Court File No. 2025 01G 1510

SUPREME COURT OF NEWFOUNDLAND & LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Nemori Farms Ltd.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended

THIRD REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS MONITOR

June 25, 2025

Grant Thornton Limited
Monitor

1000-1675 Grafton Street
Halifax, NS B3J 0E9

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APPENDICES

Introduction

1. Pursuant to an order ("**Initial Order**") issued by the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (**"Court"**) on March 6, 2025, Nemori Farms Ltd. (the "**Company**") was granted protection under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36 ("**CCAA**"). The Initial Order, among other things:

   (a) appointed Grant Thornton Limited as monitor (in such capacity, the "**Monitor**") in the CCAA proceedings ("**CCAA Proceedings**") pursuant to section 11.7 (1) of the CCAA;

   (b) established an initial stay of proceedings up to and including March 14, 2025 (the "**Stay of Proceedings**"); and

   (c) granted an administration charge of $150,000 (the "**Administration Charge**") securing the fees and expenses of the Monitor, counsel to the Monitor, financial advisor to the Company, and counsel to the Company in respect of the CCAA Proceedings.

2. On March 14, 2025, the Court granted the Amended and Restated Initial Order ("**ARIO**"), further extending the Stay of Proceedings to April 25, 2025, confirming the appointment of Grant Thornton Limited as Monitor, increasing the Administration Charge to $175,000 and approving the Debtor-in-Possession Term Sheet ("**DIP Term Sheet**") with the Royal Bank of Canada (in such capacity, the "**DIP Lender**") to provide interim financing in these CCAA Proceedings up to the maximum principal amount of $600,000 ("**DIP Facility**"), as well as a charge on the Company's property (the "**DIP Charge**") ranking subordinate only to the Administration Charge.

3. On April 24, 2025 the Court granted the first amended and restated initial order ("**FARIO**"), attached at **Appendix "A"**, which among other things:

   (a) further extended the Stay of Proceedings to June 30, 2025;

   (b) increased the Administration Charge to $250,000; and

   (c) approved the amendment to the DIP Term Sheet increasing the DIP Facility to $825,000, along with an associated increase to the DIP Charge.

4. Further on April 24, 2025, the Court granted the Sales and Investment Solicitation Process Order ("**SISP Order**") attached at **Appendix "B"**, empowering the Monitor to implement

and carry out the SISP as described in the Monitor's Second Report and attached to the SISP Order.

5. This third report of the Monitor ("**Third Report**"), previous Court reports, and all information in respect of the CCAA Proceedings are posted to the Monitor's case website at www.DoaneGrantThornton.ca/Nemori. Readers are encouraged to read the following reports of the Monitor, the materials filed with the Court in relation to these CCAA Proceedings, and orders issued by the Court to provide additional information on the Company's background and insolvency proceedings:

Reports to the Court:

(a) Pre-Filing Report, dated March 5, 2025

(b) First Report, dated March 13, 2025

(c) Second Report, dated April 22, 2025

Orders of the Court:

(d) Initial Order, dated March 6, 2025

(e) ARIO, dated March 14, 2025

(f) FARIO, dated April 24, 2025

(g) SISP Order, dated April 24, 2025

Purpose of the Third Report

6. The Monitor has prepared this Third Report to provide the Court and the Company's stakeholders with the following:

(a) an update on the operations and activities of the Company since the date of the Second Report;

(b) an update on the Monitor's activities since the date of the Second Report and granting of the FARIO;

(c) an update on the SISP and the Monitor's request for advice and direction from this Court in respect of the conduct of the SISP, as further outlined in the Confidential Supplement to the Third Report ("**Confidential Supplement**"). The Monitor will be requesting an order of the Court sealing the Confidential Supplement on the Court's file until the termination of these CCAA Proceedings;

(d) an update on the Company's actual performance relative to the Cash Flow Forecast in the Second Report;

(e) the Monitor's views on Company's revised cash flow forecast ("**Revised Cash Flow Forecast**") through August 31, 2025;

(f) the Monitor's views and recommendations on the Company's application to the Court to:

i. extend the Stay of Proceedings up to and including July 31, 2025;

ii. extend the Stay of Proceedings to Calvin Cameron and Sheldon Cameron, including in respect of their personal guarantees; and

iii. the Monitor's request to approve the activities of the Monitor to the date of this Third Report.

Terms of Reference

7. In preparing this Third Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Company, discussions with management of the Company ("**Management**"), discussions with the Company's legal and financial advisors and financial information provided by the Company's stakeholders (collectively, the "**Information**"). While the Monitor has reviewed the Information for reasonableness and believes that the information provides a fair summary of the transactions and underlying financial position as reflected in the documents of the Company, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

8. Some of the Information used in preparing this report consists of forward-looking information. The Monitor cautions that such information is based on assumptions about future events and conditions that are not yet ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

9. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, the Company's advisors, directors of the Company, and other Company stakeholders within the context in which the Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor requested that Management, directors, and other stakeholders bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this report is based solely on the Information (financial or otherwise) made available to the Monitor by the Company, Management and other stakeholders.

10. This report has been prepared for the use of this Court and the Company's stakeholders as general information relating to the Company and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought by the Company. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Monitor does 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.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in the Monitor's previous reports, orders of the Court in these CCAA Proceedings, or the March 3, 2025 affidavit of Sheldon Cameron ("**Cameron Affidavit**").

Activities of the Company

12. Since the date of the Second Report, the Monitor understands the Company and its advisors have, among other things:

    (a) managed the day-to-day operations of the farm in the ordinary course;

    (b) continued to meet with the Monitor and the Company's financial advisor, Resolve Advisory Services ("**Resolve**"), to discuss the Company's financial circumstances, expenditures pursuant to the Cash Flow Forecast, various repairs and maintenance requirements, and other matters related to ongoing operations and these CCAA Proceedings;

(c) reported to the Monitor and the DIP Lender on actual performance relative to the Cash Flow Forecast and other monthly reporting requirements, in accordance with the DIP Term Sheet;

(d) obtained appraisals of the Company's real property and equipment, pursuant to the DIP Term Sheet;

(e) reviewed and prepared the revised Cash Flow Forecast and provided information on the financial position of the Company as requested by the Monitor and the DIP Lender;

(f) facilitated site visits to interested parties in the SISP;

(g) pursuant to paragraph 54 of the SISP Procedures, advised the Monitor on May 18th, 2025 that Management as non-arms length parties to the Company intended to advance a bid in the SISP;

(h) communicated with creditors regarding the CCAA Proceedings, including with respect to the process for the continuation of supply and services and the impact of the Stay of Proceedings; and

(i) assisted legal counsel and the Monitor with information required in preparation for this Third Report.

Activities of the Monitor since the Second Report

13. Since the Second Report, the Monitor's activities have included, among other things:

(a) preparing for and implementing the SISP, as further described below;

(b) assisting the Company and its counsel with obtaining third party appraisals of the Company's property as required by the DIP Term Sheet and corresponding with the appraisers in respect of same;

(c) responding to creditor and stakeholder inquiries relating to these CCAA Proceedings and the SISP generally;

(d) corresponding with the Dairy Farmers of Newfoundland and Labrador ("**DFNL**") and the Newfoundland and Labrador Dairy Co-Operative ("**NLDC**") regarding the Company, its milk quota, and the SISP;

(e) with the assistance of the Monitor's counsel, reviewing the Company's various equipment leases to determine whether they are "operating" or "financing" leases, and discussing the impact of the Stay of Proceedings on such leases, if any, with the Company;

(f) engaging local counsel to prepare an independent opinion on the validity and enforceability of RBC's security as against the Company's property ("**Security Opinion**"), which is ongoing as at the date of this Third Report;

(g) attending calls with the Company, Company counsel and Resolve to:

   i. review the budget to actual results of the Company during the CCAA Proceedings and understand operations generally, including expenditures for repairs and maintenance, animal health and the preservation of the Company's property;

   ii. address matters related to GST/HST and correspondence from CRA on same;

   iii. discuss due diligence information requests and site visit requests from interested parties in the SISP;

   iv. understand the potential for a stalking horse bid pursuant to paragraph 44 of the SISP, which did not occur; and

   v. discuss the SISP generally prior to and after its launch, up until the Company becoming a Potential Bidder as defined in the SISP.

(h) attending calls with the DIP Lender and its financial advisors to:

   i. provide updates on the budget to actual results of the Cash Flow Forecast and the Monitor's understanding of same;

   ii. address questions with respect to appraisals obtained pursuant to the DIP Term Sheet; and

   iii. discuss the progress of the SISP, prior to RBC advising the Monitor on June 2, 2025, of its intention to submit a Credit Bid and therefore becoming a Potential Bidder pursuant to paragraph 52 of the SISP.

(i) maintaining a stakeholder website for these CCAA Proceedings at www.DoaneGrantThornton.ca/Nemori; and

(j) preparing this Third Report.

Sales and Investment Solicitation Process

14. The SISP Order granted on April 24, 2025 outlined a process by which the Monitor, working in conjunction with the Company, would solicit interest in and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Company; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form or reorganization of the business and affairs of the Company (the "**Opportunity**"). A copy of the SISP Order, including the approved Bidding Procedures, is attached at **Appendix "B"**.

<u>Marketing Overview:</u>

15. In accordance with the milestones set out in the SISP Procedures attached to the SISP Order, the Monitor worked with the Company to prepare:

(a) a solicitation letter ("**Teaser**") to generate interest in the Opportunity, attached at **Appendix "C"**;

(b) a Non-Disclosure and Confidentiality Agreement ("**NDA**") which, upon execution and delivery to the Monitor, transitioned Interested Parties to Potential Bidders pursuant to the SISP;

(c) a virtual data room ("**VDR**") that included detailed information regarding the Opportunity for Potential Bidders to consider as part of their due diligence, available upon execution of the NDA; and

(d) to assist Potential Bidders in their due diligence regarding the Opportunity, the Monitor developed a Confidential Information Memorandum (the "**CIM**") that was uploaded to the VDR at the SISP commencement date. A copy of the CIM is attached to the Monitor's Confidential Supplement to the Third Report.

16. On May 2, 2025 the Monitor launched the SISP and circulated the Teaser and NDA to a targeted listing of parties identified by the Monitor, in consultation with the Company and the DIP Lender, as having potential interest in the Opportunity. A summary by industry focus of Interested Parties initially contacted by the Monitor is shown in the table below:

Industry Focus	Count
Agriculture Consulting	4
Broker	3
Dairy Producer	4
Dairy Services	2
Equipment Liquidator	5
Farm Supply	13
Farmer	55
First Nations & Associations	18
Industry Association	23
Livestock Sales / Breeder	8
Other	4
Veterinarian	8
Total	**147**

17. The list of Interested Parties was developed by the Monitor using industry research, feedback from the Company and the DIP Lender, and parties that reached out to the Monitor directly regarding the Opportunity. The Monitor also circulated the Teaser and NDA to the Atlantic Canadian Partners of Doane Grant Thornton LLP, to distribute within their respective networks.

18. Advertisements for the Opportunity were posted in the AllAtlantic publication and Farmer's Forum, an online industry publication, on the dates outlined in the table below. Copies of the advertisements are attached hereto as **Appendix "D"**.

Publications	Dates
AllAtlantic - AllNS, AllNB, AllNL	May 5 - 30, 2025
Farmer's Forum - Agriculture Industry online publication	May 6 - June 6, 2025

19. The advertisement posted on AllAtlantic received 1,110,610 page views during the period it was posted. The Monitor is advised by Farmer's Forum that their website receives 20,000-30,000 impressions per month, the time frame for which the ad was run.

20. Furthermore, the Monitor posted the Teaser, NDA and SISP Order to the Monitor's case management website: www.DoaneGrantThornton.ca/Nemori on May 2, 2025.

Due Diligence:

21. To facilitate due diligence and ensure the integrity of information made available to Potential Bidders throughout the SISP, the Monitor, with assistance from the Company, created an extensive VDR using a due diligence tracking tool. This tracking tool helped the Monitor streamline the diligence process by anticipating information requests, providing a structure to rapidly respond to questions and ensure the completeness and transparency of data on the VDR. The Monitor hosted the VDR on Firmex which, amongst other things, provided the Monitor with tracking data and notified all registered users when new information was made available.

