IN THE MATTER OF The Receivership of Chester Basin Seafood Group Inc. pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended, and 43(9) of the Judicature Act, R.S.N.S. 1989, c. 240.

FINAL REPORT OF GRANT THORNTON LIMITED
IN ITS CAPACITY AS COURT APPOINTED RECEIVER
PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
OF CHESTER BASIN SEAFOOD GROUP INC.
Hfx. 530600
November 3, 2025

Doane Grant Thornton

Grant Thornton Limited,
Court Appointed Receiver

1675 Grafton Street, Suite 1000,
Halifax, Nova Scotia
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Appendices

Introduction

1. By order ("**Receivership Order**") of the Honourable Justice Darlene Jamieson of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency ("**Court**") on February 15, 2024 ("**Date of Receivership**"), Grant Thornton Limited ("**GTL**") was appointed as receiver ("**Receiver**") without security, of all the assets, undertakings, and properties ("**Property**") of Chester Basin Seafood Group Inc. ("**CBSG**" or the "**Company**") pursuant to an application by 4519497 Nova Scotia Limited ("**451**") under both subsection 243(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and the equitable jurisdiction of the Court as partially codified by s.43(9) of the *Judicature Act*. The appointment of the Receiver and the receivership proceedings of CBSG is referred to herein as the "**Receivership Proceedings**".

2. This is the Receiver's Second and final report to the Court ("**Second Report**"). The Receiver's previous reports and application materials in respect of the Receivership Proceedings are available on the Receiver's website ("**Case Website"**) at www.DoaneGrantThornton.ca/Chesterbasinseafoods.

Purpose

3. The purpose of this Second Report is to advise and update the Court with respect to the following:

   (a) The Receiver's activities since the Date of its Supplement to the First Report, dated July 26, 2024;

   (b) The Receiver's statement of receipts and disbursements ("**R&D**") in these Receivership Proceedings to November 1, 2025; and

   (a) The Receiver's application for an Order:

      i. Approving this Second Report, the Receiver's activities noted herein and the fees of the Receiver and its counsel; and

      ii. Approving the Receiver's discharge, upon completion of the Remaining Duties and the filing of the Receiver's Completion Certificate (both as defined below).

Qualification and Restrictions of this Report

4. In preparing this Second Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information and projections, and discussions with the Company's former management, shareholders and directors ("**Management**"). While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions and material, as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**"), or Generally Acceptance Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS, or GAAS with respect to such information.

5. To date, nothing has come to the Receiver's attention that would cause it to question the reasonableness of the information and explanations provided to it by the Company, Management or 451. The Receiver has requested that Management and 451 bring to its attention any significant matters which were not addressed in the course of the Receiver's specific inquiries. Accordingly, this Report is based on the information (financial or otherwise) made available to the Receiver by 451 and Management.

6. This Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in determining whether to grant the relief sought. Accordingly, the reader is cautioned that this Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Report contrary to the provisions of this paragraph.

7. All references to dollars are in Canadian currency unless otherwise noted. Capitalized terms not otherwise defined herein are as defined in 451's materials filed in conjunction with the application for the Receivership Order.

8. Background information with respect to the Company, its previous insolvency proceedings and the within Receivership Proceedings are included in the Receiver's prior reports, available on the Receiver's Case Website along with all other materials in relation to the

Company's insolvency proceedings. The Receiver encourages readers to review the prior reports and associated filing materials for additional information.

Activities of the Receiver

9. The Receiver's activities since its last report have included, among other things:

   (a) Attending Court on September 13, 2024 regarding the Receiver's application to approve, amongst other things, the 451 Transaction described in the Receiver's First Report, attached at **Appendix "A"**, which was approved by the Court in the September 13, 2024 Sale Approval and Vesting Order ("**SAVO**"), attached at **Appendix "B"**;

   (b) Working with 451 and its counsel to close the 451 Transaction, including protracted requests and correspondence with the Department of Fisheries and Oceans ("**DFO**") to finalize the issuance of the Replacement Fish Licenses to 451 or its nominee, pursuant to the 451 Transaction and the SAVO;

   (c) Working with the Company and 451 regarding the collection of various insurance claims owing to the Company and the distribution of same to 451 pursuant to its security, to which the Receiver previously obtained an independent opinion regarding validity and enforceability;

   (d) Continuing to work with 451 pursuant to the Operating Agreement and reviewing the various reporting thereunder as applicable;

   (e) Preparing various statutory forms and submitting them to the office of the superintendent of bankruptcy ("**OSB**") and any creditor that requested same pursuant to section 246(2) of the BIA;

   (f) Corresponding with creditors, Service Canada and the Canada Revenue Agency regarding the Company's various insolvency proceedings;

   (g) Corresponding to counsel for Mr. Breau and the Directors regarding the Directors Action, as further discussed in the First Report;

   (h) Responding to queries submitted to the Receiver's website, hotline and e-mail address at chesterbasin@ca.gt.com;

   (i) Preparing GST returns and monthly trust account reconciliations;

(j) Continuing dialogue with 451 regarding the 451 Transaction, the Operating Agreement, and the wind down of these Receivership Proceedings; and

(k) Preparing this Second and Final Report to the Court.

BIA Proceedings

10. On August 24, 2024, Grant Thornton Limited was discharged in its capacity as Proposal Trustee of Chester Basin Seafood Group Inc. The Order of Discharge, attached at **Appendix "C"**, was uploaded to the OSB on September 5, 2024.

11. On January 23, 2025, Grant Thornton Limited was discharged as Trustee in Bankruptcy of Chester Basin Seafood Group Inc. The Order of Discharge, attached at **Appendix "D"**, was uploaded to the OSB on January 30, 2025.

The Fortune Pride

12. On February 6, 2025 the Fortune Pride, one of the Company's vessels that is subject to the 451 Transaction and was being operated by 451 pursuant to the Operating Agreement, capsized and sank. Pursuant to the Operating Agreement, 451 maintained insurance on the Fortune Pride and the insurance proceeds related to the Fortune Pride flowed to 451 pursuant to its security and the approved 451 Transaction.

451 Transaction

13. The 451 Transaction was approved by the SAVO on September 13, 2024. The key gating issue to closing the 451 Transaction post Court approval was the issuance of the Replacement Fish Licenses by DFO, which in the Receiver's experience can take considerable time to process and is often outside the Company or Receiver's control.

14. After various discussions with DFO and submissions by the Receiver and 451 regarding the Replacement Fish Licenses, on March 26, 2025, DFO confirmed to the Receiver and 451 that DFO would issue the Replacement Fish Licenses to 451 or its nominee.

15. On July 30, 2025 DFO issued the Replacement Fish Licenses to 451's nominee, as requested by the Receiver and 451. The Receiver's Certificate confirming that the 451 Transaction closed on August 8, 2025 is attached at **Appendix "E"**.

Statement of Receipts and Disbursements

16. Pursuant to section 246(3) of the BIA, the Receiver's Statement of Receipts and Disbursements from the date of Receivership through July 31, 2025 is summarized below.

Chester Basin Seafood Group Inc.- in Receivership
Statement of Receipts and Disbursements: February 15, 2024 to November 1st, 2C
$CAD

Cash Receipts	
Collection of Accounts Receivable	121,135
Advances from Secured Creditor	3,000
Proceeds from 451 Transaction	140,000
Interest	8,822
Collection of Insurance Proceeds	473,046
Fees Collected Pursuant to Operating Agreement	20,000
Total Cash Receipts	**766,004**
Cash Disbursements	
Settlement	3,000
Priority to Service Canada pursuant to WEPP	17,295
Other Miscellaneous	2,208
Professional fees	166,973
Distribution to 4519497 Nova Scotia Limited	644,281
Total Cash Disbursements	**833,756**
Net Change in Cash	**(67,752)**
Opening Cash Position	69,499
Ending Cash Position	**1,747**

17. The Receiver notes that key receipts include the collection of accounts receivable and insurance proceeds, both related to pre-filing activity and were subsequently distributed to 451 pursuant to its security.

