter accompanying this Notice.*

**TO:** [name of Designated creditor]

The Monitor hereby gives you notice that they have reviewed your Claim and has revised or rejected your Claim.

A. REASONS FOR DISALLOWANCE OR REVISION

*Explanation of revision or rejection*

If you dispute this Notice of Disallowance, the Monitor must receive from you a Dispute Notice (which is enclosed with this Notice of Disallowance), which must be received by no later than Ten (10) days after the issuance of this Notice of Disallowance. If a Dispute Notice is not received by the Monitor by this time, your Claim will be finalized on the basis set out in this Notice of Disallowance.

The form of Dispute Notice is enclosed.

If you do not deliver a Dispute Notice, your Claim shall be deemed to be as set out in this Notice of Disallowance.

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.**

Dated at Halifax, Nova Scotia, this     day of                     , 2017.

---

James Foran, Deloitte Restructuring Inc.  
in its capacity as the Court-appointed monitor  
of Victory Farms Incorporated and  
Jonathan Mullen Mink Ranch Limited

SCHEDULE "C"

---

**Dispute Notice**

TO: Deloitte Restructuring Inc., in its capacity as Monitor of Victory Farms Incorporated and Jonathan Mullen Mink Ranch Limited

*Please read carefully the Instruction Letter accompanying this Notice.*

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number [number] and dated [date] issued in respect of our claim.

Reasons for Dispute [attach additional sheet and copies of all supporting documentation if necessary]: [specify]

Name of Designated Creditor: [specify].

\_\_\_\_\_  
[Signature of individual completing this dispute] [date]

\_\_\_\_\_  
[Please print name and position]

Telephone Number: [telephone number]

Facsimile Number: [fax number]

Full Mailing Address: [address]

**THIS FORM TO BE RETURNED TO THE MONITOR BY COURIER OR FACSIMILE AND BE RECEIVED NO LATER THAN 6:00 P.M., Halifax time, WITHIN 10 DAYS OF THE DATE OF THE NOTICE OF DISALLOWANCE BY:**

Deloitte Restructuring Inc.  
1969 Upper Water Street, Suite 1500,  
Halifax, NS, Canada B3J 3R7

Attention: James Foran  
Vice President, Financial Advisory Services

Fax 902-423-5820

Email: jforan@deloitte.ca