22. The Monitor, in conjunction with the Company and Resolve, also established an internal process to track and respond to questions received by Potential Bidders and update the VDR as appropriate, while maintaining the confidentiality of the Potential Bidders by ensuring all correspondence was through the Monitor rather than Company directly.

23. As additional information became available to the Monitor throughout the SISP which in the Monitor's view could be helpful to Potential Bidders in their evaluation of the Opportunity, the Monitor e-mailed all Potential Bidders with access to the VDR and posted updates to the VDR directly.

Participation in the SISP:

24. Throughout the 45-day SISP, a total of 9 NDAs were executed by Potential Bidders and the Monitor understands site visits were completed by 4 Potential Bidders. While the SISP allowed for the potential of a Stalking Horse Bid to be submitted for consideration prior to May 14, 2025, no such bid was advanced. A high-level summary of activity in the SISP is shown in the table below:

Sent Teaser	Contacted Monitor	Executed NDA	Site Visit	Declined
147	11	9	4	2

25. On May 18, 2025, counsel for the Company advised the Monitor that, pursuant to paragraph 54 of the SISP, the Company's Management and directors were advising the Monitor of their intention to submit a Bid in the SISP. Management was therefore treated by the Monitor as a Potential Bidder in the SISP and executed an NDA accordingly.

26. On June 2, 2025, counsel for RBC advised the Monitor that, pursuant to paragraph 52 of the SISP, RBC was reserving its right to submit a Credit Bid and therefore provided the Monitor with RBC's notice of same. RBC also noted that, should RBC decide not to submit a Credit Bid pursuant to the SISP, RBC was reserving its right to withdraw the notice, upon which it requested to no longer be treated as a Potential Bidder in the SISP.

27. Upon RBC's declaration of potentially advancing a Credit Bid, and recognizing that as both the Company's senior secured lender and DIP Lender RBC had a longstanding commercial relationship with the Company prior to and during the CCAA Proceedings which may provide RBC with an inside view of the Opportunity, the Monitor corresponded with RBC and its financial advisor to outline certain parameters in respect of RBC's continued participation in the SISP, in order to ensure the integrity of the SISP. RBC subsequently executed an NDA and confirmed the following, amongst other things:

    (a) To the knowledge of the individuals at RBC and EY that are responsible for and providing services in relation to RBC's position in the CCAA proceedings, there has been no correspondence between RBC or EY with another Qualified Bidder, pursuant to the terms of the SISP and NDA;

    (b) RBC is not in discussions or communications with any other person in respect of RBC's intention to submit a Credit Bid;

    (c) RBC and its advisors will direct all correspondence in relation to the SISP or under the DIP Agreement through the Monitor; and

    (d) RBC will arrange for copies of RBC's security to be provided to the Monitor and its counsel for its independent review.

28. The Monitor has advised RBC that as of the date of RBC's declaration the Monitor is treating RBC as a Potential Bidder in the SISP and will not be reporting to or consulting with RBC on the SISP, either in its capacity as secured creditor or DIP Lender.

29. For certainty, the Monitor is not aware of any breach of the SISP Procedures or NDA executed by Potential Bidders in the SISP.

<u>Extension of Period for Selection of the Successful Bid:</u>

30. At the Bid Deadline, the Monitor collected the Bids received and reviewed each in detail. Where the Bid included conditions or the Bid itself did not conform to the SISP Procedures,

pursuant to paragraph 32 of the SISP Procedures the Monitor contacted the Bidder to clarify and provide an opportunity for the Bidder to remove or reconsider conditions associated with the subject Bid.

31. To allow the Monitor to continue reviewing Bids to determine the best proposed transaction, on June 23, 2025, the date outlined in the SISP for the Monitor to select the Successful Bidder in the SISP, the Monitor advised Qualified Bidders that it was extending the date for selection of a Successful Bid by two weeks to **July 7, 2025** pursuant to Paragraph 6 of the SISP Procedures. Further information about the Monitor's review and its request for advice and direction from the Court is contained in the Confidential Supplement.

Performance Relative to Cash Flow Forecast

32. A summary of the Company's budget to actual results compared with the Cash Flow Forecast included in the Second Report of the Monitor is attached hereto as **Appendix "E"** (the "**Cash Flow Variance Report**") and summarized in the table below:

Nemori Farms Limited Budget to Actuals - Variance Report Weeks 1-15	**Weeks 1-15 March 10, 2025 - June 22, 2025 Budget**	**Actual**	**Variance**
Cash Receipts	2,092,420	2,078,572	(13,848)
Operational Disbursements	1,515,289	1,570,466	55,177
Net Operating Cash Flows	**577,131**	**508,106**	**(69,025)**
Operational Improvement (SCAP Program)	(69,064)	(75,490)	(6,426)
Net Cash Flows prior to Professional Fees	**508,067**	**432,616**	**(75,451)**
Professional Fees	394,057	314,482	(79,575)
Total Net Cash Flow	**114,010**	**118,134**	**4,124**
Opening Cash Balance	25,432	25,432	-
Net Cash Flow	114,010	118,134	4,124
Ending Balance	**139,442**	**143,566**	**4,124**

33. Based on the Monitor's continuous review of the cash flow and discussions with the Company and Resolve, the Monitor's comments on the material variances between the Company's actual cash flows for the period to June 22, 2025 (Week 15), compared to the Cash Flow Forecast are as follows:

(a) Cash Receipts are below budget primarily due to approximately $45,000 of delayed GST/HST refunds from CRA from on-going GST/HST examination and the receipt of $25,000 for the Provincial Agrifood Assistance Program, both of which are timing differences expected to reverse in the coming weeks. This negative timing difference is offset by approximately $56,000 in greater than forecast milk revenue from improved milk production in recent weeks.

(b) Cash Receipts include $825,000 of the DIP Facility, which was fully drawn at the date of this Third Report and in line with the Company's expectation.

(c) Operational Disbursements are overall greater than budget by $55,176, primarily due to higher repairs and maintenance activity than forecast, including the replacement of certain pump systems which failed and required replacement. The Monitor understands the Company was required to spend funds on several repairs that could not be otherwise delayed without the disruption of continued operations. This negative permanent variance is offset by lower than forecast feed costs of $75,646, which the Monitor is advised were lower than forecast due to the high-quality silage harvested and the Company managing the timing of feed purchases.

(d) Professional Fees through Week 15 were lower than budget by approximately $79,500, a timing difference. The Monitor has noted previously that, given the extensive involvement of the professionals since the commencement of these CCAA Proceedings, the Monitor expects actual costs for Professional Fees to be higher than forecast on an accrual basis. This is discussed further relative to the Administration Charge in the Revised Cash Flow Forecast below.

Revised Cash Flow Forecast

34. The Revised Cash Flow Forecast has been prepared by the Company and Resolve to project the Company's cash requirements through the proposed extension of the Stay of Proceedings, July 31, 2025. The Revised Cash Flow Forecast is attached as **Appendix "F".**

35. The Monitor has worked with the Company and Resolve to review the Revised Cash Flow Forecast and further understand projected disbursements, milk production, expenditures related to animal health and modifications to operating expense assumptions based on

seasonality and current information. The Monitor has discussed the various changes made in the Revised Cash Flow Forecast with the Company and Resolve and compared same to actual results through the date of this Third Report.

36. To date, the Company has drawn the full balance of its $825,000 available in DIP financing. While the Revised Cash Flow Forecast projects the Company will not require additional financing for continued operations through July 31, 2025, due to the projected timing of receipts and disbursements and current level of amounts owing, the Monitor expects a balance to be outstanding to the professionals secured by the Administration Charge at July 31, 2025.

(a) After considering the amounts currently outstanding to the professionals whose fees are secured by the Administration Charge, the work-in-progress of those professionals, projected payments in the Revised Cash Flow Forecast and the Monitor's estimate of professional fees required to reach Court approval of a transaction derived from the SISP, the Monitor expects approximately $150,000 to be outstanding to the professionals at July 31, 2025, before consideration of any retainers previously provided. The Monitor notes that it holds approximately $40,000 as a retainer for the Monitor and its counsel, reducing total exposure under the Administration Charge.

(b) The Monitor notes the Company is expected to have a surplus of cash available at July 31, 2025, based on the Revised Cash Flow Forecast. The Monitor will work with the Company to ensure balances secured by the Administration Charge do not continue to grow or exceed the Administration Charge.

37. A summary of the Revised Cash Flow Forecast through the proposed extension to the Stay of Proceedings of July 31, 2025, is shown below:

Summary of the Cash Flow Forecast For the Period of June 23, 2025 to July 31, 2025	
	Weeks 16-21
Operational cash receipts	455,500
Operational cash disbursements	(359,249)
Cash Flows from Operations	**96,251**
Restructuring fees	(123,750)
DIP Interest and Commitment fee	(6,000)
Cash Flows from Restructuring	**(129,750)**
Opening Cash balance	143,566
DIP Financing	-
Net Cash flow	(33,499)
Ending Cash Balance	**110,067**

38. The Revised Cash Flow Forecast has been prepared by Management using the probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").

39. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court appointed Monitor pursuant to s. 23(1)(b) of the CCAA, including reviewing the actual expenses incurred since the date of the Initial Order and discussing same with the Company, its financial advisors and the DIP Lender. The Monitor's review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management and Resolve. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast and the Monitor's understanding of the business. The Monitor has also reviewed the support provided by the Company and Resolve for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast.

40. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

(a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;

(b) as at the date of this Third Report, the Probable and Hypothetical Assumptions developed by the Company are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the Revised Cash Flow Forecast; and

(c) the Revised Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

41. Since the Revised Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Third Report or relied upon by the Monitor in preparing this Third Report.

42. The Revised Cash Flow Forecast has been prepared solely for the purposes described on the face of the Revised Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

The Monitor's Recommendation on the Stay Extension

43. The Company is seeking to extend the Stay of Proceedings through July 31, 2025, supported by the Revised Cash Flow Forecast. The proposed extension to the Stay of Proceedings is necessary to allow the Monitor time to finalize the selection of the Successful Bidder in the SISP, subject to this Court's advice and direction outlined in the Confidential Supplement.

44. The Monitor is supportive of the Company's request and does not believe that any parties will be materially prejudiced by the extension of the Stay of Proceedings to July 31, 2025. The Revised Cash Flow Forecast demonstrates the Company will have sufficient liquidity to operate during the forecast period.

The Monitor’s Recommendation on the Request to Extend the Stay of Proceedings to Sheldon and Calvin Cameron

45. The Company is seeking to extend the Stay of Proceedings to Sheldon and Calvin Cameron, the principal shareholders and directors of the Company, for the purpose of staying the enforcement of personal guarantees by RBC during the CCAA Proceedings.

46. The Monitor is of the view that Sheldon and Calvin Cameron are key personnel at the Company and are currently the sole management team for the Company. Based on the Monitor’s observation, the continued participation of Sheldon and Calvin Cameron is needed to avoid disruption of farm operations through the summer season, and their co-operation is needed to facilitate the closing of any transaction with any Bidder, should a transaction be approved.

47. Accordingly, the Monitor is of the view that if so approved by this Court in its sole discretion, the extension of the stay of proceedings to Sheldon and Calvin Cameron during the pendency of the CCAA Proceedings would likely benefit the restructuring process by ensuring their ongoing participation in the restructuring process without distraction.

48. The Monitor has not been made aware of any opposition to the Company’s request, nor has it been advised of RBC’s position in that regard.

The Monitor’s Request for a Sealing Order

49. The Monitor respectfully requests that the Court grant a Sealing Order with respect to the Confidential Supplement until such time as the CCAA Proceedings are terminated.

50. The Monitor is of the view that the requested Sealing Order is the least restrictive method of protecting an important public interest. The Confidential Supplement contains confidential and commercially sensitive financial information, including the details of Qualified Bids received in the SISP. The Monitor is concerned that if such information became public in advance of the selection of a Successful Bidder and the closing of a transaction derived from the SISP, it could negatively impact the Monitor’s ability to consummate a transaction or effect a restructuring of the business.

Good Faith and Due Diligence

51. As at the date of this Third Report, the Monitor:

(a) is of the view that the Company and its stakeholders are acting in good faith and with due diligence, pursuant to section 18.6(1) of the CCAA;

(b) is not of the view that it would be more beneficial to the Company's creditors if proceedings were taken under the *Bankruptcy and Insolvency Act*, pursuant to section 23(1)(h) of the CCAA; and

(c) is not aware of any issue or condition that could be considered a material adverse change pursuant to s. 23(1)(d) of the CCAA.