18. The Receiver notes that the collection of funds from the 451 Transaction and cash was used to pay outstanding professional fees prior to the Receiver's discharge, discussed further below.

Professional Fees

19. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its counsel shall be paid their reasonable fees and disbursements, incurred both before and after the Date

of Receivership, and shall pass their accounts before the Court. Since the Date of Receivership, neither the Receiver nor its counsel have paid their fees from cash on hand pursuant to Paragraph 22 of the Receivership Order, and such fees remain outstanding.

20. The Receiver is seeking to have its fees and disbursements and those of its counsel, Boyne Clarke LLP, approved by the Court for time incurred since the Date of Receivership. The Receiver and its counsel have maintained detailed records of their professional time and costs.

21. The total fees of the Receiver incurred through July 31, 2025 amount to fees of $99,869, net expenses and administration fees of $1,271 and HST of $15,184, for a total of $116,323. Approximately 246 hours were incurred during this period, at an average hourly rate of approximately $353 before expenses, administration fees and HST. The time spent by the Receiver is more particularly described in **Appendix "F"** which contains an outline of the fees, a summary of the significant issues addressed and the time and average hourly rate by staff rank. Copies of invoices that set out the services provided during this time period will be made available to the Court and upon request.

22. The total fees of Boyne Clarke, as counsel to the Receiver incurred through January 31, 2025 amount to fees of $44,150, expenses and administration fees of $766 and HST of $6,694, for a total of $51,610. Approximately 99 hours were incurred during this period, at an average hourly rate of approximately $445 before expenses, administration fees and HST. The time spent by Boyne Clarke was to support the Receiver's efforts in these Receivership Proceedings and has been reviewed by the Receiver in detail. Copies of invoices that set out the services provided during this time period will be made available to the Court.

23. The Receiver notes that the average hourly rate for professionals is comparable to the rates charges by other professional firms in Atlantic Canada for the provision of similar services regarding commercial restructuring matters. The Receiver routinely communicated with 451 as senior secured creditor with regards to the Receivership Proceedings, including the professional fees incurred.

24. Given the minimal funds available in the estate, the Receiver also notes that it has not yet processed bills for its time after July, 2025. Should the Receiver be able to collect outstanding GST returns, which is uncertain, the Receiver expects the fees and

disbursements of the Receiver and its counsel from July onwards, which includes legal fees to complete the complete the 451 Transaction, will be approximately $25,000 or less (“**Remaining Fees**”).

25. The Receiver respectfully requests that the Court approve the above-mentioned fees, disbursements, taxes and the Remaining Fees to complete the Remaining Duties as more fully described below.

Remaining Duties and Discharge of the Receiver

26. At this stage of the Receivership Proceedings, the Company’s Property is fully realized upon pursuant to the Receivership Order and no further assets exist for potential recovery to creditors. The Receiver is of the view that it has fully implemented its mandate pursuant to the Receivership Order and is therefore appropriate to proceed to discharge, subject to completing the following matters (“**Remaining Duties**”):

    (a) Preserving the books and records of the estate required to be held by statute or agreement, and transferring or destroying any records not included in the 451 Agreement to the Company’s remaining directors at their request;

    (b) Finalizing any general or administrative duties associated with the wind up of the receivership that was not otherwise dealt with by the Trustee; and

    (c) Finalizing any outstanding GST returns.

27. The Receiver is therefore requesting this Court grant an order (“**Discharge and Distribution Order**”), effective upon the Receiver filing a certificate (“**Discharge Certificate**”) in form and substance consistent with **Appendix “G”**, that provides:

    (a) GTL shall be discharged as Receiver upon filing its Discharge Certificate with the Court, and these Receivership Proceedings will be terminated; and

    (b) Approving the fees and disbursements of the Receiver and its counsel

28. The Receiver is not aware of any other outstanding matters in these Receivership Proceedings. The Receiver has duly and properly discharged and performed its duties pursuant to the Receivership Order and is of the view that it is appropriate that GTL be discharged as Receiver and these Receivership Proceedings be terminated.

Conclusion and Recommendations

29. The Receiver respectfully recommends this Honourable Court grant an Order:

(a) Approving the activities of the Receiver as set out in this Second and Final Report;

(b) Approving the fees of the Receiver and its counsel in these Receivership Proceedings, as well as the Receiver's estimate of Remaining Fees; and

(c) Approving the Receiver's discharge and the termination of these Receivership Proceedings, subject to filing the Discharge Certificate.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of November, 2025.

GRANT THORNTON LIMITED,

In its capacity as Court Appointed Receiver of
Chester Basin Seafood Group Inc.,
And not in its personal or corporate capacity.

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

Receiver’s First Report

IN THE MATTER OF The Receivership of Chester Basin Seafood Group Inc. pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended, and 43(9) of the Judicature Act, R.S.N.S. 1989, c. 240.

FIRST REPORT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS COURT APPOINTED RECEIVER PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT* OF CHESTER BASIN SEAFOOD GROUP INC.

Hfx. 530600

June 26, 2024

Grant Thornton Limited,
Court Appointed Receiver

1675 Grafton Street, Suite 1000,
Halifax, Nova Scotia
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Appendices

Introduction

1. By order ("**Receivership Order**") of the Honourable Justice Darlene Jamieson of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency ("**Court**") on February 15, 2024 ("**Date of Receivership**"), Grant Thornton Limited ("**GTL**") was appointed as receiver ("**Receiver**") without security, of all the assets, undertakings, and properties ("**Property**") of Chester Basin Seafood Group Inc. ("**CBSG**" or the "**Company**") pursuant to an application by 4519497 Nova Scotia Limited ("**451**") under both subsection 243(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and the equitable jurisdiction of the Court as partially codified by s.43(9) of the *Judicature Act*. The appointment of the Receiver and the receivership proceedings of CBSG is referred to herein as the "**Receivership Proceedings**".

2. This is the Receiver's first report to the Court ("**First Report**"), which has been prepared in respect of the Receiver's upcoming Motion to be heard by the Court. The Receiver's Pre-Filing Report, dated February 13, 2024, is available on the Receiver's website at www.grantthornton.ca/chesterbasin.

3. The purpose of this First Report is to advise and update the Court with respect to the following:

   (a) The Receiver's activities since the Date of Receivership;

   (b) The Receiver's statement of receipts and disbursements ("**R&D**") in these Receivership Proceedings to May 31, 2024;

   (c) An offer provided by 451 for the Company's Property, as set out in an asset purchase agreement ("**451 Purchase Agreement**") and proposed sale approval and vesting Order ("**451 Sale Approval and Vesting Order**", together, the "**451 Transaction**");

   (d) The Receiver's views and recommendation with respect to the 451 Transaction; and

   (e) The Receiver's understanding of a Notice of Intention to Apply for Leave to Commence Derivative Action on behalf of the Company and its shareholder, among others, pursuant to a statement of claim filed in the Ontario Superior Court of Justice, Court File No. CV-24-00095214-0000 ("**Directors Action**").

4. The Receiver's Motion will be seeking an Order:

(a) Abridging the time for service of Motion pleadings herein and dispensing with the necessity of further service, if necessary;

(b) Approving the activities of the Receiver as set out in this First Report;

(c) Approving the 451 Transaction and vesting title to the Purchased Assets (as defined in the 451 Sale Approval and Vesting Order) in 451 or its nominee; and

(d) Increasing the Administrative Charge to $150,000.

5. The Receiver will also be seeking a Confidentiality Order with respect to the Receiver's Confidential Supplement to this First Report.

Qualification and Restrictions of this Report

6. In preparing this First Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information and projections, and discussions with the Company's former management, shareholders and directors ("**Management**"). While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions and material, as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**"), International Financial Reporting Standards ("**IFRS**"), or Generally Acceptance Auditing Standards ("**GAAS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS, or GAAS with respect to such information.

