IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Big Erics Inc. and Terra Nova Old Port Foods Inc.

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

SECOND REPORT OF GRANT THORNTON LIMITED, IN ITS CAPACITY AS MONITOR UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36 OF BIG ERICS INC. AND TERRA NOVA OLD PORT FOODS INC.

September 20, 2023

GrantThornton

Grant Thornton Limited,
Court-Appointed Monitor

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INTRODUCTION

1. On July 11, 2023, Big Erics Inc ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") (collectively as, the "**Companies**") made an application to the Supreme Court of Newfoundland and Labrador (the "**Court**") to convert previously filed Notices of Intention to Make a Proposal ("**NOIs Proceedings**") to proceedings under the Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36, as amended ("**CCAA Proceedings**"). On July 18, 2023, the Court issued an order (the "**Initial Order**") and Grant Thornton Limited was appointed as Monitor (in such capacity, the "**Monitor**") for the Companies.

2. Pursuant to the Initial Order, amongst other things, all creditors were stayed from commencing or continuing any proceedings against the Companies until, and including, July 28, 2023 ("**Stay of Proceedings**"), or until such date as the Court may subsequently order.

3. On July 28, 2023, the Court issued an Amended and Restated Initial Order (the "**ARIO**"), granting the following relief, amongst other relief:

   (a) that the CCAA continues to apply to the Companies;

   (b) a stay of proceedings against the Companies until and including September 30, 2023 or such later date as this Court may order; and

   (c) that Grant Thornton Limited would continue to act as Monitor.

4. A copy of the ARIO is attached hereto as **Appendix "A"**.

5. On August 25, 2023, the Companies made an application for a minor amendment to the ARIO (the "**ARIO – Amendment #1**") with the sole change being to section 13 relating to the sale of redundant or non-material assets. The specific changes as granted by the Court were to:

   (a) Permanently or temporarily cease, downsize or shut down an of the Business or operations of TNOPFI, and to dispose of redundant or non-material assets; and

   (b) Permanently or temporarily cease, downsize or shut down any of the Business or operations of BEI, and to dispose of redundant or non-material assets not exceeding $75,000 in the aggregate, or such other amount as consented to in writing by BMO, the lenders pursuant to the Applicants' mezzanine demand secured credit facilities, and the Monitor, or pursuant to further Order of the Court.

6. A copy of the ARIO – Amendment #1 is attached hereto as **Appendix "B"**.

7. This second report of the Monitor (the "**Second Report**"), the preceding reports of Grant Thornton Limited and all other relevant information in respect of these CCAA Proceedings and the previous NOIs Proceedings has been made available to stakeholders on the Monitor's case website at www.GrantThornton.ca/BigErics.

PURPOSE OF THE SECOND REPORT

8. The purpose of the Second Report is to update the Court on the Monitor's duties as set out in section 23(1)(a) of the CCAA and to support the Companies' application to this Court for approval of, amongst other things:

   (a) extension of the Stay of Proceedings to December 31, 2023;

   (b) the actions and activities of the Monitor and its counsel;

   (c) the activities of the Companies, including the orderly wind down of TNOPFI's operations;

   (d) the Companies request for a *Wage Earners Protection Program Act* ("**WEPPA**") s.5 (5) declaration for the Terminated Employees (defined herein);

   (e) provide an update on BEI's efforts in developing a sales and investment solicitation process ("**SISP**") in consultation with the Bank of Montreal ("**BMO**") and the Monitor, to be approved at a subsequent comeback hearing; and

   (f) an updated cash flow projection to December 31, 2023 for BEI (the "**BEI – September Revised Cash Flow Projection**").

TERMS OF REFERENCE

9. In preparing this Second Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Companies, discussions with management of the Companies ("**Management**") and its legal advisors, and discussions with the Companies sale advisor, Noseworthy Chapman, (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 Companies, 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.

10. Some of the Information used in preparing this Second Report consists of forward-looking information, including the Cash Flow Projections. 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.

11. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, 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 has requested that Management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Second Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Companies and Management.

12. The Second Report has been prepared for the use of this Honourable Court and the Companies stakeholders as general information relating to the Companies and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought in the Companies' application. Accordingly, the reader is cautioned that this Second 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 First Report contrary to the provisions of this paragraph.

13. 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 ARIO granted by the Court.