Conclusion and Recommendation

52. For the reasons set out in this Third Report, the Monitor respectfully recommends that this Honourable Court grant Orders:

(a) Extending the Stay of Proceedings to July 31, 2025;

(b) Extending the Stay of Proceedings to Calvin and Sheldon Cameron;

(c) Sealing the Confidential Supplement to the Third Report on the Court File, until such time as the CCAA Proceedings are terminated; and

(d) Approving the activities of the Company, the Monitor and their respective legal counsel through the date of this Third Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 25th day of June, 2025.

GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS MONITOR OF NEMORI FARMS LTD.

AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

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

Appendix A

FARIO dated April 24, 2025

2025 01G 1510
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C- 36 as Amended (the "**CCAA**")

AND IN THE MATTER OF an application by Nemori Farms Ltd. for relief under s. 11 of the CCAA (the "**Company**")

FIRST AMENDED AND RESTATED INITIAL ORDER

Before the Honourable Justice A. MacDonald:

WHEREUPON the Company has filed a motion for an extension to the current stay of proceedings under the CCAA up to an including 30 June 2025;

AND UPON reading the Notice of Motion and Memorandum of Fact and Law filed on behalf of the Company, and on hearing the submissions of counsel for the Company and such other counsel as appeared, with all parties being duly served and on reading the Pre-Filing Report and First Report of the Proposed Monitor and their consent act as the Monitor, the following is ordered and declared:

SERVICE

THIS COURT ORDERS that the time for service of the Notice of Application and the materials filed, as set out in the affidavit of service, is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

1. **THIS COURT ORDERS AND DECLARES** that the Company is a company to which the CCAA applies.

	Filed	Apr. 25/25	mh

PLAN OF ARRANGEMENT

2. **THIS COURT ORDERS** that the Company shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Company shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Honourable Court, the Company shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Company is authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of their Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Company shall be entitled to continue to utilize their cash management system currently in place, or replace it with another substantially similar cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Company of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Company, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Company shall be entitled to pay the following expenses whether incurred prior to or after this Order:

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(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Company in respect of these proceedings, at their standard rates and charges;

(c) with the consent of the DIP Lender (as defined in the DIP Term Sheet attached hereto as **Schedule "A"**), amounts owing for goods and services supplied to the Company, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property. The Monitor shall report to the Court as to any payments made under this subparagraph.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Company shall be entitled but not required to pay all reasonable expenses incurred by the Company in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business; and

(b) payment for goods or services supplied to the Company following the date of this Order.

7. **THIS COURT ORDERS** that the Company shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, and (ii) Canada Pension Plan;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Company in connection with the sale of goods and services by the Company, but only where such Sales Taxes are accrued or collected after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Company.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Company shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Company and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein the Company is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Company to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Company shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of non-material assets not exceeding $100,000 in one transaction in the aggregate;

(b) terminate the employment of such of its employees, or temporarily lay off such of its employees, as it deems appropriate; and

(c) pursue all avenues of refinancing, restructuring, sale and reorganization of the Business or Property, in whole or part, subject to obtaining prior approval of this, Court before effecting any material refinancing, restructuring, sale or reorganization, as determined by the Monitor,

all of the foregoing to permit the Company to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Company shall provide each of the relevant landlords with notice of the Companies intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Companies entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Company, or by further Order of this Court upon application by the Company on at least two (2) days' notice to such landlord and any such secured creditors. If the Company disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Companies claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Company and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may

have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including 30 June 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Company or the Monitor, or affecting the Business or the Property except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Company or the Monitor, or affecting the Business or the Property are hereby stayed and suspended except with the written consent of the Monitor and the Company, or leave of this Court, provided that nothing in this Order shall (i) empower the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, licence or permit in favour of or held by the Company, except with the written consent of the Monitor and the Company, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Company, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Company, and the Company shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Company in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Company or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Company with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Company whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations,

until a compromise or arrangement in respect of the Company, if one is filed, is sanctioned by this Court or is refused by the creditors of the Company or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Company shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Company with the powers and obligations set out in the CCAA or set forth herein and that the Company and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Company pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Companies' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Company, to the extent required by the Company, in the dissemination, (i) to the DIP Lender and its counsel, and (ii) to registered secured creditors, Canada Revenue Agency ("**CRA**"), and their counsel if the Monitor determines it necessary or desirable, on a timely basis, of financial and other information as agreed to between the Company and the DIP Lender, or information which the Monitor may determine is necessary or desirable to share with registered secured

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creditors or CRA, including reporting on a basis to be agreed with the DIP Lender, or between the Monitor and any registered secured creditor or CRA, as the case may be;

(d) advise the Company in the preparation of the Companies' cash flow statements and reporting required by the DIP Lender;

(e) advise the Company in their development of a plan or compromise or arrangement and any amendments thereto;

(f) assist the Company, to the extent required by the Company, with the holding and administering of creditors' or shareholders' meetings for voting on a plan of compromise or arrangement;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company business, cashflow, and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage with Companies' legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(i) assist the Company to design and conduct any sales process as may be approved by the Court; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and regulations thereunder (the **"Environmental Legislation"**), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company with information provided by the Company in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Company is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Company may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, or subsequent to, the date of this Order, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the

Monitor, counsel to the Monitor, and counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

27. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $250,000 as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36-41 herein.

DIP FINANCING

29. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to obtain and borrow under a credit facility from the Royal Bank of Canada (the "**DIP Lender**") in order to finance the Company's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $825,000.00 unless permitted by further Order of this Court.

30. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Company and the DIP Lender dated as of 12 March 2025 as attached hereto as Schedule "A", as amended on April 24, 2025 attached hereto as Schedule "B".

31. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet and any amendments thereto or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company

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is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

32. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 35 to 40 hereof.

33. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 2 Business Days notice to the Company and the Monitor, may exercise any and all of its rights and remedies against the Company or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.

34. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or

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any proposal filed by the Company under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

35. **THIS COURT ORDERS** that the priorities of the Administration Charge the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge ($250,000)

Second - DIP Lender's Charge ($825,000)

36. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

37. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

38. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with any of the Charges, unless the Company also obtain the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Charges**"), or further Order of this Court.

39. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

(a) The creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall not be deemed to constitute a breach by the Company of any Agreement to which they are a party;

(b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) The payments made by the Company pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the Companies' interest in such real property leases.

SERVICE AND NOTICE

41. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Company of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

42. **THIS COURT ORDERS** that the Company and Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal

delivery or facsimile transmission to the Company creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

43. **THIS COURT ORDERS** that the Monitor and the Company may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

44. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

45. **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 Company, the Monitor and their respective 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 Company and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Company and the Monitor and their respective agents in carrying out the terms of this Order.

46. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. **THIS COURT ORDERS** that any interested party (including the Company and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

48. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12.01 a.m., Newfoundland Time, on the date of this Order.

Dated at St John's, NL this 24th day of April, 2025

Assistant Deputy Registrar

SCHEDULE "A"
DIP Term Sheet

DEBTOR-IN-POSSESSION FINANCING TERM SHEET

This term sheet ("**DIP Term Sheet**") is made on the 18th day of March, 2025 and sets out the terms and conditions upon which Royal Bank of Canada will provide debtor-in-possession financing to the DIP Loan Party (as defined below) in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Borrower:	Nemori Farms Ltd. (the "**DIP Loan Party**").
DIP Lender:	Royal Bank of Canada (the "**DIP Lender**")
Monitor:	Doane Grant Thornton Ltd. in its capacity as monitor (in such capacity, the "**Monitor**") in connection with the DIP Loan Party' proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").
Type of DIP Loan:	Loan of up to a maximum amount of $600,000.00 (the "**DIP Loan**"), secured by way of the DIP Charge (defined herein) to be available to the DIP Loan Party with the agreement of the Monitor subject to and in accordance with the terms herein.
Availability:	Subject to the fulfillment of the applicable conditions precedent to the availability of the DIP Loan set out herein and the DIP Loan Party's adherence to the 13 week Cash-Flow Statement dated 12 March 2025 (the "**Approved Cash Flows**") being satisfactory to the DIP Lender in its sole discretion, and provided that no Event of Default (as defined below) has occurred and is then continuing, advances of the DIP Loan shall be made by the DIP Lender to the DIP Loan Party.
Purpose, Use of Proceeds:	The proceeds of the DIP Loan will be used by the DIP Loan Party to fund the cash flow requirements of the DIP Loan Party on a going concern basis provided that the same is, unless approved in writing by the DIP Lender and the Monitor, (i) in accordance with the Approved Cash Flows, and (ii) not on account of a liability that existed prior to the date of filing for these CCAA Proceedings (the "Filing Date"), including for avoidance of doubt but without limitation any unremitted statutory remittances existing as of the Filing Date.
Closing Date:	On or before 14 March 2025 unless otherwise agreed by the DIP Loan Party and the DIP Lender (the "**Closing Date**").
Termination Date:	The maturity of the DIP Loan (the "**Termination Date**") shall be the earliest of:

(a) 6 months following the Closing Date, unless otherwise mutually agreed between the parties;

(b) the effective date of any merger, amalgamation, consolidation, arrangement, reorganization, recapitalization, sale or any other transaction affecting the DIP Loan Party's assets or operations or resulting in the change of ownership or control of the DIP Loan Party as confirmed by the Supreme Court of Newfoundland and Labrador (the "**Court**") and satisfactory to the DIP Lender in its sole discretion (any of the foregoing being a "**Transaction**");

(c) the date on which the DIP Loan Party's stay of proceedings expires without being extended or the date on which the CCAA Proceedings are dismissed or terminated or the date on which the DIP Loan Party becomes bankrupt or the stay of proceedings is lifted to allow the filing of a bankruptcy or receivership application or similar insolvency proceeding; and

(d) the date of the acceleration of the DIP Loan and the termination of the commitment with respect to the DIP Loan as a result of an Event of Default (as defined herein).

All outstanding amounts under the DIP Loan, together with all interest accrued and unpaid in respect thereof and all other amounts owing and unpaid under this DIP Term sheet shall be payable in full on the Termination Date.

Interest Rates:

All amounts outstanding under the DIP Loan will bear interest at a rate of the DIP Lender's prime rate for commercial loans from time to time plus 6.00% per annum, on the daily balance outstanding under the DIP Loan.

Interest shall be due, owing, payable and repaid in arrears on a monthly basis.

Commitment Fee

The DIP Loan Party shall pay to the DIP Lender a commitment fee equal to $12,500 (the "**Commitment Fee**") to be paid from the first advance made under the DIP Loan. The Commitment Fee is non-refundable and is fully earned as of the Closing Date.

Repayment:

Unless otherwise repaid as contemplated herein, the DIP Loan shall be due, owing, payable and repaid on the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.

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Mandatory Prepayments: The DIP Loan shall be repaid in full of from the net proceeds of any Transaction involving the DIP Loan Party.

Representations and Warranties: The DIP Loan Party represents and warrant to the DIP Lender as of the date hereof, and as of the date of each advance under the DIP Loan, that:

(a) the DIP Loan Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, has all requisite power to carry on its business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification in required;

(b) the execution, delivery and performance, as applicable, of the DIP Term Sheet has been duly authorized by all actions, if any, required on the part and by the DIP Loan Party's directors, and constitutes a legal, valid and binding obligation of the DIP Loan Party enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application that limit the enforcement of creditors' rights generally and to general equitable principles;

(c) the Approved Cash Flows represent the DIP Loan Party's best estimate as at each applicable date of the likely results of the operations of the DIP Loan Party during the period applicable thereto and, to the knowledge of the DIP Loan Party, such results are achievable as provided therein; and

(d) all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, termination pay, severance pay, vacation pay, pension benefit contributions or other benefits except those accruing in the normal course and in accordance with the established practices and arrangements of the DIP Loan Party.