7. To date, nothing has come to the Receiver's attention that would cause it to question the reasonableness of the information and explanations provided to it by the Company, Management or 451. The Receiver has requested that Management and 451 bring to its attention any significant matters which were not addressed in the course of the Receiver's specific inquiries. Accordingly, this First Report is based on the information (financial or otherwise) made available to the Receiver by 451 and Management.

8. This First Report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and to assist the Court in determining whether to grant the relief sought. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Receiver will not

assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

9. All references to dollars are in Canadian currency unless otherwise noted. Capitalized terms not otherwise defined herein are as defined in 451's materials filed in conjunction with the application for the Receivership Order.

10. Background information with respect to the Company, its previous insolvency proceedings and the within Receivership Proceedings are included in the Receiver's Pre-Filing Report of February 13, 2024, available on the Receiver's case website along with all other materials in relation to the Company's insolvency proceedings at www.grantthornton.ca/chesterbasin. The Receiver encourages readers to review the Pre-Filing Report and associated materials for additional information.

Activities of the Receiver

11. The Receiver's activities since the date of the Pre-Filing Report have included, among other things:

(a) Prepared and sent statutory notices of the Receivership Proceedings on February 26, 2004 in accordance with section 245(1) of the BIA, in the prescribed form, and the first report pursuant to 246(1) of the BIA to all known creditors of the Company, the Office of the Superintendent of Bankruptcy, and the Company, attached at **Appendix "A"**;

(b) Opened separate bank accounts for the Receiver to facilitate the Receivership Proceedings;

(c) Negotiated and executed an operating agreement ("**Operating Agreement**"), on February 18, 2024, attached at **Appendix "B"**, with 451 that allows for the use and operation of the Company's Property by 451 as operator throughout these Receivership Proceedings. As noted in the Pre-Filing Report, the Receiver did not take possession and control of the Company's Property at the Date of Receivership, which remained with 451 pursuant to its security and as previously released by the Trustee in the Bankruptcy Proceedings. However, 451 was unable to use the Property until such time as an Operating Agreement was executed with the Receiver.

Key features negotiated by the Receiver with respect to the Operating Agreement include:

i. Monthly fee of $5,000 plus HST paid by 451 to the Receiver for use and operation of the Assets, as defined in the Operating Agreement;

ii. 451 retains the risks and rewards of operations, being solely responsible for all costs and expenses for use of the Property during the term of the Operating Agreement, including maintenance, remuneration of crew and insurance. 451 as operator is also entitled to retain net proceeds, if any, after payment of its costs and expenses pursuant to the Operating Agreement;

iii. 451 as operator is obliged to properly maintain the assets, may only use them for the purposes as outlined in the Operating Agreement, and shall provide reporting to the Receiver with respect to the Property upon the Receiver's request; and

iv. 451 as operator is responsible for, and shall release, indemnify and hold the Receiver harmless, from and against all damages, expenses, costs, losses, injuries, liabilities, claims, judgments and debts, of any nature incurred or suffered by the Receiver in connection with the provision of the Services pursuant to the Operating Agreement, except for any claims arising from the negligence of the Receiver or for which the Receiver is liable or responsible for at law.

v. As at the date of this First Report, 451 as operator has complied with its obligations pursuant to the Operating Agreement.

(d) Corresponded with the Company's customers to assist the collection of certain accounts receivable and the transfer thereof to 451 pursuant to its security. The Receiver notes that $50,000 of the collected accounts receivable in the Receivership Proceedings was used to pay outstanding fees of the Proposal Trustee and its counsel, pursuant to the Administration Charge in the NOI Proceedings, as more fully described in the Pre-Filing Report.

(e) Corresponded and worked with the Canada Revenue Agency ("**CRA**") in respect of its request to complete a trust examination for the Company's payroll accounts, and provided amended T4's and associated correspondence to the Company's former employees where required;

(f) Facilitated the collection of information and submission of claims to Service Canada on behalf of the Company's former employees pursuant to the Wage Earners Protection Program ("**WEPP**"). The Receiver notes that because over 10 employees were terminated, pursuant to the Nova Scotia Labour Standards Code this qualified as a "Group Notice" event. This fact, combined with the unique employment aspects of fisherman and truck drivers employed by the Company, resulted in additional time incurred by the Receiver to facilitate claims under WEPP.

   i. The Receiver notes the super-priority pursuant to Section 81.3 related to payments under WEPP is approximately $18,000. As at the date of this First Report, Service Canada has not finalized its claim.

(g) Negotiated a commercially reasonable settlement for the release of the Company's property, a trailer used in the Company's trucking business, held by a creditor under a purported mechanics lien. The Receiver worked with its counsel to understand the facts and circumstances in respect of the purported lien, completed research on the potential market value of the subject trailer, and negotiated a commercial settlement as a proportion of outstanding invoices for repair work completed to bring the trailer into operating condition, to have the Trailer released;

(h) Corresponded with the Company's creditors, former employees, directors and other stakeholders as to the status of the Receivership proceedings;

(i) Through the Receiver's counsel, in respect of the Directors Action (discussed further below), responded to the counsel for Jacques Chabot ("**Chabot**") and Herbert Breau ("**Breau**") in their capacity as Directors of CBSG, Directors of Newbec Capital Laurentian Inc. ("**Newbec**"), majority shareholders of the Company's sole shareholder, Sustainable Oceans Capital Inc. ("**SOC**"), and in their capacity as creditor of the Company via Securi Interional Inc. ("**Securi**", and together, the "**Intended Applicants**") in respect of a Notice of Intention to Apply for Leave to Commence Derivative Action on behalf of CBSG and SOC. The Receiver notes that the named Defendants in the Directors Action include, among others, Jose Teixeira

("**Teixeira**") in his personal capacity and in his capacity as Trustee of various family trusts, Daniel Gaudet ("**Gaudet**") as well as Gaudet's holding company, and 451;

(j) Responded to queries submitted to the Receiver's website, hotline and e-mail address at chesterbasin@ca.gt.com;

(k) Completed research with respect to the potential market value of the Company's Property, including reviewing recent and historical transactions for unique aspects of the Property such as the Company's fishing licenses ("**Licenses**") and silver hake quota ("**Quota**"), and prepared for a potential sales process of the Company's Property;

(l) Reviewed the 451 Purchase Agreement with counsel relative to the Receiver's research on potential market value for the Company's Property, and proceeded to negotiate the 451 Purchase Agreement and the draft 451 Sale Approval and Vesting Order, as more fully described below; and

(m) Prepared this First Report.

Bankruptcy Proceedings

12. The Receiver noted in its Pre-Filing Report that Grant Thornton Limited is also the Trustee in Bankruptcy of CBSG. The First Meeting of Creditors ("**FMOC**") in the bankruptcy proceedings was held on February 28, 2024, the meeting minutes of which are attached at **Appendix "C".**

13. As noted in the meeting minutes, a motion to confirm the creditor's approval of GTL to continue to act as Court Appointed Receiver was unanimously carried at the FMOC, pursuant to the Canadian Association of Insolvency and Restructuring Professionals rules of professional conduct.

14. As no nominations for inspectors of the estate were received at the FMOC, the Trustee called a motion to direct the Trustee to finalize all outstanding matters in relation to the administration of the bankrupt estate and take steps to proceed to the Trustee's discharge. This motion was unanimously carried, and as at the date of this First Report, GTL in its capacity as Trustee in Bankruptcy of CBSG has is in the process of finalizing its discharge.

The 451 Transaction

15. At Paragraph 34 of the Pre-Filing Report, the Receiver outlined its proposed Receivership plan indicating its intention to implement a sales process for the Company's Property should the Receivership Order be granted.