ACTIVITIES OF THE MONITOR

14. Since the date of the first report of the Monitor (the "**First Report**"), the Monitor has, among other things:

(a) continued to assist the Companies with their communications of these CCAA Proceedings;

(b) provided restructuring advice to the Companies, including providing input regarding the development of the SISP;

(c) interacting with the Companies' legal counsel and financial advisors;

(d) provided assistance to the Companies' with monitoring the Cash Flow Projections;

(e) continued to assist and hold conversations with employees, creditors, and suppliers;

(f) developed and implemented processes to monitor the operations of the Companies including, but not limited to, reviewing sales targets and cash flow reporting;

(g) respond to creditor queries and communications in a timely fashion;

(h) assist TNOPFI in wind down operations, assist and provide input on the cessation of activities, the exit of the leased premises and the liquidation of machinery and equipment and residual inventory;

(i) continued to maintain the Monitor's case website; and

(j) prepared this Second Report.

ACTIVITIES OF THE COMPANIES

15. Since the date of the First Report, the Companies have, among other things:

(a) stabilized operations of BEI;

(b) engaged with the employees of BEI to stabilize and garner alignment to the restructuring process;

(c) engage with suppliers to garner support for the restructuring process including negotiating revised credit terms (where applicable), and a communication on the stay of proceeding an its impact on pre-filing balances owing;

(d) engaged with customers to retain support for the business during the restructuring process, including negotiating revised deposit terms (where applicable) and communicating on the effects of the stay of proceeding;

(e) executed the TNOPFI wind down plan which included the processing of the remaining work in progress materials, the sale of inventory, the disclaimer of the leased premises, the development and execution of a plan to exit the leased premises within 30 days; coordinate the temporary lay-off of employees, organize and execute an auction of the remaining machinery and equipment with Fitzpatrick's Auctioneers and source buyers for the residual inventory;

(f) the Companies have, through their insurance broker Cal LeGrow, negotiated an extension of the Directors and Officers insurance policy that was set to expire on August 31, 2023, to a new expiry date of January 31, 2024. The Companies successfully negotiated an extension of the existing policy on the same terms, conditions and coverages as the underwriters were unwilling to issue a renewal at this time. This policy, shared with Lighthouse Capital Atlantic Inc., and the Companies, provides a claim limit of $3,000,000 per claim and policy period.

(g) consulted, in conjunction with Noseworthy Chapman and the Monitor, on BEI's proposed SISP;

(h) continued communication with the Monitor, creditors, customers, suppliers and other stakeholders;

(i) responded to Monitor queries in a timely manner;

(j) provided the Monitor with weekly cashflow reporting and related financial reports as required by the Monitor; and

(k) continued limited discussions with certain interested parties, as part of the Companies' Investor Solicitation Process.

LITIGATION

16. The Monitor has also been made aware of a possible claim from a former employee of BEI pursuant to which either wages or termination pay may be owed. The Monitor has not reviewed the status of this potential claim, or determined if any priority exists.

17. The Monitor has also been made aware of ongoing litigation between BEI and Vision 33. The litigation includes a claim and counterclaim. The Monitor has not reviewed the status of this proceeding, or the claim, or determined if any priority exists.

WINDING DOWN OF THE OPERATIONS OF TERRA NOVA OLD PORT FOODS INC.

18. On July 28, 2023, TNOPFI began the process of winding down its operations. On this date, 24 employees were terminated, with 8 employees remaining to complete the processing of the remaining inventory and continue to collect on the accounts receivable balance.

19. On August 1, 2023, TNOPFI provided Form 4 – Notice to Disclaim or Resiliate an Agreement (the "**Form 4 – Notice to LRAI**") to TNOPFI's landlord, being Lighthouse Realty Atlantic Inc. ("**LRAI**"), to terminate the lease for TNOPFI's leased premise at 49-51 James Lane, St. John's, Newfoundland and Labrador ("**Leased Premises**"). TNOPFI was to vacate the premises by no later than August 31, 2023. A copy of the Form 4 - Notice to LRAI is attached hereto as **Appendix "C"**.

20. Issuance of the Form 4 – Notice to LRAI was consented to by the Monitor and BMO. LRAI did not provide notice to TNOPFI or the Monitor that the lease agreement should not be disclaimed. As such, the lease has been disclaimed effective August 31, 2023.

21. On August 7, 2023, TNOPFI engaged the services of Fitzpatrick's Auctioneering Services ("**Fitzpatrick's**") to provide a desktop appraisal and sell all non-encumbered equipment. A copy of the appraisal is attached hereto as **Appendix "D"**.

22. The gross proceeds of the equipment sold at auction totalled $75,795 (compared to the appraised value of $72,950) and netted $60,636 after the deduction of commission totalling $15,159.

23. The Company continued to sell remaining product to individual customers as long as feasible, until its exit from the leased premises.

24. TNOPFI explored two different options to liquidate the residual inventory of perishable food products which consisted of a limited selection of products, damaged boxes, slow moving items and products with approaching expiry dates, being:

(a) A sale to a farm for feed – this was ultimately determined not to be a viable option given that the purchaser's interest interest was in the raw material and work in progress product which was ultimately processed and sold at margin to customers; and

(b) Various lump sum offers from competitors and customers for the residual inventory.