Covenants: The DIP Loan Party covenants and agrees that:

(a) the DIP Loan Party shall pay all amounts and satisfy all obligations in respect of the DIP Loan, including

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the Commitment Fee (which shall be paid as set out above);

(b) the DIP Loan Party shall not make or permit to be made any payment on account obligations owing as at the Filing Date without the prior consent of the Monitor or pursuant to an order of the Court;

(c) the DIP Loan Party shall ensure that all credit balances held in deposit accounts at any other financial institution and all incoming funds are deposited to its operating account maintained with the DIP Lender provided the DIP Lender confirms in writing that, subject to no Event of Default (as defined below) occurring or subsisting, no holds or other extraordinary credit approval procedures will be put in place on the deposit account and that said account will operate in the ordinary course;

(d) the DIP Loan Party shall not undertake any actions with respect to its assets, business operations and/or capital structure which would, in the determination of the DIP Lender, acting reasonably, have a material adverse effect on the DIP Loan Party, the Collateral (as defined below), or the likelihood of repayment of the DIP Loan;

(e) the DIP Loan Party shall not incur any indebtedness, including the giving of guarantees, other than indebtedness specifically contemplated herein or permitted in writing by the DIP Lender in its sole discretion;

(f) the DIP Loan Party shall not incur, create, assume or suffer to exist any lien, charge, security interest or other encumbrance on any of the Collateral now owned or hereafter acquired other than: (i) those encumbrances existing as of the Filing Date, (ii) permitted by the DIP Lender in its sole discretion, (iii) the DIP Charge, and (iv) any security or charge granted by the Court under section 11.52 of the CCAA (the "**Administration Charge**") in an amount in excess of $150,000.00, unless otherwise approved by the Court;

(g) the DIP Loan Party shall not enter into any other credit facility or loan arrangements that would be secured in priority to or *pari passu* with the DIP Loan;

(h) the DIP Loan Party shall not enter into any Transaction without the approval of the Monitor and

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the Court, as per the terms of the initial sought in conjunction with the CCAA Proceedings (including any amendments or restatements thereof) (the "**CCAA Order**");

(i) without the prior written consent of the DIP Lender which may be withheld on any grounds, the DIP Loan Party shall not: (i) declare or pay any dividends on, or make any other payments or distributions (whether by reduction of capital or otherwise) with respect to any of its respective issued and outstanding shares or other equity interests, or (ii) grant any loans;

(j) the DIP Loan Party shall not sell any of its assets outside of the ordinary course of business without the prior written consent of the Monitor and the Court, as per the terms of the CCAA Order;

(k) all DIP Expenses (as defined below), including all legal and advisory fees and expenses of the DIP Lender shall be added to the principal balance of the DIP Loan and repaid upon the occurrence of any Transaction or when the within CCAA Proceedings are terminated, whichever comes first;

(l) the DIP Loan Party shall update the Approved Cash Flows and provide a copy thereof to the DIP Lender and the Monitor together with a comparison to the prior version for the DIP Lender's approval, it being understood that such updated Approved Cash Flows, if approved by the DIP Lender in its sole discretion, become the Approved Cash Flows for purposes hereof;

(m) the DIP Loan Party shall engage and appoint David Boyd of Resolve Advisory Services Ltd as financial and SISP advisor (the "**SISP Advisor**") and shall not remove the SISP Advisor without the prior written consent of the DIP Lender, acting reasonably; and

(n) the DIP Loan Party shall obtain promptly an appraisal or valuation of its assets from an appraiser or valuator acceptable to the DIP Lender, provide copies of all such appraisals or valuations to the DIP Lender, and make all such appraisers or valuators available to the DIP Lender for any reasonable enquiries.

SISP: Following a period of thirty (30) days from the Closing Date (the "**Refinance Period**"), if no Transaction is approved by

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the Monitor and the Court which sees the repayment in full of all obligations owing to the DIP Lender (under this DIP Term Sheet and all pre-filing loan and credit agreements made between the DIP Lender and the DIP Loan Party from time to time), the DIP Loan Party will conduct a sale and investment solicitation process (the "**SISP**") aimed at seeking offers for the sale of all or substantially all of the business assets of the DIP Loan Party or significant investment in the business carried on the DIP Loan Party.

Preparation for the SISP will run concurrent with the Refinance Period. In the event that the DIP Loan Party has not executed an agreement with a lender or other third party which will see the repayment in full of all obligations owing to the DIP Lender (under this DIP Term Sheet and all pre-filing loan and credit agreements made between the DIP Lender and the DIP Loan Party from time to time) by the end of the Refinance Period, the DIP Loan Party shall complete its preparation for the SISP and shall apply to the Court for approval of the SISP by no later than 11 April 2025.

The DIP Loan Party shall provide that any and all transactions under the SISP will be completed by no later than 5 September 2025.

As part of the preparations for the SISP, the DIP Loan Party shall arrange to prepare, with the assistance of its advisors, among other things, a teaser document outlining the opportunities available under the SISP, a confidential information memorandum, a preliminary list of parties to be solicited, and a document outlining the terms and conditions of the SISP (the "**SISP Materials**"). The DIP Loan Party shall provide the SISP Materials to the DIP Lender for review by the DIP Lender no later than seven days prior to the filing of any application by the DIP Loan Party to the Court for approval of the SISP.

The DIP Loan Party shall provide the DIP Lender with full and unfettered access to all materials in connection with the SISP, including any virtual data rooms established for potential purchasers or investors to evaluate the business.

Reporting Requirements:

While any portion of the DIP Loan remains outstanding, the DIP Loan Party shall provide the following to the DIP Lender:

(a) bi-weekly reporting on the DIP Loan Party's compliance with the Approved Cash Flows including commentary on any variances in excess of 10%;

(b) on a monthly basis:

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(i) trial balance (in Microsoft Excel format, if available);

(ii) aged accounts payable listing (in Microsoft Excel format, if available);

(iii) list of accrued liabilities (in Microsoft Excel format, if available);

(iv) payroll statement of account with the Canada Revenue Agency ("**CRA**") with evidence of payroll remittances for the month ended; and

(v) payroll and vacation pay accrued liability as at month-end;

(c) bi-weekly reporting in respect of the DIP Loan Party's refinancing efforts and the SISP, including copies of all discussion papers, letters of intent, and financing offers received;

(d) the details of any payment arrangement with CRA in relation to outstanding arrears for source deductions, HST, and excise taxes;

(e) the details of any discussions with the Government of Newfoundland and Labrador; and

(f) response to any reasonable request for additional information from the DIP Lender or its legal or financial advisors from time to time.

Security:

As continuing security (the "**DIP Security**") for the prompt payment of all amounts payable by the DIP Loan Party to the DIP Lender under the DIP Term Sheet and as continuing security for the due and punctual performance by the DIP Loan Party of their existing and future obligations pursuant to the DIP Term Sheet (the "**DIP Obligations**"), the DIP Loan Party hereby grants, conveys, assigns, transfers, mortgages and charges as and by way of a fixed and specific security interest, mortgage and charge, to and in favour of the DIP Lender, all of its property, assets, rights and undertakings, real and personal, moveable or immovable, tangible and intangible, legal or equitable, of whatsoever nature and kind, wherever located, both present and future, and now or hereinafter owned or acquired (collectively, the "**Collateral**").

The DIP Security shall be elevated by way of a Court-ordered super-priority charge (the "**DIP Charge**")

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which the DIP Charge shall rank in priority on the Collateral in priority to any security interests, claims, or deemed trusts (statutory or otherwise) but subordinated to the Administration Charge, without any other formality, perfection, or requirement, such as without limitation under the *Personal Property Security Act* (Newfoundland and Labrador) or registrations in land registration office(s) or otherwise.

Events of Default:

Each of the following shall constitute an "**Event of Default**":

(a) the DIP Loan Party defaults in the payment of any amount due and payable to the DIP Lender (whether of principal, interest or otherwise) pursuant to this DIP Term Sheet;

(b) any representations and warranties made by the DIP Loan Party in the DIP Term Sheet proves to be incorrect as of the date given;

(c) the DIP Loan Party fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in the DIP Term Sheet or any other document between the DIP Loan Party and the DIP Lender;

(d) the stay of proceedings expires without being extended or the CCAA Proceedings being dismissed or terminated or the DIP Loan Party becoming subject to a proceeding in bankruptcy or receivership or similar insolvency proceeding;

(e) the entry of an order staying, amending, reversing, vacation or otherwise modifying or having a material adverse effect with respect to the DIP Loan or the DIP Charge, in each case without the prior written consent of the DIP Lender;

(f) the DIP Loan Party undertakes any actions with respect to its assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the DIP Loan Party, the Collateral, or the likelihood of repayment of the DIP Loan;

(g) if the DIP Loan Party makes any payments of any kind not permitted by this DIP Term Sheet, or contemplated by the Approved Cash Flows;

(h) the occurrence of any other event or circumstance that has, or could reasonably be expected to have,

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a material adverse effect on the DIP Loan Party, the Collateral, or the likelihood of repayment of the DIP Loan, including a material adverse change from the Approved Cash Flow budget as determined by the DIP Lender in its sole discretion; and

(i) if there is a change in the ownership, control, existing senior operating management arrangements or governance of the DIP Loan Party that is not acceptable to the DIP Lender acting reasonably.

Upon the occurrence of an Event of Default, without any notice, protest, demand or other act on the part of the DIP Lender, all indebtedness of the DIP Loan Party to the DIP Lender shall become immediately due and payable and the DIP Lender shall be able to take all steps necessary to enforce its security. The DIP Lender shall also have the right to exercise all other customary remedies, including, without limitation, the right to enforce and realize on any or all of the Collateral, in each case, upon providing two (2) days prior written notice to the DIP Loan Party and the Monitor, without the necessity of obtaining further relief or an order from the Court.

Conditions Precedent, to first advance:

The conditions precedent to any advance being made under this DIP Term Sheet are:

(a) the representations and warranties made by the DIP Loan Party in this DIP Loan Term Sheet being true and correct as of the date given; and

(b) the issuance of a Court order approving the DIP Loan and the DIP Term Sheet, creating the DIP Charge, and authorizing the payment by the DIP Loan of all of the fees and expenses in respect of the DIP Loan (the "**DIP Order**").

Illegality: In the event that it becomes illegal for the DIP Lender to lend or continue to lend, the DIP Lender will be repaid and/or the DIP Lender's commitment will be cancelled.

Taxation: All payments of principal, interest and fees will be made free and clear of all present and future taxes, levies, duties or other deductions of any nature whatsoever, levied either now or at any future time.

Fees and Expenses: The DIP Loan Party shall pay all of the DIP Lender's out-of-pocket expenses (including the fees and expenses of its counsel and advisors), whether or not any of the

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	transactions contemplated hereby are consummated and whether incurred prior to or after the date of the DIP Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the DIP Loan, and the enforcement of any and all of its remedies at law (collectively, the "**DIP Expenses**").
Governing Law, Jurisdiction:	Laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable in the Province of Newfoundland and Labrador. The DIP Loan Party agrees to submit to the exclusive jurisdiction of the courts of the Province of Newfoundland and Labrador with respect to any dispute or matter related to, arising from, or in connection with the construction, validity, or performance of this DIP Term Sheet or the rights of any party under it.

[*EXECUTION PAGES FOLLOWS*]

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IN WITNESS HEREOF, the DIP Loan Party and the DIP Lender hereby execute this DIP Term Sheet as of the date first written above.

NEMORI FARMS LTD.

Per: ______________________
Name: Caleb Camann
Title: owner operator

[remainder of this page intentionally left blank, signature page follows]

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ROYAL BANK OF CANADA

Per: ______________________________
Name: Stephane Ménard,
Title: Director Special Loans

Per: Sarah Couture
Name: Sarah Couture
Title: Senior Manager, Special Loans

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SCHEDULE "B"

Amendment to DIP Term Sheet

AMENDMENT TO DEBTOR-IN-POSSESSION FINANCING TERM SHEET

THIS AMENDMENT is made on the ____ day of April, 2025.

BETWEEN:

ROYAL BANK OF CANADA, a chartered bank existing under and governed by the laws of Canada

(the **DIP Lender**)

-and-

NEMORI FARMS LTD., a corporation existing under and governed by the law of Newfoundland and Labrador

(the **DIP Loan Party**)

RECITALS:

A. On 18 March 2025, the DIP Lender and the DIP Loan Party entered into a Debtor-in-Possession Financing Term Sheet (the **DIP Term Sheet**).