16. At the outset of the Receivership Proceedings, 451 as the senior secured creditor advised the Receiver that 451 intended to submit a bid to the Receiver which would include a credit bid component representing 451's secured debt, which totalled approximately $7.6 million as of the Receivership Date, and upon which additional interest has since accrued.

17. The Receiver thereafter entered into further negotiations with 451 and its counsel, which resulted in the 451 Purchase Agreement, a copy of which is appended to the Receiver's Confidential Supplement to this First Report.

<u>The 451 Purchase Agreement</u>

18. Key components of the 451 Purchase Agreement between the Receiver and 451 (in such capacity, **"Purchaser"**), include the following:

    (a) The purchase of all of the Company's Property on an "as-is, where is" basis;

    (b) Purchase price comprising a cash payment sufficient to pay out all unpaid Court-ordered and statutory priority charges against the Purchased Assets as of the Closing Date, together with the settlement and satisfaction of the Company's secured debt obligations to 451;

    (c) The continuation of the Operating Agreement until such time as the 451 Transaction has closed;

    (d) Limited representations and warranties, consistent with transactions of this nature in insolvency proceedings;

    (e) Conditions precedent to closing including:

        i. Approval of the 451 Transaction by this Honourable Court, and the issuance of the 451 Sale Approval and Vesting Order;

ii. The approval of and issuance by the Department of Fisheries and Oceans ("**DFO**") of replacement licenses in respect of the Company's fishing Licenses and Quota to 451 or its nominee ("**Replacement Fish Licenses**");

iii. Receipt of all other consents or approvals required to complete the purchase and sale of the Property;

iv. There having been no material adverse changes in the condition (financial or otherwise) of the Property; and

v. Other customary closing conditions in respect of access to the Property and representations by the Receiver being true and correct at closing.

(f) Closing will be within 5 business days of DFO granting the Replacement Fish Licenses, or such later date as the Receiver and 451 may agree to in writing.

Receiver's View on Estimated Value of the Property

Data Points for Estimated Value

19. As part of planning for a potential sales process in these Receivership Proceedings, the Receiver gathered and reviewed documentation in respect of the Company's Property, focusing on those key assets to which the Receiver expects will drive value in any sales process: the Company's three fishing vessels, the Licenses and Quota. Such information included, among other things:

(a) Recent appraisals for each of the Company's three fishing vessels, dated November, 2023 and attached to the Confidential Supplement;

(b) Publicly available transaction data for silver hake quota and fishing licenses; and

(c) Transaction values for the completed sale of silver hake quota and fishing licenses in November, 2023, which were previously sealed by this Court in a November 17, 2023 Confidentiality Order in the receivership proceedings of Meridien Atlantic Fishing Ltd., Rocky Coast Seafoods Ltd., and 9514228 Canada Inc, ("**Meridian**"), HFX No. 521470. The Confidentiality Order in Meridian expired on March 17, 2024.

20. Based on the Receiver's experience monitoring the Company from the outset of the NOI Proceedings and subsequent research as part of these Receivership Proceedings, the Receiver notes that the market for silver hake quota and associated fishing licenses is

stagnant. Based on the Receiver's research, only three transactions were found since 2013 from which to gather comparative data on the Licenses and Quota.

(a) The most recent transaction, in Meridian, resulted from an extensive six-month sales process by a Court appointed Receiver and industry sales agent, whereby the market was thoroughly canvassed for potential purchasers through a Court approved sales and investment solicitation process and one transaction was advanced that maximized value for the Meridian licenses and quota. The transaction approved by this Court in Meridian, while the best available in the circumstances, still resulted in a significant shortfall to Meridian's secured creditors.

(b) As the Meridian transaction is the most recent data point available to the Receiver, and it resulted from a Court approved insolvency sales process that met the parameters outlined in the *Royal Bank of Canada vs. SoundAir Corp.*, the Receiver is of the view Meridian represents a reasonable proxy with respect to current market value for the Company's Licenses and Quota. The Receiver is of the view, based on its own research and from discussions with Grant Thornton's industry experts with recent and relevant experience in the seafood industry in Atlantic Canada, that the market value of the Company's Property would not have materially increased since the date of the Meridian transaction, if at all, given the prevailing industry conditions.

(c) At the outset of the Receivership Proceedings, the estimated market value of the Company's Licenses and Quota was unknown because so few transactions for similar assets existed. However, as a result of the expiration of the Confidentiality Order in Meridian, the Receiver now has a direct comparison for the Company's Property from which to estimate realizable value if the Receiver were to initiate a sales process for the Licenses and Quota today.

21. The Receiver further understands that silver hake is a relatively niche market, representing approximately 2.7% of the total landed groundfish value by commercial landings in Atlantic Canada in the Department of Fisheries and Oceans ("**DFO**") most

recent data[1]. Because the Licenses and Quota are regulated by the Fisheries Act, any purchaser must also be eligible to hold the Licenses and Quota, which limits the universe of potential buyers.

Estimated Property Value Relative to 451 Transaction

22. The Receiver has prepared a realization analysis of the Company's Property to project a range of anticipated market values based on the above data points, attached in the Receiver's Confidential Supplement to the First Report ("**Confidential Supplement**"). The Confidential Supplement demonstrates that at the highest range of potential market values for the Company's Property, the consideration in the 451 Transaction is still significantly higher.

Receiver's View on the 451 Transaction

23. In the Receiver's view, it is highly unlikely that a commercially reasonable offer would be generated from marketing the Property that would be superior to the consideration included in the 451 Transaction. The value of consideration included in the 451 Transaction includes the settlement and satisfaction of a significant level of secured debt, for which the Receiver has obtained an independent legal opinion as to its validity and enforceability, as discussed in the Pre-Filing Report.

24. The Receiver is of the view that the 451 Transaction represents the highest executable offer for the Company's Property which is likely to be received in the circumstances, is commercially reasonable, and that the acceptance of the offer is not improvident. Based on the analysis in the Confidential Supplement and the details outlined above, the Receiver does not expect that a marketing process for the Company's property would yield a higher recovery for creditors than the 451 Transaction. The costs of proceeding with a sales process would ultimately be paid by 451 as the sole economic interested party, resulting in an increased credit bid for the Property.

[1] DFO website, "Seafisheries landed value by province, 2022", sourced May 28, 2024.

25. Therefore, the Receiver respectfully recommends the Court approve the 451 Transaction.

26. For certainty, the Receiver confirms that it has not shared the Confidential Supplement with 451, its counsel, or any related person, and that it has likewise not shared the data gathered to support the Confidential Supplement. While the Receiver is of the view that realizable value of the Property is below the Company's secured debt and therefore unsecured creditors have no realistic prospect of recovery in these Receivership Proceedings, for transparency and completeness the Receiver intends to widely serve all known creditors of the Company in advance of its application to approve the 451 Transaction.

Confidentiality Order

27. The Receiver respectfully requests that the Court grant a Confidentiality Order with respect to the Confidential Supplement for the shorter of four months, or when the 451 Transaction closes.

28. The Receiver is of the view that the requested Confidentiality Order for a set time frame is the least restrictive method of protecting an important public interest. The Confidential Supplement contains confidential and commercially sensitive financial information, and the Receiver is concerned that if such information became public in advance of closing the proposed 451 Transaction, that it could negatively impact the integrity of any sale process which might be ordered by the Court or which might become necessary if the proposed 451 Transaction does not close.

Receiver's Understanding of Directors Action

29. On March 28, 2024, counsel for the Intended Applicants sent by e-mail to the Receiver a Notice of Intention to Apply for Leave to Commence Derivative Action, attached at **Appendix "D"**, pursuant to a Statement of Claim filed in the Ontario Superior Court of Justice, Court File No. CV-24-00095214-0000. While Grant Thornton Limited in its capacity as Receiver is named in the Notice, the Receiver is advised by counsel for the Intended Applicants that the Receiver was named solely for the purpose of seeking to lift the Stay of Proceedings, such that the Intended Applicants can proceed with the Directors Action.