B. The Court approved the DIP Term Sheet by an order dated 14 March 2025 made in the CCAA Proceedings (the **ARIO**).

C. The DIP Lender and the DIP Loan Party have agreed to amend the DIP Term Sheet to increase the maximum amount of the DIP Loan from $600,000.00 to $825,000.00 on the terms and conditions set out in this Amendment.

NOW THEREFORE in consideration of the mutual covenants and agreements set out in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the DIP Lender and the DIP Loan Party agree as follows:

1. **Definitions.** In this Amendment:

   1.1. All capitalized terms not otherwise defined in this Amendment shall have the same meaning as assigned to them in the DIP Term Sheet.

   1.2. **Amendment** means this Amendment to Debtor-in-Possession Financing Term Sheet, as may be amended, supplemented, modified, replaced, or restated from time to time.

2. **Amendment.** The DIP Term Sheet is amended by replacing the reference to "$600,000.00" in **Type of DIP Loan** with "$825,000.00".

3. **Commitment Fee.** The DIP Loan Party shall pay to the DIP Lender a commitment fee equal to $5,000.00 to be paid from the first advance under the DIP Loan after the

execution and delivery of this Amendment. This commitment fee is non-refundable and is fully earned as of the execution and delivery of this Amendment.

4. **Conditions Precedent.** This Amendment shall not be effective until each of the following conditions precedent have been fulfilled or waived to the satisfaction of the DIP Lender:

4.1. This Amendment shall have been duly executed and delivered by the DIP Loan Party and the DIP Lender.

4.2. The DIP Loan Party's cash flow projection for the period 10 March 2025 to 31 July 2025 shall be satisfactory to the DIP Lender.

4.3. The Court shall have issued an order or orders:

4.3.1. approving this Amendment;

4.3.2. authorizing the DIP Loan Party to enter into this Amendment;

4.3.3. increasing the DIP Lender's Charge (as defined in the DIP Order) to not less than $825,000.00 with the same priority as set out in the DIP Order;

4.3.4. extending the Stay Period (as defined in the CCAA Order) to at least 30 June 2025; and

4.3.5. approving a SISP that provides for an ultimate bidding deadline of no later than 23 June 2025, the filing of a transaction approval application (the **Approval Application**) no later than 30 June 2025, and completion of any and all transactions under the SISP within two weeks of the hearing of the Approval Application.

4.4. No Event of Default shall have occurred and be continuing.

5. **General Provisions.**

5.1. Except as expressly provided in this Amendment, all the terms and conditions of the DIP Term Sheet remain in full force and effect, unamended.

5.2. The DIP Loan Party shall pay all of the DIP Lender's out-of-pocket expenses (including the fees and expenses of its counsel and advisors) in connection with this Amendment.

5.3. This Amendment may only be amended, modified, supplemented, replaced, or restated by written agreement signed by the DIP Lender and the DIP Loan Party.

5.4. No provision of this Amendment is intended, nor shall it be interpreted, to provide or create for any third party a right to enforce a term of this Amendment.

5.5. This Amendment constitutes the entire agreement between the DIP Lender and the DIP Loan Party with respect to the contemplated amendment of the DIP Term Sheet and supersedes all prior agreements, understandings, negotiations, and discussions between the parties with respect to such amendment,

5.6. This Amendment shall be governed by and interpreted in accordance with the laws of Newfoundland and Labrador and the applicable federal laws of Canada.

5.7. The DIP Loan Party agrees to submit to the exclusive jurisdiction of the courts of Newfoundland and Labrador with respect to any dispute or matter related to, arising from, or in connection with the construction, validity, or performance of this Amendment.

5.8. This Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Signatures delivered by pdf, email, or other electronic means shall be deemed for all purposes to be original counterparts of this Amendment.

[*EXECUTION PAGE FOLLOWS*]

IN WITNESS WHEREOF the DIP Lender and the DIP Loan Party have executed this Amendment in accordance with their respective rules and regulations.

ROYAL BANK OF CANADA	**NEMORI FARMS LTD.**
Per:____________________ Name: Title:	Per:____________________ Name: Title:
Per:____________________ Name: Title:	

Appendix B

SISP Order dated April 24, 2025

2025 01G 1510
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C- 36, as amended (the "**CCAA**")

AND IN THE MATTER OF an application of Nemori Farms Ltd. (the "**Company**")

SALE AND INVESTMENT SOLICITATION PROCESS ORDER

Before the Honourable Justice Alexander MacDonald on April 24, 2025:

THIS APPLICATION made by the Company for an Order approving the sale and investment solicitation process ("**SISP**") substantially in the form attached hereto as **Schedule "A"** was heard on April 24, 2025.

ON READING the Notice of Application, the affidavit of Sheldon Cameron sworn March 3, 2025 and the Second Report of Grant Thornton Limited ("**Second Report**") in its capacity as monitor of the Company (in such capacity, the "**Monitor**"); and

ON HEARING the submissions of counsel for the Company, counsel for the Monitor, and such other counsel as were present, no one else appearing for any party although duly served as outlined in the affidavit of service.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order dated March 14, 2025 (the "**ARIO**").

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the materials filed, as set out in the affidavit of service, is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

	Filed	Apr. 25/25	mh

APPROVAL OF THE SISP

2. **THIS COURT ORDERS** that the SISP attached as **Schedule "A"** to this Order is hereby approved.

3. **THIS COURT ORDERS** that the Monitor and the Company are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order, provided that any definitive agreement to be executed by the Company in respect of the sale of all or part of the assets, rights, undertakings and properties of the Company, of every nature and kind whatsoever, and wherever situated, including all proceeds thereof shall require further approval of the Court.

4. **THIS COURT ORDERS** that each of the Monitor, the Company and their respective affiliates, partners, employees, directors, representatives, and agents shall incur no liability or obligation in the carrying out of the SISP or the provisions of this Order, save and except for gross negligence or wilful misconduct on their parts.

5. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor, the Company and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors (each a "**SISP Participant**") and to their advisors, or any interested party that the Monitor or the Company consider appropriate, but only to the extent required to provide information with respect to the SISP in these proceedings.

PROTECTION OF PERSONAL INFORMATION

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Monitor, the Company and their respective advisors are hereby authorized and permitted to disclose personal information of identifiable individuals ("**Personal Information**") to a SISP Participant and to its advisors, including human resources and payroll information, records pertaining to the Company's past and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to

complete a transaction in the SISP. Each SISP Participant to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each SISP Participant to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP.

APPROVAL OF THE ACTIVITIES OF THE MONITOR

7. **THIS COURT ORDERS** that the Pre-Filing Report of the Monitor dated March 5, 2025, the First Report of the Monitor dated March 13, 2025, and the Second Report of the Monitor, and the activities of the Monitor set out therein, are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

8. **THIS COURT ORDERS** that the Company or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

10. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m., Newfoundland Time, on the date of this Order.

Issued at St. John's, Newfoundland and Labrador on this 24th day of April, 2025.

Assistant Deputy Registrar

Schedule "A"
SALE AND INVESTMENT SOLICITATION PROCESS

Doane Grant Thornton

Sales and Investment Solicitation Process Bidding Procedures

Nemori Farms Ltd.

Introduction

On March 6, 2025, Nemori Farms Ltd. (the "**Company**") made an application to the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 ("**CCAA**"). The Court granted the Company's application and issued an order (the "**Initial Order**"), pursuant to which Grant Thornton Limited was appointed as monitor (the "**Monitor**") in the Company's CCAA proceedings.

On April 24, 2025, the Court granted an order (the "**SISP Order**"), authorizing the Monitor to undertake a sale and investment solicitation process ("**SISP**") for the sale of the Company's business, property, assets and undertakings (collectively, the "**Property**"). The SISP shall be conducted by the Monitor, supported by the Company and its advisors as required, in the manner set forth herein.

Defined Terms

Capitalized terms used in this SISP have the meanings given thereto in the SISP Order and previous Orders of the Court in connection with the Company's CCAA proceedings.

Overview of the Company

1. The Company operates as a dairy farm in Deer Lake, Newfoundland and Labrador, producing approximately 4.5 million litres of milk annually, or approximately 15%-20% of the island's milk production. The Company's operations include milk production, breeding cows through artificial insemination, raising their calves, attending to all animals' medical needs and producing food crops for animal consumption including corn silage, grass, and legumes (the "**Business**").

2. The purpose of the SISP is to market and solicit offers for the sale of or investment in the Company's Business. The following describes the procedures (the "**Bidding Procedures**") by which the Monitor will solicit offers and by which interested parties may participate and submit offers within the SISP.

Opportunity

3. The SISP is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Business; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Company or its Business; and/or (iii) one or more sales or partial sales of all, substantially all, or certain portions of the Property. Bids considered pursuant to the SISP may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Business and affairs of the Company as a going

concern or a sale (or partial sales) of all, substantially all, or certain aspects of the Property (the "**Opportunity**").

4. All interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal or an Investment Proposal.

5. The Bidding Procedures herein describe the manner in which prospective bidders may gain access to due diligence materials concerning the Company, the manner in which bidders may participate in the SISP, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder(s) (defined below) and the requisite approvals to be sought from the Court in connection therewith. The Monitor shall conduct the SISP in the manner set forth herein.

6. The Monitor, in consultation with the Company and the DIP Lender, may at any time and from time to time, modify, amend, vary or supplement, whether material or immaterial the SISP or the Bidding Procedures, if necessary or useful in order to give effect to the substance of the SISP, the Bidding Procedures and the SISP Order.

7. The Monitor shall post on the Monitor's case management website, www.DoaneGrantThornton.ca/Nemori, as soon as practicable, any such modification, amendment, variation or supplement to the Bidding Procedures and inform interested parties impacted by such modifications.

8. In the event of a dispute as to the interpretation or application of the SISP or Bidding Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.

9. No bidder may request or receive any form of bid protection as part of any bid made pursuant to the SISP.

Marketing and Solicitation of Interest – Notice of SISP

10. The Monitor shall be entitled, but not obligated, to arrange for a notice of the SISP to be published in any newspaper or industry journal as the Monitor considers appropriate.

11. The Monitor, in consultation with the Company and DIP Lender, shall prepare:

    (a) a list of potential buyers (collectively, "**Interested Parties**" and individually an "**Interested Party**");

    (b) an initial offering summary ("**Solicitation Letters**");

    (c) a form of non-disclosure agreement ("**NDA**");

    (d) an electronic data room ("**VDR**").

12. The Monitor, with the assistance of the Company and its advisors, will send the Solicitation Letters and the form of the NDA to all applicable Interested Parties in accordance with the milestones set out below and to any other Interested Party who requests a copy of the

Solicitation Letters and NDA, or who is identified as an Interested Party, as soon as reasonably practicable after such request or identification, as applicable.

13. The Monitor will also post copies of the Solicitation Letters and NDA on its case management website: www.DoaneGrantThornton.ca/Nemori.

14. The Monitor will have sole responsibility for managing all communication with Interested Parties prior to and after receipt of Bids. This shall include facilitating the delivery of all communications, contacting prospective bidders and providing them with the Solicitation Letters, coordinating the execution of NDAs, facilitating any requests for tours of the Company's facilities, managing the process of answering inquiries from prospective bidders, soliciting and tracking all Bids, facilitating communication between the Company and its advisors, and reviewing and negotiating transaction documentation.

15. All requests for information in respect of the SISP, the assets available for sale, and to coordinate site visits must be made through the Monitor.

Timeline

16. The following table sets out the key milestones and deadlines in the SISP, which milestones and deadlines may be extended or amended by the Monitor, in consultation with the Company and the DIP Lender:

Nemori Farms	
Event	**Milestone**
1. Prepare for Process Launch Includes creation of solicitation letter, target list, marketing material, confidential information memorandum and virtual data room.	As soon as practicable prior to obtaining the SISP Order
2. Launch SISP Distribute a solicitation letter to potential interested parties and facilitate due diligence, site visits and discussions with interested parties.	May 2, 2025 Within two weeks of obtaining the SISP Order
3. Stalking Horse Deadline Deadline for submissions of a Stalking Horse Bid (if any)	May 14, 2025

Nemori Farms	
Event	**Milestone**
4. Bid Deadline Deadline for submissions of binding Bids.	June 16, 2025 45 Days from Launching the SISP
5. Selection of Successful Bidder and Definitive Documents The Monitor, in consultation with the Company and the DIP Lender, will negotiate with interested parties prior to choosing the Successful Bidder, and proceed to definitive documentation.	June 23, 2025 Within one week of Bid Deadline
6. Approval Motion – Successful Bid(s) Deadline for filing of Approval Motion in respect of Successful Bidder.	June 30, 2025 As soon as practicable after the selection of Successful Bidder and execution of Definitive Documents, subject to Court availability.
7. Closing – Successful Bid(s) Anticipated deadline for closing of Successful Bidder being the Target Closing Date.	Within two weeks of Approval Motion.

Participation in SISP

17. Any Interested Party who wishes to participate in the SISP must provide to the Monitor:

(a) an executed NDA and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party, and full disclosure of the direct and indirect principals of the Interested Party. The NDA shall include an acknowledgement of the terms of the SISP and the Bidding Procedures; and

(b) if the Monitor considers it necessary, such form of financial disclosure that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a transaction.

18. If an Interested Party: (i) has delivered an executed NDA; and (ii) has provided the Monitor with satisfactory evidence of its capability to consummate a transaction based on its financing, experience, and other relevant considerations, then such Interested Party will be determined by the Monitor to be a "**Potential Bidder**".

19. Each Potential Bidder will be prohibited from communicating with any other Potential Bidder with respect to matters relating to the SISP during the term of the SISP, without the consent of the Monitor.

20. The Monitor with the assistance of the Company and its advisors, as required, will prepare and send to each Potential Bidder a CIM providing additional information considered relevant to the Property. The Monitor will also provide each Potential Bidder with a copy of the Solicitation Letter and access to the VDR. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information on the assets in connection with their participation in the SISP and any transaction resulting therefrom. The Company, the Monitor, and each of its respective directors, officers, agents, counsel, and advisors make no representation or warranty, express or implied, whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the CIM, Solicitation Letter or the VDR; (ii) provided through the due diligence process or otherwise made available pursuant to the SISP; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the successful bidder(s) (as defined below) and approved by the Company, in consultation with the Monitor, the DIP Lender and and approved by the Court.

21. At any time during the SISP, the Monitor may on consultation with the Company and the DIP Lender, in its reasonable business judgment, eliminate a Potential Bidder from the SISP, in which case such party will no longer be a Potential Bidder for the purposes of the SISP.

22. The Monitor shall afford each Potential Bidder such access to applicable due diligence materials and information pertaining to the Business of the Company as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include access to the VDR, on-site inspections, and other matters which a Potential Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated.

23. The Monitor shall not be obligated to furnish any information relating to the Company's Business and Property to any person other than to Potential Bidders.

Submission of Binding Offers

24. The Bid Deadline for submission of binding offers by a Potential Bidder (a "**Bid**") for the Property is June 16, 2025. Bids must be submitted by e-mail with the title "**Nemori Farms Ltd. – Binding Bid**" prior to the Bid Deadline to Nemori@doane.gt.ca, with a copy to Ben Chisholm, CPA (Ben.Chisholm@Doane.gt.ca).

25. Submitted Bids will be in the form of an executable agreement, a template of which the Monitor will upload to the VDR and provide to all Potential Bidders.

26. A Bid submitted by a Potential Bidder will only be considered a "**Qualified Bid**" if it complies at a minimum with the following:

    (a) it is a binding offer that has been duly executed by all required parties;

    (b) it is received by the Bid Deadline;

(c) it is accompanied by a cover letter providing the Monitor with the following information:

  (i) identity of the Potential Bidder and representatives thereof who are authorized to appear and act on behalf of the Potential Bidder for all purposes regarding the contemplated transaction; and the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the Bid;

  (ii) if the Bid is subject to financing, evidence of ability to complete financing and any conditions to financing;

  (iii) written evidence, satisfactory to the Monitor, in consultation with the Company and the DIP Lender, of the ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital;

  (iv) all material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals;

  (v) acknowledgments and representations of the Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Company and its Property prior to making a Bid; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Business in making its Bid; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Company or the completeness of any information provided in connection therewith, other than as expressly set forth in the Bid or other transaction document submitted with the Bid; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

(d) a Bid must be accompanied by a deposit in the amount of not less than **10%** of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the "**Deposit**"), along with acknowledgement that if the Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described below;

(e) a Bid must clearly indicate:

  (i) that the Potential Bidder is seeking to acquire all or substantially all of the Property whether through an asset purchase, a share purchase or a combination thereof (either one being, a "**Sale Proposal**") or some other portion of the Property (a "**Partial Sale Proposal**"); and/or

(ii) that the Potential Bidder is offering to make an investment in, restructure, recapitalize, reorganize or refinance the Company or Business (an "**Investment Proposal**").

(f) a Bid must contain a proposed allocation of the purchase price amongst the assets being acquired;

(g) a Bid must contain such other information as may be reasonably requested by the Monitor, in consultation with the Company; and

(h) a Bid shall not provide for any break fee or expense reimbursement.

27. In the case of a Sale Proposal or a Partial Sale Proposal of the Business and Property, a Qualified Bid must identify or contain the following, in addition to the requirements in paragraph 26:

(a) the purchase price or price range and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;

(b) any contemplated purchase price adjustment;

(c) a description of the specific assets that are expected to be subject to the transaction and any assets or obligations expected to be excluded;

(d) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the Potential Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(e) information sufficient for the Monitor, in consultation with the Company and the DIP Lender, to determine that the Potential Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (d) above; and

(f) any other terms or conditions of the Sale Proposal or Partial Sale Proposal that the Potential Bidder believes are material to the transaction.

28. In the case of an Investment Proposal of the Company, a Qualified Bid must contain or identify the following, in addition to the requirements in paragraph 26:

(a) a description of how the Potential Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;

(b) the aggregate amount of the equity and/or debt investment to be made in the Company or Business;

(c) the underlying assumptions regarding the pro forma capital structure;

(d) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the Potential Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(e) information sufficient for the Monitor, in consultation with the Company and the DIP Lender, to determine that the Potential Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (d) above; and

(f) any other terms or conditions of the Investment Proposal that the Potential Bidder believes are material to the transaction.

29. Notwithstanding the foregoing, the Monitor in consultation with the Company may waive compliance with any one or more of the requirements above and deem any such non-compliant bid to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the requirements of the paragraphs above or an obligation on the part of the Monitor to designate any other Bid as a Qualified Bid. The Monitor will be under no obligation to negotiate identical terms with, or extend identical terms to, each Potential Bidder.

30. Any Qualified Bids accepted pursuant to the SISP will be strictly subject to Court approval.

31. At the Monitor's discretion and upon consultation with the Company and the DIP Lender, the Monitor may accept any Bid prior to the Bid Deadline if, in the opinion of the Monitor, such Bid is in the best interest of the Company's creditors and stakeholders. The acceptance of any such Bid would be strictly subject to Court approval, upon notice to interested parties.

Selection of the Successful Bid(s)

32. The Monitor, in consultation with the Company and the DIP Lender may, following the receipt of any Qualified Bid, seek clarification with respect to any of the terms or conditions of such Qualified Bid and/or request and negotiate one or more amendments to such Qualified Bid.

33. The Monitor, in consultation with the Company and the DIP Lender, may negotiate with any Bidder for changes to that person's Qualified Bid. Further, in the event that any of the Qualified Bids are substantially similar, the Monitor may call upon those Bidders to submit further Bids. Notwithstanding the foregoing, the Monitor shall not be obligated to negotiate with any Potential Bidder or to give any Potential Bidder an opportunity to resubmit a Qualified Bid, whether or not the Monitor negotiates with any Potential Bidder.

34. The Monitor, in consultation with the Company and the DIP Lender will: (a) review and evaluate each Qualified Bid; and (b) identify the highest or otherwise best bid(s) for the Property (the "**Successful Bid**", and the Potential Bidder making such Successful Bid, the "**Successful Bidder**").

35. The definitive documentation in respect of the Successful Bid(s) must be finalized and executed no later than June 23, 2025, which definitive documentation shall be conditional

only upon the receipt of a Court order(s) and the express conditions set out therein and shall provide that the Successful Bidder(s) shall use all reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as shall be agreed to by the Monitor in consultation with the Company, the DIP Lender, the senior secured creditors, and the Successful Bidder(s). In any event, the Successful Bid(s) must be closed by no later than July 31, 2025 (the "**Outside Date**").

Approval of Successful Bid(s)

36. The Monitor shall make an application to the Court (the "**Approval Motion**") for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; and (ii) granting a vesting order and/or reverse vesting order to the extent that such relief is contemplated by the Successful Bid(s), as applicable, so as to vest title to any purchased assets in the name of the Successful Bidder(s) and/or vesting unwanted liabilities out of the Company (collectively, the "**Approval Order(s)**"). The Approval Motion will be held on a date to be scheduled by the Monitor and confirmed by the Court upon application by the Monitor, who shall use their best efforts to schedule the Approval Motion on or before June 30, 2025, subject to Court availability. The Approval Motion may be adjourned or rescheduled by the Monitor, in consultation with the Company, the DIP Lender and the senior secured creditors, without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice served electronically on the service list of the CCAA Proceedings prior to the Approval Motion.

37. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid, with no further or continuing obligation of the Monitor to any unsuccessful Qualified Bidders.

Deposits

38. The Deposit(s):

    (a) shall, upon receipt from the Qualified Bidder(s), be retained by the Monitor and deposited in a non-interest-bearing trust account.

    (b) received from the Successful Bidder(s), shall:

        (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order(s), upon closing of the approved transaction; and

        (ii) shall otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid, provided that all such documentation shall provide that the Deposit shall be retained by the Monitor and forfeited by the Successful Bidder if the Successful Bid fails to close by the Outside Date, and such failure is attributable directly to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the Successful Bid;

Doane Grant Thornton

39. Deposits received from Qualified Bidder(s) that are not the Successful Bidder shall be refunded in full to the Qualified Bidder(s) that paid the Deposit(s) as soon as reasonably practicable following the selection of the Successful Bidder.

Amendment

40. The Monitor shall have the right at any time, (i) in consultation with the Company and the approval of the DIP Lender, to make material amendments to the SISP (including by extending the Bid Deadline); and (ii) in consultation with the Company and the DIP Lender, make non-material amendments to the SISP, in each case if, in the Monitor's reasonable judgment in consultation with the Company and the DIP Lender, such material or non-material amendment is likely to enhance the procedure for conducting the SISP or maximize the value of a transaction pursuant to the SISP. The Monitor shall advise the Service List in the CCAA Proceedings of any material amendment to the SISP.

41. Without limiting the foregoing and notwithstanding the process and timeline of the SISP, the Company, with the consent of the Monitor, may enter into a definitive agreement with respect to a transaction involving some or all of the Property with a party identified through the SISP or otherwise, and the Monitor may suspend or terminate the SISP, upon consultation with the Company, the Monitor and the DIP Lender and subject to Court approval.

"As is, Where is"

42. Any transaction will be on an "as is, where is" basis without surviving material representations or warranties, nature, or description by the Monitor, the Company, or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.

Free of Any and All Claims and Interests

43. In the event of a sale, to the extent permitted by law and subject to Court approval, all of the rights, title and interests of the Company in and to the Property will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to section 36(6) of the CCAA, and such Claims and Interests shall attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder.

Stalking Horse Bids

44. A Potential Bidder may submit a stalking horse bid ("**Stalking Horse Bid**") for the Property on or before May 14, 2025. A Stalking Horse Bid must be submitted by e-mail with the title "**Nemori Farms Ltd. – Stalking Horse Bid**" to Nemori@doane.gt.ca, with a copy to Ben Chisholm, CPA (Ben.Chisholm@Doane.gt.ca). The Monitor shall deliver a copy of any Stalking Horse Bid received by the Monitor to the DIP Lender as soon as possible upon receipt.

45. The Stalking Horse Bid must comply with the requirements specified in paragraphs 26, 27, and 28. However, the Monitor in consultation with the Company, may waive compliance with any one or more of the requirements if it deems it appropriate to do so.

46. The Monitor, in consultation with the Company and the DIP Lender may, following the receipt of any Stalking Horse Bid, seek clarification with respect to any of the terms or conditions of such Stalking Horse Bid and/or request and negotiate one or more amendments to such Stalking Horse Bid.