30. The Receiver understands the Directors Action is intended to be on behalf of the Company and its sole shareholder, SOC, as against 451, Teixeira, Gaudet, and their associated entities and trusts as Defendants.

31. The Receiver reviewed the Directors Action with its counsel. On April 9, 2024, counsel for the Receiver advised counsel for the Intended Applicants that the Receiver intends to oppose the proposed derivative action because (1) Stays of Proceedings are in place pursuant to both the BIA and the Receivership Order and (2) the appropriate forum for the claim is Nova Scotia, and not Ontario.

32. On April 10, 2024, the Receiver's counsel was copied on correspondence from 451 to counsel for the Intended Applicants, confirming that 451 intended to initiate a Motion asking for an order of the Court to strike the claims as (1) the claims are in substance claims of Chester Basin Seafood Group Inc., which is under the direction of Grant Thornton Limited as Receiver and Trustee in Bankruptcy at this time, and (2) a stay of all remaining claims on the basis that the Nova Scotia Supreme Court is the proper forum for adjudicating any such claims.

33. On April 29, 2024, the Receiver and its counsel connected with counsel to the Intended Applicants and understands:

(a) the Intended Applicants intend to bring their application for Leave to Commence a Derivative Action in the Nova Scotia Supreme Court, instead of the Ontario Superior Court of Justice. The Intended Applicants have not yet finalized their materials in resect of same;

(b) Counsel for the Intended Applicants confirmed that the Receiver will be served with the notice of Application for Leave to Commence a Derivative Action. However, given the derivative nature of the application and the anticipated timing of GTL being discharged as Trustee and Receiver, a lifting of the Stay of Proceedings may not be necessary and, as such, may not form part of the Intended Applicants application materials; and

(c) The Receiver has been advised by the Intended Applicants that if relief from the Stay of Proceedings was sought it would be to a) permit the Intended Applicants to duly file their application materials and b) include the Receiver as an appropriate party to the proceeding, not to seek any actual relief from the Receiver. As such, the

Intended Applicants may seek the Receiver's consent to lift the stay on such grounds, if necessary. To date, that consent has not yet been sought.

34. For certainty, the Receiver is of the view that the Directors Action and Notice of Intention to Apply for Leave to Commence Derivative Action should not impede or delay the 451 Transaction. The Receiver's mandate, pursuant to the Receivership Order, includes the liquidation of the Company's assets to maximize value for stakeholders, subject to the supervision and approval of the Court. The Receiver is of the view that the Directors Action is a collateral proceeding and should not impede or deter the Receiver from fulfilling its mandate. Counsel for the Intended Applicants have been included on the Service List.

Statement of Receipts and Disbursements

35. The Receiver's Statement of Receipts and Disbursements from the date of Receivership through May 31, 2024 is summarized below.

Chester Basin Seafood Group Inc.- in Receivership
Statement of Receipts and Disbursements: February 15, 2024 to May 31st, 2024
$CAD

Cash Receipts	
Advance from Secured Creditor	3,000
Collection of Accounts Receivable	91,334
Interest	173
Fees Collected Pursuant to Operating Agreement	15,000
Total Cash Receipts	**109,507**
Cash Disbursements	
Settlement	3,000
Filing Fees	75
Distribution to 4519497 Nova Scotia Limited	159,735
Total Cash Disbursements	**162,810**
Net Change in Cash	**(53,304)**
Opening Cash Position	69,499
Ending Cash Position	**16,195**

36. Key receipts and disbursements include the following:

(a) The collection of the Company's accounts receivable, as well as the Company's available cash at the Date of Receivership, and distribution of same to 451;

(b) The collection of fees pursuant to the Operating Agreement noted in paragraph 11 c) above; and

(c) The settlement of for the release of the Company's property, a trailer used in the Company's trucking business, as outlined in paragraph 11 g) above.

Increase to Administration Charge

37. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its legal counsel shall be paid their reasonable fees and disbursements at their standard rates and charge, incurred both before and after the making of the Receivership Order. Pursuant to paragraph 21 of the Receivership Order, the Receiver and its counsel shall pass their accounts from time to time.

38. As at the date of this First Report, outstanding professional fees for the Receiver and its counsel incurred before and after the making of the Receivership Order with respect to the Company's insolvency proceedings is approximately $101,000, inclusive of GST/HST. As noted in the R&D and the Receiver's description of its activities above, minimal cash receipts exist to offset the costs of the Receivership Proceedings in the ordinary course. Given the uncertainty with respect to the Director's Action, and the expected timeframe for DFO to approve the Replacement Fish Licenses before the 451 Transaction can close, the Receiver is respectfully requesting the Administration Charge be increased to $150,000.

39. The Administration Charge is customary in insolvency proceedings of this nature and is required to provide security to the professionals engaged, including the Receiver and its counsel, to protect them if circumstances arise where the Company's accounts have insufficient funds to pay professional fees and costs during the Receivership Proceedings.

40. The Receiver is of the view that the increase to the Administration Charge is reasonable and appropriate in the circumstances, given the expected matters to be completed prior to the Receivership Proceedings being complete and the estate's lack of liquidity. The

Receiver will provide an accounting of its fees and disbursements to this Court and request approval of same at the hearing for the Receiver's discharge.

Conclusion and Recommendations

41. The Receiver respectfully recommends this Honourable Court grant Orders:

(a) Abridging the time for service of the Motion pleadings herein, if required, and dispensing with the necessity of further service;

(b) Approving the activities of the Receiver as set out in this First Report;

(c) Approving the 451 Transaction and the 451 Vesting Order;

(d) Increasing the Administrative Charge to $150,000; and

(e) Granting a Confidentiality Order with respect to the Receiver's Confidential Supplement to this First Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 26th day of June, 2024.

GRANT THORNTON LIMITED,
In its capacity as Court Appointed Receiver of
Chester Basin Seafood Group Inc.,
And not in its personal or corporate capacity.

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix B

451 Transaction SAVO, September 13, 2024

Form 78.05

SUPREME COURT
OF NOVA SCOTIA
SEP 13 2024
HALIFAX, N.S.

Hfx No. 530600

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF: The Receivership Of Chester Basin Seafood Group Inc.

BETWEEN:

4519497 Nova Scotia Limited,

Applicant

and

Grant Thornton Limited, in its capacity as Trustee in Bankruptcy for Chester Basin Seafood Group Inc.

Respondent

SUPREME COURT NOVA SCOTIA • FORIS ARMA DOMI CONSILIUM
Sgd.
DAJ, J.

Sale Approval And Vesting Order

Before the Honourable Justice Darlene A. Jamieson in chambers

UPON MOTION of Grant Thornton Limited (the "**Receiver**"), in its capacity as Court-appointed Receiver of all of the assets, undertakings, and properties of the Respondent for an Order:

(i) approving the sale (the "**Transaction**") of all of the all of the assets, properties, and undertaking of Chester Basin Seafood Group Inc. as contemplated by an Agreement of Purchase and Sale dated as of June 5, 2024 (the "**APS**") between the Receiver and 4519497 Nova Scotia Limited (the "**Purchaser**"), and transferring to the Purchaser all of the Respondent's and the Receiver's right, title and interest in and to all of the assets, properties and undertaking of Chester Basin Seafood Group Inc. (the "**Purchased Assets**"), including but not being limited to those items listed in Schedule "D" hereto;

(ii) vesting and transferring all of the Respondent's and the Receiver's right, title and interest in the Purchased Assets in and to the Purchaser or the Purchaser's assignee, nominee or designate, as the case may be, free and clear of all Claims (as defined below); and

(iii) approving the activities of the Receiver as set out in the First Report of the Receiver dated June 26, 2024 (the "**First Report**").