47. The Monitor, in consultation with the Company and Royal Bank of Canada in its capacities as secured creditor and DIP Lender ("**RBC**"), will review and evaluate each Stalking Horse Bid and identify the highest or otherwise best Stalking Horse Bid for the Property and the Company may execute such Stalking Horse Bid (the "**Stalking Horse Agreement**") with the consent of the Monitor and RBC if, in the view of the Company and the Monitor, with the consent of RBC, which consent shall not be unreasonably withheld, such Stalking Horse Bid is likely to maximize realization for stakeholders and contribute to a competitive SISP.

48. If a Stalking Horse Agreement is executed, the Monitor will seek approval of the Stalking Horse Agreement from the Court as soon as reasonably practicable after execution, based on the Court's availability.

49. The Monitor shall as soon as reasonably practicable after approval of a Stalking Horse Agreement circulate the Stalking Horse Agreement to all Potential Bidders and to the service list in this CCAA proceeding with a cover letter advising Potential Bidders that any Bid must comply with the following criteria, in addition to the requirements in paragraph 26, 27, and 28:

(a) it must provide for cash consideration sufficient to pay in full on closing of the transaction: (i) a minimum incremental amount of $100,000 in excess of the aggregate purchase price contemplated by the Stalking Horse Agreement; and (ii) a break fee in the amount specified in the Stalking Horse Agreement, if any; and

(b) it must include a blackline of the Bid against the template agreement, which shall be posted by the Monitor in Word format in the VDR.

Credit Bidding

50. Any party or parties holding a valid, enforceable and properly perfected security interest in the Company may, subject in all respects to such party's compliance with these Bidding Procedures, credit bid the amount of debt secured by such lien as part of any transaction contemplated by the Bidding Procedures; provided however, that such transaction shall also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction:

(a) the outstanding amount of the DIP Facility, together with accrued interest and fees;

(b) the outstanding amount secured by any Court ordered charges granted within the CCAA proceedings;

(c) the outstanding amount of any priority payables (i.e. priority payables to Canada Revenue Agency, WEPPA, etc.); and

(d) the outstanding amounts secured by a security interest in the assets to be acquired under such transaction that is senior in priority to the security interest held in such assets by the party submitted such credit bid unless the holder, trustee, or agent of any such senior secured creditor otherwise agrees.

51. Any credit bid must be submitted to the Monitor in writing no later than the Bid Deadline.

52. Any party intending to submit a credit bid must advise the Monitor of their intention no later than June 2, 2025 and shall be treated as a Potential Bidder in the SISP.

53. Nothing contained within the SISP or any order approving the SISP is intended to, or shall, alter or amend the rights, terms or obligations under any intercreditor agreement or other form of agreement in respect of the existing indebtedness of the Company.

Insider Bid / Non-Arms Length Party Bidder

54. Any insider or non-arm's length party seeking to, or intending to, submit a Stalking Horse Bid or any other Bid must declare their intention to do so in writing to the Monitor no later than May 19, 2025 at 5pm Atlantic Standard Time.

55. Should an insider or non-arms length party or parties elect to participate in the SISP, they shall be treated as a Potential Bidder pursuant to the SISP and may not receive disclosure about any other Potential Bidder or negotiations carried on in the SISP, which negotiations shall be carried on by the Monitor in consultation with the DIP Lender.

Confidentiality

56. For greater certainty other than as shall be required in connection with any Approval Motion and consultation obligations with the DIP Lender, neither the Company nor the Monitor will share: (i) the identity of any Potential Bidder or (ii) the terms of any Bid, Qualified Bid, Sale Proposal or Investment Proposal, with any other bidder without the consent of such party (including by way of email).

Further Orders

57. At any time during the SISP, the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP and the Bidding Procedures including, but not limited to, the continuation of the SISP or with respect to the discharge of its powers and duties hereunder.

Additional Terms

58. In addition to any other requirement of these Bidding Procedures:

(a) The Monitor, as applicable, shall at all times prior to the selection of a Successful Bid use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high potential bidders in a process of this kind or who may be reasonably proposed by any of the Monitor, the DIP Lender, or the Company's stakeholders as a potential bidder.

(b) Any consent, approval or confirmation to be provided by the Company and/or the Monitor is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.

(c) All Potential Bidders shall at all times be granted information, access and facilitation that is no less complete and timely than is granted by the Monitor, or their representatives, to other Potential Bidders to the SISP. This shall include, without limitation, reasonable access to the Company's books, records, financial information, management, advisors and business partners. The Monitor shall review all information and materials provided by the Company or its representatives, the DIP Lender or their representatives, and the secured creditors or their representatives and, to the extent that the Monitor, in consultation with the Company, is of the view that any such information or materials are materially relevant to a Potential Bidder, then such information or materials shall be promptly posted to the VDR or otherwise made available to all Potential Bidders. Nothing in this paragraph creates binding obligations of third parties.

(d) Nothing in this SISP shall require that a Successful Bid or any other bid must NOT be approved by the Court. The Court at all times retains the discretion to direct the clarification, termination, extension or modification of the SISP and Bidding Procedures on application of any interested party.

(e) Prior to the seeking of Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.

59. Notwithstanding the foregoing, in its review and recommendation of a Successful Bid, the Monitor may waive compliance with any one or more of the requirements of the Bid Criteria and deem any such non-compliant Bid to be a Qualified Bid, if in the Monitor's opinion, the admission of such Qualified Bid will enhance the realization of the Property.

60. Before accepting a Bid, the Monitor may, in its sole discretion, negotiate with any Bidder for changes to that person's Bid. Further, in the event that any of the Bids are substantially similar, the Monitor may in its sole discretion call upon those Bidders to submit further Bids. Notwithstanding the foregoing, the Monitor shall not be obligated to negotiate with any potential Bidder or to give any Potential Bidder an opportunity to resubmit a Bid, whether or not the Monitor negotiates with any Potential Bidder.

61. Submission of a Bid pursuant to the SISP will remain confidential to the Monitor, the Company, the DIP Lender, the senior secured creditors and to the Court. Neither the Monitor, nor the Company, nor the DIP Lender, nor the senior secured creditors, will share the details of any Bid received with other interested parties or bidders.

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Contact

62. All questions and enquiries regarding the SISP should be directed to Nemori@Doane.gt.ca, with a copy to a representative of the Monitor, being Ben Chisholm (Ben.Chisholm@Doane.gt.ca).

Appendix C

SISP Solicitation Letter

Scalable Dairy Opportunity in Newfoundland and Labrador

May 2, 2025

Opportunity overview

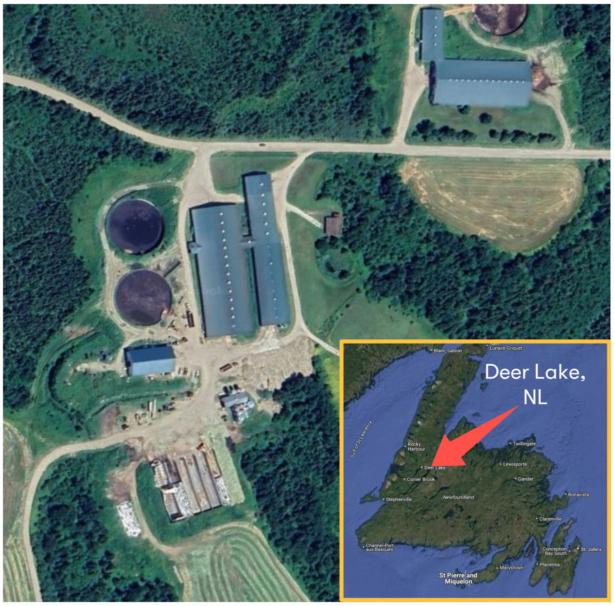
*Grant Thornton Limited, in its capacity as Court-appointed Monitor ("**Monitor**") of Nemori Farms Ltd. (the "**Company**" or "**Nemori**") is soliciting offers for the sale of, or investment in, the Company's dairy farm operations pursuant to the April 24, 2025 order ("**SISP Order**") of the Supreme Court of Newfoundland and Labrador ("**Court**"). The Sales and Investment Solicitation Process ("**SISP**") outlines the procedures by which the Monitor will seek offers in respect of the Company on an "as is, where is" basis, free and clear of any claims, debts or encumbrances.*

*Interested parties are encouraged to contact the Monitor for additional information and to arrange a **site visit.** Detailed bidding procedures, the SISP Order and a confidentiality agreement to participate in the SISP are available upon request and on the Monitor's website: www.DoaneGrantThornton.ca/Nemori*

Key features

The Opportunity

Located in Deer Lake NL, Nemori is a significant dairy producer with trailing twelve-month fluid production of approximately 3M liters and the second largest fluid quota allocation in the province. Over the past several years, the Company has devoted significant resources to enhancing its herd of approximately 300 milking cows and growing its feed inputs on approximately ~2,000 acres of available land. Nemori holds 8,364 liters of fluid quota and its current infrastructure has capacity to grow the herd to 800 head, including 500 milking cows and excess industrial quota. With a substantial land base, a team of experienced and motivated employees and significant growth potential, this venture offers the chance to invest in a growing agricultural operation in Newfoundland and Labrador.



Opportunity Highlights

Assets	Description
Farm	Full scale dairy farming operation, with trailing twelve month production of approximately 3M liters
Quota	8,364 liters of Fluid (milk/day), 932L of which is non-saleable outside Nemori Farms Ltd (#2 in NL)
Land	~2,000 acres, ~850 of which is cleared land
Livestock	Approx. 300 milking cows producing 30-35L/cow/day
Buildings	Milking parlour, heffer/calf barn, workshop/garage, grain building, concrete storage bunker, manure lagoons
Equipment	Various equipment and vehicles used in operations

Sales process milestones

Sales process timeline

- **Launch Date**: May 2, 2025
- **Deadline to submit Stalking Horse Bid:** May 14, 2025
- **Bid Deadline**: June 16, 2025
- **Selection of Successful Bid(s)**: June 23, 2025
- **Sale Approval Hearing**: No later than June 30, 2025
- **Closing**: Within 2 weeks of Court approval.

Bidding procedures

Key features of the process include:

- Any transaction derived from the SISP will be on an "**as is, where is**" basis and require Court approval, sold free and clear of claims & encumbrances.
- Stalking horse bids to set a floor price prior to the Bid Deadline will be considered by the Monitor and Company up to May 14th.
- Template bidding documents outlining the form of transaction, which is expected to be via reverse vesting order ("**RVO**"), are available on the VDR.
- Qualified Bids require a **deposit of 10%** of the Bid Price, delivered to the Monitor at/prior to Bid Deadline.
- Further SISP details are available: *www.DoaneGrantThornton.ca/Nemori*

Next steps

Additional information including proforma financial projections and detailed asset information is available from the Monitor. Please contact Ben Chisholm at Ben.Chisholm@doane.gt.ca for access to the Virtual Data Room ("VDR") or to arrange a site visit. **All enquiries must be directed to the Monitor- Grant Thornton Limited.**

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Appendix D

SISP Advertisements

allBUSINESS
ONLINE NEWS GROUP

PO Box 2621 Halifax NS B3J 3P7 Phone: 902-431-9540 or 1-877-431-9540

Advertising Performance Report
Date: June 5 2025
Company: Grant Thornton Limited

Desktop Site Statistics:

allNovaScotia Impressions from 2025-05-06 to 2025-05-30	
Total Users[1]	22771
Total Sessions[2]	29322
Total Page Views[3]	233103

allNewfoundLand Impressions from 2025-05-05 to 2025-05-29	
Total Users[1]	5861
Total Sessions[2]	7185
Total Page Views[3]	7216

allNewBrunswick Impressions from 2025-05-07 to 2025-05-28	
Total Users[1]	2526
Total Sessions[2]	3021
Total Page Views[3]	15827

Mobile App Statistics:

Mobile App Impressions from 2025-05-05 to 2025-05-28	
Total Users[1]	143950
Total Sessions[2]	178729
Total Page Views[3]	854464

Grand Total:

Total Impressions from 2025-05-05 to 2025-05-28	
Total Users[1]	175108
Total Sessions[2]	218257
Total Page Views[3]	1110610

[1]**Total Users:** The sum of the total paying users across all of your booked days.
[2]**Total Sessions:** The sum of the total sessions across all of your booked days.
[3]**Total Page Views:** The sum of the total page views across all of your booked days.

For your recent ads that ran between 2025-05-05 and 2025-05-30 we are happy to report the following average statistics.