AND UPON READING the First Report, the Supplemental Report of the Receiver dated June 26, 2024, the Affidavit of Joshua J. Santimaw sworn herein on July 9, 2024, and other material on file herein;

AND UPON HEARING Joshua Santimaw on behalf of the Receiver in support hereof;

NOW UPON MOTION:

IT IS HEREBY ORDERED THAT:

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

2. The activities of the Receiver as set in the First Report be and are hereby approved.

3. Unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the APS.

4. The Transaction is hereby approved, and the execution and delivery of the APS by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver and the Purchaser may agree to. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents, including a Deed, Bill of Sale, Assignment or other general conveyance document, as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or to the Purchaser's assignee, nominee or designate, as the case may be, pursuant to the APS.

5. Upon the delivery of a Receiver's Deed and a Receiver's Certificate, the Receiver's Certificate to be substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), to the Purchaser or the Purchaser's assignee, nominee or designate as the case may be, and closing the Transaction in accordance with the APS, all of the Respondent's and the Receiver's right, title and interest in and to the Purchased Assets shall vest absolutely in such Purchaser or the Purchaser's assignee, nominee or designate as the case may be, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Registrar in Bankruptcy in Estate No. 51-3007018 dated November 24, 2023 and the Amended Order of the Registrar of Bankruptcy therein dated December 1, 2023; (ii) any encumbrances or charges created by the Order of this Honourable Court herein dated February 15, 2024, and any amendments thereto; and (iii) all charges, security interests or claims evidenced by registrations pursuant to the Nova Scotia ***Personal Property Security Act,*** the Nova Scotia ***Land Registration***

Act, the federal ***Canada Shipping Act, 2001***, or any other personal or real property registry system.

6. With respect to the Purchased Assets as more particularly described within Schedule "D" hereof:

   (i) the interests of the Respondent and the Receiver shall vest in the Purchaser subject to any applicable permitted encumbrances, easements or restrictive covenants listed on Schedule "C" hereto and any obligations or liabilities assumed by the Purchaser, or the Purchaser's assignee, nominee or designate pursuant to the APS; and

   (ii) upon the filing of a certified copy of this Sale Approval and Vesting Order and the Receiver's Certificate with the Canadian Register of Vessels, any Registrar of the said Register shall remove and release all applicable registered encumbrances from title to those vessels all as listed in Schedule "B" hereto, leaving in place only those permitted encumbrances listed on Schedule "C" hereto.

6. For the purpose of determining the nature and priority of any Claims by operation of this Order, the net proceeds from the Transaction shall stand in the place and stead of the Purchased Assets, and from and after the closing of the Transaction, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the closing of the Transaction.

7. The transaction, the APS and any of the approval and vesting provisions in this Order shall be without prejudice to:

   (a) any of the rights of the Intended Applicants (whether contractual, equitable, in torts or otherwise) that may be subject of the Directors' Action.

   (b) any arguments that may be made by the Intended Applicants in the Directors' Action; or

   (c) any determination or remedy that may ultimately be issued by the Court in respect of the Directors' Action.

8. For greater certainty, the provisions set out in paragraph 7 shall apply to any application for leave to commence a derivative action commenced by the Intended Applicants in the Supreme Court of Nova Scotia.

9. Pursuant to clause 7(3)(c) of the Canada ***Personal Information Protection and Electronic Documents Act***, the Receiver and/or the Respondent are authorized and permitted to disclose and transfer to the Purchaser, or the Purchaser's assignee, nominee or designate customer information and human resources and payroll information in the Respondent's records to the extent necessary or desirable in relation to the continued servicing of customers and the employment or potential employment of such employees by the Purchaser or the Purchaser's assignee, nominee or designate. The Purchaser shall maintain

and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner that is consistent with the prior use of such information by the Respondent and/or the Receiver.

10. Notwithstanding:

    (a) the pendency of these proceedings;

    (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Respondent and any Bankruptcy Order issued pursuant to any such applications; and

    (c) any assignment in bankruptcy made in respect of the Respondent,

the entering into of the APS, the transfer of the Purchased Asset to the Purchaser or the Purchaser's assignee, nominee or designate as the case may be, and the vesting of the Purchased Asset in the Purchaser, or the Purchaser's assignee, nominee or designate as the case may be, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Respondent and shall not be void or voidable by creditors of the Respondent, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, any other applicable federal or provincial legislation or otherwise at law or equity, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant, to any applicable federal or provincial legislation.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

ISSUED this 13th day of September 2024.

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document, identified by the seal of the court, is a true copy of the original document on the file herein.

SEP 13 2024

Susan Snow
Deputy Prothonotary
SUSAN SNOW
Deputy Prothonotary

Susan Snow
Deputy Prothonotary

SUSAN SNOW
Deputy Prothonotary

Schedule "A"

Hfx No. 530600

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF: The Receivership Of Chester Basin Seafood Group Inc.

BETWEEN:

4519497 Nova Scotia Limited,

Applicant

and

Grant Thornton Limited, in its capacity as Trustee in Bankruptcy for Chester Basin Seafood Group Inc.

Respondent

RECEIVER'S CERTIFICATE

RECITALS:

A. Pursuant to an Order of this Court dated February 15, 2024 (the "**Receivership Order**"), Grant Thornton Limited (the "**Receiver**") was appointed as the Receiver of all of the assets, properties, and undertakings of the Chester Basin Seafood Group Inc. ("**Chester Basin**").

B. The Receiver and the Applicant (the "**Purchaser**") have entered into an Agreement of Purchase and Sale dated as of June 5, 2024 (the "**APS**") in respect of all of the assets, properties and undertakings of Chester Basin (the "**Purchased Assets**").

C. The Order of this Court issued on June ___, 2024, provided for the sale of the Purchased Assets to the Purchaser (hereinafter the "**Grantee**"), vesting the right, title and interests of the Receiver and the Respondent in the Purchaser or the Purchaser's assignee, nominee or designate, as the case may be, free and clear of all claims to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Grantee of a Certificate in this form.

THE RECEIVER CERTIFIES AS FOLLOWS:

1. The Grantee has paid and the Receiver (or its agent) has received the purchase price for the Purchased Asset payable pursuant to the APS.

2. The conditions to closing the sale of the Purchased Assets as set out in the APS have been satisfied or waived by the Receiver and the Grantee.

3. The sale of the Purchased Assets as contemplated by the APS has been completed to the satisfaction of the Receiver.

DATED the _____ day of __________, 2025.

Grant Thornton Limited, in its capacity as Court-appointed Receiver of certain assets and properties of **Chester Basin Seafood Group Inc.**, and not in its personal capacity

Per: ______________________________
Name:
Title:

Schedule "B"

Encumbrances to be Discharged Against the Purchased Assets

<u>As Against the Vessel "Atlantic Sea Clipper" (Official Number 811392):</u>

1. Mortgage granted by Chester Basin Seafood Group Inc. to the Toronto-Dominion Bank, recorded at the Canadian Register of Vessels as Mortgage "K" with a deed date of 2019-02-08.

2. Mortgage granted by Chester Basin Seafood Group Inc. to the Toronto-Dominion Bank recorded at the Canadian Register of Vessels as Mortgage "L" with a deed date of 2022-06-13.

3. Mortgage granted by Chester Basin Seafood Group Inc. to Pluto Investments Inc., recorded at the Canadian Register of Vessels as Mortgage "M" with a deed date of 2022-06-22.

<u>As Against the Vessel "Fortune Pride" (Official Number 811352):</u>

1. Mortgage granted by Chester Basin Seafood Group Inc. to the Toronto-Dominion Bank, recorded at the Canadian Register of Vessels as Mortgage "D" with a deed date of 2022-06-13.

2. Mortgage granted by Chester Basin Seafood Group Inc. to Pluto Investments Inc., recorded at the Canadian Register of Vessels as Mortgage "E" with a deed date of 2022-06-22.