The following ads appeared for 12 seconds at least once every four minutes on the desktop site and the mobile app on the days they ran.

The ad was served to allNovaScotia's 13,500 paying subscribers.
The ad was served to allNewBrunswick's over 1,500 paying subscribers.
The ad was served to allNewfoundlandLabrador's 3,500 paying subscribers.

Images:

Dairy Farm Opportunity
Grant Thornton Limited is soliciting offers for the sale of, or investment in, Nemori Farms Ltd.
• Full scale dairy operation
• 8,364 liters of fluid quota
• ~300 Milking cows at 30-35L a day
• ~2,000 acres of land
• ~850 acres cleared for agriculture
Bid Deadline: June 16, 2025
Doane Grant Thornton

BREAKING ɔwn away, community steps up to clean up » U.S.: Iowa farmer sues after repeated fires in wind turbines contaminate cro

11:15 Wednesday, May 07, 2025

Lessons from a tractor crash: One farmer's experience of getting hit from behind

BREAKING NEWS

PEMBROKE: Barn roof blown away, community steps up to clean up

May 07, 2025

U.S.: Iowa farmer sues after repeated fires in wind turbines contaminate cropland with debris

May 07, 2025

BILL 5: Ontario's proposed 'special economic zones' are antidemocratic power grab, opponents warn

NEWS

GEO-ENGINEERING THE CLIMATE: It's so real that Florida just banned it

May 06, 2025

FCC: Mixed outlook for Canadian food and beverage industry

May 06, 2025

Appendix E

Cash Flow Forecast Variance Analysis

Nemori Farms Ltd.
Budget to Actuals - Variance Report
To Week 15 - June 22, 2025

	Weeks 14-15 Monday, June 9, 2025 Sunday, June 22, 2025				Cumulative Actual to June 22, 2025 Monday, March 10, 2025 Sunday, June 22, 2025			
	Budget	Actual	Variance	%	Budget	Actual	Variance	%
Opening Cash Position	253,819	120,554	(133,265)		25,432	25,432	-	
Projected Receipts:								
Milk Revenue (Advance)	-	-	-	NA	254,250	254,250	-	0%
Milk Revenue (Remainder)	250,000	274,987	24,987	10%	943,170	999,322	56,151	6%
HST	-	-	-	NA	45,000	-	(45,000)	-100%
DIP loan proceeds	-	-	-	NA	825,000	825,000	-	0%
Provincial Agrifood Assistance Program	-	-	-	NA	25,000	-	(25,000)	-100%
Total Projected Receipts	250,000	274,987	24,987		2,092,420	2,078,572	(13,849)	
Projected Disbursements:								
Feed	125,000	36,000	89,000	71%	590,339	514,693	75,646	13%
Payroll deductions	-	-	-	NA	63,357	48,911	14,446	23%
Payroll	34,000	25,410	8,590	25%	234,179	202,131	32,048	14%
Employee RRSP	-	-	-	NA	-	-	-	NA
Crop supplies	-	17,378	(17,378)	NA	196,126	233,655	(37,529)	-19%
Fuel	15,000	9,111	5,889	39%	56,000	53,581	2,419	4%
Cell phone	500	-	500	100%	1,569	3,099	(1,530)	-98%
Cow purchase (net)	-	-	-	NA	76,769	72,380	4,389	6%
Blue cross	1,551	-	1,551	100%	7,780	3,127	4,653	60%
Utilities	-	31,369	(31,369)	NA	31,000	32,060	(1,060)	-3%
Repairs, maintenance and veterinary care	20,000	28,490	(8,490)	-42%	198,074	330,023	(131,949)	-67%
Accounting and administrative	-	5,812	(5,812)	NA	13,747	35,824	(22,077)	-161%
Insurance	-	1,093	(1,093)	NA	30,464	34,761	(4,297)	-14%
Operating leases	-	4,335	(4,335)	NA	14,000	4,335	9,665	69%
Critical accounts payable	-	-	-	NA	1,886	1,886	-	0%
Operating disbursements	196,051	158,998	37,053		1,515,289	1,570,466	(55,176)	
Net operating cash flows	53,949	115,989	62,040		577,131	508,106	(69,025)	-12%
Operational Improvement								
SCAP program	-	-	-	NA	(69,064)	(75,490)	(6,426)	9%
Net cash flows prior to professional fees	53,949	115,989	62,040		508,067	432,616	(75,451)	-15%
Financing and Professional fees								
DIP fees and interest	-	5,528	(5,528)	NA	22,753	27,881	(5,128)	-23%
Monitor	82,426	67,450	14,976	18%	142,426	87,450	54,976	39%
Monitor legal counsel	-	20,000	(20,000)	NA	30,000	28,963	1,037	3%
Appraisal	-	-	-	NA	38,750	36,651	2,100	5%
Financial advisor	35,900	-	35,900	100%	49,650	18,400	31,250	63%
Company legal	50,000	-	50,000	100%	110,478	115,137	(4,659)	-4%
Total professional fees	168,326	92,978	75,348		394,057	314,482	79,574	
Net cash flows	(114,377)	23,012	137,388		114,010	118,134	4,123	
Closing Cash Position	139,443	143,566	4,123		139,443	143,566	4,123	

Appendix F

Revised Cash Flow Forecast

Docusign Envelope ID: E970C7A5-0EAE-4A0F-A785-48E5DF453887

Nemori Farms Ltd.
10-Week Cash Flow Projection - Prepared by Management
June 23, 2025 to August 31, 2025

	Notes	Week 1-15 Actuals	Week 16 Projected	Week 17 Projected	Week 18 Projected	Week 19 Projected	Week 20 Projected	Week 21 Projected	Week 22 Projected	Week 23 Projected	Week 24 Projected	Week 25 Projected	Week 1-25 Totals
		16/Jun/25 22/Jun/25	23/Jun/25 29/Jun/25	30/Jun/25 6/Jul/25	7/Jul/25 13/Jul/25	14/Jul/25 20/Jul/25	21/Jul/25 27/Jul/25	28/Jul/25 3/Aug/25	4/Aug/25 10/Aug/25	11/Aug/25 17/Aug/25	18/Aug/25 24/Aug/25	25/Aug/25 31/Aug/25	16/Jun/25 31/Aug/25
Projected Receipts:													
Milk Revenue (Advance)	[1]	254,250	–	84,750	–	–	–	84,750	–	–	–	–	423,750
Milk Revenue (Remainder)	[2]	999,322	–	–	–	286,000	–	–	–	290,000	–	–	1,575,322
HST	[3]	–	–	–	–	–	–	–	25,000	–	–	–	25,000
Provincial Agrifood Assistance Program	[4]	–	–	–	–	–	–	–	25,000	–	–	–	25,000
Total Projected Receipts		**1,253,572**	**–**	**84,750**	**–**	**286,000**	**–**	**84,750**	**50,000**	**290,000**	**–**	**–**	**2,049,072**
Projected Disbursements:													
Feed	[5]	514,693		8,060	21,000	25,600	31,000	21,000	25,600	9,200	18,100	46,600	720,853
Payroll deductions		48,911	–	24,000	–	–	–	22,000	–	–	–	–	94,911
Payroll		202,131	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	13,685	338,981
Employee RRSP		–	–	–	–	–	–	–	–	–	–	–	–
Crop supplies	[6]	233,655	15,877	–	–	–	–	–	–	–	–	–	249,532
Fuel	[7]	53,581	–	–	–	–	10,000	–	–	–	10,000	–	73,581
Cell phone		3,099	–	–	500	–	–	–	500	–	–	–	4,099
Cow purchase (net)		72,380	–	–	–	–	–	–	–		–	–	72,380
Blue cross		3,127	–	1,551	–	1,551	–	–	–	1,551	–	–	7,780
Utilities		32,060	–		–	–	12,000	–	–		12,000		56,060
Repairs, maintenance and veterinary care		330,023	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	430,023
Accounting and administrative	[8]	35,824	–	–	–	–	6,000	–	–	–	6,000	–	47,824
Insurance		34,761	–	–	–	–	10,000	–	–	–	10,000	–	54,761
Operating leases		4,335	–	–	–	–	7,000	–	–	–	7,000	–	18,335
Critical accounts payable		1,886	–	–	–	–	–	–	–	–	–	–	1,886
Operating disbursements		**1,570,466**	**39,562**	**57,296**	**45,185**	**50,836**	**99,685**	**66,685**	**49,785**	**34,436**	**86,785**	**70,285**	**2,171,006**
Net operating cash flows		**(316,894)**	**(39,562)**	**27,454**	**(45,185)**	**235,164**	**(99,685)**	**18,065**	**215**	**255,564**	**(86,785)**	**(70,285)**	**(121,934)**
Operational Improvement													
SCAP program		(75,490)	–	–	–	–	–	–	–	–	–	–	
Net cash flows prior to professional fees		**(392,384)**	**(39,562)**	**27,454**	**(45,185)**	**235,164**	**(99,685)**	**18,065**	**215**	**255,564**	**(86,785)**	**(70,285)**	**(197,424)**
Financing and Professional fees													
DIP fees and interest		27,881	–	–	–	–	6,000	–	–	–	6,000	–	39,881
Monitor		87,450		35,000	–	–	–	20,000	–	30,000	–	–	172,450
Monitor legal counsel		28,963	–		–	–	–	10,000	–	10,000	–	–	48,963
Appraisal		36,651	–	–	–	–	–	–	–	–	–	–	36,651
Financial advisor		18,400		7,500	–	–	–	6,250	–	10,000	–	–	42,150
Company legal		115,137			–	30,000	–	15,000	–	–	–	–	160,137
Total professional fees		314,482	–	42,500	–	30,000	6,000	51,250	–	50,000	6,000	–	500,232
Net cash flows		(706,866)	(39,562)	(15,046)	(45,185)	205,164	(105,685)	(33,185)	215	205,564	(92,785)	(70,285)	(697,656)
Opening Cash Position		25,432	143,566	104,004	88,958	43,773	248,937	143,252	110,067	110,282	315,846	223,061	25,432
DIP loan proceeds		825,000	–	–	–	–	–	–	–	–	–	–	825,000
Closing Cash Position		**143,566**	**104,004**	**88,958**	**43,773**	**248,937**	**143,252**	**110,067**	**110,282**	**315,846**	**223,061**	**152,776**	**152,776**

Purpose and Disclaimer

Purpose:

This statement of projected cash flow ("Cash Flow Forecast") has been prepared for Nemori Farms Ltd. ("Company") in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA") for the period of June 23, 2025 to August 31, 2025 ("Cash Flow Period"). The Company has prepared the Cash Flow Forecast based on probable and hypothetical assumptions that reflect the Company's continued operations, and its understanding of the expected restructuring activities. Management is of the opinion that, as at the date of filing the Cash Flow Forecast, the assumptions used to develop the Cash Flow Forecast represent the most probable set of economic conditions facing the Company and that the assumptions used provide a reasonable basis for and are consistent with the purpose of this Cash Flow Forecast.

Disclaimer:

Management is of the view that the hypothetical assumptions set out in the Notes below are reasonable and consistent with the purpose of the Cash Flow Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the Cash Flow Forecast. All material assumptions are disclosed in the Notes below. 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 Cash Flow Forecast has been prepared solely for the purpose described above, using a set of hypothetical and probable assumptions set out in Notes below. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Notes to Cash Flow Forecast

[1] Fixed payment at the start of every month for previous month production ("Advance").
[2] Projected monthly sales net of Advance, freight, levies and other charges. Cattle health and improved feed stock and quality attibuted to increase in monthly milk revenue
[3] Estimated HST recoverable for one month of expenses, returns filed quarterly.
[4] Provincial govermnent program that supports projects that enhance food self-sufficiency, increase agricultural growth, or increase secondary processing of food products. The Company is working with Province on how the funds will be disbursed
[5] Based on manangements estimates, adjusted for actual feed costs to date and inventory on site
[6] Bulk of costs already incurred as planting of crops occures in spring
[7] Fuel costs reduced as much of expenditure is linked to planintgin crops in Spring as spreading manure and seeding in spring.
[8] Payment to contracted accountant resources, bank fees and miscellaneous office expenses.

As of June 24, 2025

Signed by:

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Sheldon Cameron
Co-owner, Secretary-Treasurer, Director
Nemori Farms Ltd.