<u>As Against the Vessel "Seaman's Toy I" (Official Number 820888)</u>

1. Mortgage granted by Chester Basin Seafood Group Inc. to the Toronto-Dominion Bank, recorded at the Canadian Register of Vessels as Mortgage "F" with a deed date of 2019-02-08.

2. Mortgage granted by Chester Basin Seafood Group Inc. to the Toronto-Dominion Bank, recorded at the Canadian Register of Vessels as Mortgage "G" with a deed date of 2022-06-13.

3. Mortgage granted by Chester Basin Seafood Group Inc. to Pluto Investments Inc., recorded at the Canadian Register of Vessels as Mortgage "H" with a deed date of 2022-06-22.

<u>PPSA Financing Statements:</u>

1. PPSA Registration No. 37203866;

2. PPSA Registration No. 37580628;

3. PPSA Registration No. 37639002;
4. PPSA Registration No. 36367084 (as amended);
5. PPSA Registration No. 36367100 (as amended);
6. PPSA Registration No. 36367134 (as amended);
7. PPSA Registration No. 36367183 (as amended);
8. PPSA Registration No. 36375913 (as amended);
9. PPSA Registration No. 36375905 (as amended);
10. PPSA Registration No. 36375889 (as amended)
11. PPSA Registration No. 36375871 (as amended);
12. PPSA Registration No. 36375707 (as amended)
13. PPSA Registration No. 36375434 (as amended);
14. PPSA Registration No. 36375350 (as amended);
15. PPSA Registration No. 35936699 (as amended);
16. PPSA Registration No. 31435308 (as amended);
17. PPSA Registration No. 30793905 (as amended);
18. PPSA Registration No. 30165864 (as amended);
19. PPSA Registration No. 30708416 (as amended);
20. PPSA Registration No. 30708432 (as amended);
21. PPSA Registration No. 30708465 (as amended);
22. PPSA Registration No. 31477557 (as amended);
23. PPSA Registration No. 31615628 (as amended);
24. PPSA Registration No. 39026562 (as amended);
25. PPSA Registration No. 30394738 (as amended);
26. PPSA Registration No. 30783518 (as amended); and
27. PPSA Registration No. 31556418 (as amended).

Schedule "C"

Permitted Encumbrances

As Against Specific Motor Vehicles

1. A PPSA Financing Statement recorded by the Royal Bank of Canada on April 11, 2019, as PPSA Registration No. 30982573 as against a 2019 Ram 1500 motor vehicle bearing Serial No. 1C6SRFHT9KN792016.

2. A PPSA Financing Statement filed by the Bank of Nova Scotia as PPSA Registration No. 34142216 as against a 2019 Ram 1500 Classic motor vehicle bearing Serial No. 1C6RR7LT3KSI79799.

Schedule "D"

Purchased Assets

<u>All of the assets, properties, and undertakings of Chester Basin Seafood Group Inc. , including but being limited to:</u>

<u>Vessels</u>

1. Atlantic Sea Clipper (Official Number 811392)
2. Seaman's Toy 1 (Official Number 820888)
3. Fortune Pride (Official Number 811352)

<u>Licenses</u>

Fishing Licenses and associated quotas:

Species	License Number
Groundfish	100681
Groundfish	101079
Groundfish	100686
Groundfish	100599
Groundfish	100998
Groundfish	364238

License Identification FIN: 570113325

Appendix C

Discharge of GTL as Proposal Trustee of CBSG

Bankruptcy Court

AUG 27 2024

Halifax, N.S.

District of Nova Scotia
Division No: 01 – Halifax
Estate No: 51-3007018
Court No: 45611

Supreme Court of Nova Scotia

IN THE COURT OF ~~KING'S BENCH OF NEW BRUNSWICK~~
IN BANKRUPTCY AND INSOLVENCY
BEFORE THE REGISTRAR

SUPREME COURT NOVA SCOTIA · FORIS ARMA DOMI CONSILIUM

R.A.B. R.

IN THE MATTER OF THE PROPOSAL OF

CHESTER BASIN SEAFOOD GROUP INC.

ORDER OF DISCHARGE OF TRUSTEE

UPON THE APPLICATION OF Grant Thornton Limited, Trustee of the estate of Chester Basin Seafood Group Inc.;

UPON reading the application of the said Trustee;

AND UPON the said trustee undertaking to keep all estate books, records, and documents as provided by Rule 68;

IT IS ORDERED that the trustee be and hereby is discharged as trustee of the above estate and that any security given by the trustee with respect to the said estate be and hereby is released.

DATED at Halifax, Nova Scotia, this 27 day of August 2024.

Registrar

SHYLA FURLONG
Deputy Registrar of Bankruptcy

IN THE SUPREME COURT COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing is a true copy of the original order on file herein.
Dated the 27 day of August A.D., 20 24.

DEPUTY REGISTRAR
SHYLA FURLONG
Deputy Registrar of Bankruptcy

Appendix D

Discharge of GTL as Trustee in Bankruptcy of CBSG

District of: Nova Scotia
Division No. 01 – Halifax
Estate No. 51-3007018
Court No. 45611

Bankruptcy Court
JAN 23 2025
Halifax, N.S.

SUPREME COURT NOVA SCOTIA
R.A.B.
R.
FORIS ARMA DOMI CONSILIUM

IN THE SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY
BEFORE THE REGISTRAR

IN THE MATTER OF THE BANKRUPTCY OF

CHESTER BASIN SEAFOOD GROUP INC.

ORDER OF DISCHARGE OF TRUSTEE

UPON THE APPLICATION OF Grant Thornton Limited, Licensed Insolvency Trustee ("**Trustee**") of the estate of Chester Basin Seafood Group Inc.;

AND UPON reading the application of the said Trustee;

AND UPON the said Trustee undertaking to keep all estate books, records, and documents as provided by Rule 68;

IT IS ORDERED that the Trustee be and hereby is discharged as Trustee of the above estate and that any security given by the trustee with respect to the said estate be and hereby is released.

DATED at Halifax, Nova Scotia, this 23 day of January 2025.

Registrar

SHYLA FURLONG
Deputy Registrar of
Bankruptcy

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing is a true copy of the original order on file herein.
Dated the 23 **day of** January
A.D., 2025 .
DEPUTY REGISTRAR

SHYLA FURLONG
Deputy Registrar of
Bankruptcy

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the day of A.D., 20

DEPUTY REGISTRAR

Appendix E

Receiver’s Certificate re Closing of 451 Transaction

Hfx No. 530600

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF: The Receivership Of Chester Basin Seafood Group Inc.

BETWEEN:

4519497 Nova Scotia Limited,

Applicant

and

Grant Thornton Limited, in its capacity as Trustee in Bankruptcy for Chester Basin Seafood Group Inc.

Respondent

RECEIVER′S CERTIFICATE

RECITALS:

A. Pursuant to an Order of this Court dated February 15, 2024 (the "**Receivership Order**"), Grant Thornton Limited (the "**Receiver**") was appointed as the Receiver of all of the assets, properties, and undertakings of the Chester Basin Seafood Group Inc. ("**Chester Basin**").

B. The Receiver and the Applicant (the "**Purchaser**") have entered into an Agreement of Purchase and Sale dated as of June 5, 2024 (the "**APS**") in respect of all of the assets, properties and undertakings of Chester Basin (the "**Purchased Assets**").

C. The Order of this Court issued on September 13, 2024, provided for the sale of the Purchased Assets to the Purchaser (hereinafter the "**Grantee**"), vesting the right, title and interests of the Receiver and the Respondent in the Purchaser or the Purchaser's assignee, nominee or designate, as the case may be, free and clear of all claims to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Grantee of a Certificate in this form.

THE RECEIVER CERTIFIES AS FOLLOWS:

1. The Grantee has paid and the Receiver (or its agent) has received the purchase price for the Purchased Asset payable pursuant to the APS.

2. The conditions to closing the sale of the Purchased Assets as set out in the APS have been satisfied or waived by the Receiver and the Grantee.

3. The sale of the Purchased Assets as contemplated by the APS has been completed to the satisfaction of the Receiver.

DATED the 8th day of August, 2025.

GRANT THORNTON LIMITED, in its capacity as Court-appointed Receiver of certain assets and properties of **Chester Basin Seafood Group Inc.**, and not in its personal capacity

Per: ______________________
Name: Liam Murphy
Title: Senior Vice President

Appendix F

Professional Fee Summary

Chester Basin Seafood Group Inc.
Professional Fees Summary - Grant Thornton Limited
Through July 31, 2025

Name	Rank	Avg. Hourly Rate	Total Hours	Total Fees	Significant activities
Liam Murphy	Senior Vice President	$ 540.0	112.6	$ 60,800.0	Receivership administration; Review of banking matters; Review of statutory reporting and bank reconciliations; Correspondence with counsel; Correspondence with Creditors; Review WEPP matters; Reports to Court, and research in respect of same; Realization analysis for confidential supplement; Review and execute operating agreement, multiple correspondence in respect of the ongoing use of same; Respond to various litigation matters in respect of the Director's Action; Respond to multiple requests from 451 as Senior Secured Creditor; administration of NOI Proceedings prior to deemed bankruptcy; Attend Court, prepare for same, review application materials and negotiate final transaction matters; various requests from Secured Creditors in respect of operating agreement; Correspondence with DFO; Engagement oversight; Closing transaction.
Phil Clarke	Senior Vice President	$ 522.7	5.5	$ 2,875.0	Review Receiver's Reports, realization analysis and provide assistance with same; Review Court filings in respect of Directors Action and discussions on Receiver's position on same; Correspondence with OSB; Second partner quality review.
	Total Senior Vice President	**$ 531.3**	**118.1**	**$ 63,675.0**	
Sr. Manager <40 hours	Senior Manager	$ 425.0	1.0	$ 425.0	Review reports to Court; Various discussions in respect of Receiver's application.
	Total Senior Manager	**$ 425.0**	**1.0**	**$ 425.0**	
Managers <40 hours	Manager	$ 339.6	35.3	$ 11,943.8	Receivership administration; 245/246 notices to creditors; backup of books and records, correspondence to Directors and creditors; HST filing and review of CRA trust audits, direction on same; Collection of accounts receivable matters; Respond to 451 requests, including review of potential commercial marine insurers; Receiver's reports, correspondence with creditors; Correspondence with ESDC; analysis and review; other file matters
	Total Manager	**$ 339.6**	**35.3**	**$ 11,943.8**	
Ben Chisholm	Senior Associate	$ 269.0	73.9	$ 19,865.0	WEPP matters, finalize NOI Administration matters, assisting in Court Reports, various stautory matters including preparation of tax returns and reporting, CRA trust audit, correspondence with former employees and creditors, analysis and preparation
	Total Senior Associate	**$ 269.0**	**73.9**	**$ 19,865.0**	
Associate <40 hours	Associate	$ 201.8	18.1	$ 3,959.8	Assistance with tax returns, banking matters, updates to case website, assistance on Receivership Administration and statutory matters.
	Total Associate	**$ 201.8**	**18.1**	**$ 3,959.8**	
	Grand Total	**$ 353**	**246**	**$ 99,869**	
	Total Discounts Provided			$ (1,944)	
	Total Expenses, Administrative and Technology Fees			$ 3,215	
	GST and HST			$ 15,184	
	Receiver's Fees and Expenses			**$ 116,323**	

Appendix G

Proposed Discharge Order

Form 78.05

Hfx No. 530600

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency

IN THE MATTER OF: The Receivership of Chester Basin Seafood Group Inc.

Between:

4519497 Nova Scotia Limited

Applicant

and

Grant Thornton Limited, in its capacity as Trustee in Bankruptcy for Chester Basin Seafood Group Inc.

Respondent

ACTIVITIES, DISCHARGE, & FEES ORDER

Before the Honourable Justice in chambers

Whereas Grant Thornton Limited ("**Grant Thornton**") was appointed as receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of acquired for, or used in relation to a business carried on by Chester Basin Seafood Group Inc, pursuant to the order of this Honorable Court issued on September 14, 2024 (the "**Receivership Order**");

And Whereas the Receiver has made a motion seeking an Order: (i) abridging the notice requirements, if required, (ii) approving the Receiver's activities to date as set out in the Receiver's Second Report (the **"Second Report**"), (iii) approving the fees and disbursements of the Receiver and those of its counsel, (iv) discharging Grant Thornton from its duties as Receiver;

Upon reading the Second Report and the other materials on file herein;

And Upon hearing the submissions on behalf of the Receiver and such other parties who were present and wished to be heard at the motion;

Now Upon Motion it Is Ordered That:

APPROVAL OF ACTIVITIES

1. The activities of the Receiver as set out in the Second Report are ratified and approved.

APPROVAL OF FEES

2. The fees and disbursements of Grant Thornton, as Receiver, and of its counsel, copies of which are annexed to the Second Report at paragraphs 21 and 22, are hereby passed and allowed.

3. The Receiver is authorized to pay additional fees and disbursements incurred to complete this matter including, without limitation, the Estimated Receiver's Fees and Estimated Legal Fees (each as defined in the Fourth Report), provided such fees and disbursements are billed at normal rates.

DISCHARGE OF RECEIVER

4. Upon the filing of the Receiver's discharge certificate, attached hereto as Schedule "A" (the "**Receiver's Discharge Certificate**"), Grant Thornton shall be discharged from its duties as Receiver, provided however that notwithstanding its discharge herein, Deloitte shall:

   (a) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and

   (b) continue indefinitely to have the benefit of the provisions of all the Orders made in this proceeding, including all approvals, protections, and stays of proceedings in favour of Deloitte, in its capacity as Receiver.

5. Upon the filing of the Receiver's Discharge Certificate, Grant Thornton is hereby released and discharged from any and all liability that Grant Thornton now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Grant Thornton while acting in its capacities as Receiver, save and except for any gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing, upon the filing of the Receiver's Discharge Certificate, Grant Thornton is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the receivership, save and except for any gross negligence or willful misconduct on the Receiver's part.

Issued at Halifax, Nova Scotia this ___ day of November 2025

____
Deputy Prothonotary

Schedule "A"
Receiver's Discharge Certificate

Hfx No. 530600

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency

IN THE MATTER OF: The Receivership of Chester Basin Seafood Group Inc.

Between:

4519497 Nova Scotia Limited

Applicant

and

Grant Thornton Limited, in its capacity as Trustee in Bankruptcy for Chester Basin Seafood Group Inc.

Respondent

DISCHARGE CERTIFICATE

Whereas Grant Thornton Limited ("**Grant Thornton**") was appointed as receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Chester Basin Seafood Group Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company, pursuant to the Order of this Honorable Court dated September 14, 2024;

And Whereas pursuant to an Order of this Honorable Court dated ______________________, 2025 (the "**Activities, Fees & Discharge Order**"), Grant Thornton was discharged as Receiver, effective upon the filing by the Receiver with the Court of a certificate certifying that Grant Thornton has completed the Remaining Activities (as defined in the Receiver's Second Report Report), provided however that, notwithstanding its discharge: (a) Grant Thornton shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) Grant Thornton shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Grant Thornton, in its capacity as Receiver;

The Receiver Certifies the following:

1. The Receiver has paid all amounts, fees, and disbursements required to be paid pursuant to the Activities, Fees & Discharge Order.

2. All Remaining Activities have been completed to the satisfaction of the Receiver.

DATED this ____ day of ____________________, 202__.

GRANT THORNTON LIMITED, solely in its capacity as the Court-appointed Receiver of Chester Basin Seafood Group Inc. and not in its personal or corporate capacity

Per: ________________________________
Name: Liam Murphy
Title: Senior Vice President