25. The Company estimated that the realizable value of the residual inventory was approximately $60,000 to $70,000 under normal conditions. However, given the short time period to find a buyer, a limited customer list, the requirement that a purchaser have cold transport available and refrigeration/freezer storage capacity, the liquidation options available to TNOPFI were limited and the liquidation value would be significantly below ordinary course market value.

26. TNOPFI received two offers for the residual inventory and selected the highest offer of $10,000.

27. On August 31, 2023, TNOPFI proceeded with officially shutting down all operations and vacated the leased premises.

28. TNOPFI has continued to lay off / terminate employees in accordance with its wind-up plan. As of the date of the report, all employees have been terminated.

29. Leased equipment was left in the Leased Premises. The Monitor and TNOPFI has been directing lessors to connect with LRAI to retrieve the equipment.

30. TNOPFI's controller has been retained on contract for the next several weeks to complete the business windup of TNOPFI, including filing all statutory returns, and collecting remaining accounts receivable. As of August 31, 2023, TNOPFI had approximately $256K of outstanding accounts receivable due from customers.

WAGE EARNER PROTECTION PROGRAM ACT

31. In accordance with s. 5(1) of the WEPPA, an individual is eligible to receive payment under WEPPA if, among other things:

(a) the individual's employment ended as a result of the CCAA;

(b) the individual is owed eligible wages by the former employer; and

(c) the Court determines that, under s. 5(5) of the WEPPA, the criteria prescribed by regulation are met.

32. Section 3.2 of the Wage Earner Protection Program Act Regulations ("**WEPPA Regulations**") provides as follows:

> "For the purposes of subsection 5(5) of the Act, a court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations."

33. As of the date of this report, all employees of TNPOFI have been either terminated or laid off.

34. It should be noted that initially the employees were issued temporary lay off notices to allow for the possibility that a party could have come forward and made an offer for TNOPFI pursuant to the Investment Solicitation Process. No offer ultimately came forward and the employees issued lay off notices will not be recalled. The layoffs will become permanent. Both the terminated employees and employees issued temporary lay off notices are or will be terminated ("**Terminated Employees**"). The Terminated Employees were primarily located in St. John's, Newfoundland and Labrador. The Terminated Employees employment has ceased as a result of TNOPFI winding down its operations, officially ceasing on August 31, 2023.

35. The Monitor is of the view that the termination of the Terminated Employees was the direct result of the winding down of the operations of TNOPFI and the Monitor considers the terminations as permanent. As such, the Monitor requests that the Court to declare that TNOPFI is a former employer of the Terminated Employees for the purposes of s. 5(5) of WEPPA.

36. If this Honourable Court grants such a declaration, the Monitor will work with TNOPFI to submit the required documents, claim forms and trustee information forms as required by Employment and Social Development Canada in order to complete the administration of WEPPA.

37. The Monitor is of the view that this relief is appropriate in the circumstances and recommends that the Court grant this declaration.

CONCERNS RAISED BY THE BANK OF MONTREAL

38. The Bank of Montreal ("**BMO**") raised concerns with the Monitor that certain pre-filing payments made by the Companies may be considered preference payments. The identified payments were as follows:

(a) TNOPFI:

i. $57,891 paid on June 30, 2023 to LRAI, the landlord of TNOPFI on account of rent for February, March and part of April 2023. LRAI is a related party to TNOPFI; and

(b) BEI:

i. $20,000 paid on June 30, 2023 ($10,000 was transferred from TNOPFI) to a director of the Companies for director fees related to Q1 and Q2 of 2023 for each of BEI and TNOPFI;

ii. $37,375 paid on June 30, 2023 to LRAI, a landlord of BEI, on account of rent arrears;

iii. $66,094.82 paid on June 30 to Compass Commercial Realty to the extent that any payment was over and above the regular rent payment. The Monitor confirmed to BMO that the payment complied with the written agreement between BEI and the landlord pursuant to a payment structure agreed between the parties on April 3, 2023 and that BEI was following the amended 2023 rent schedule. The amended rent schedule provided BEI certain rent relief as agreed between the parties; and

iv. $377,598.30 paid to third party trade payable vendors on June 30, 2023. The Companies have advised that these were ordinary course of business payments to critical vendors for products and services provided. BEI processes vendor payments once a week and the payments were made after extensive discussions with BMO and its advisors over the quantum of the operating line limit.

39. BMO requested that the Monitor take steps to 1) recover the rent payment to made by TNOPFI to LRAI, 2) recover the payment made to the director of the Companies, 3) investigate if the BEI rent payments exceed the regular rent payable and if so, recover the

excess payments, and 4) investigate the trade payable payments as potential preference payments.

40. The Monitor notified the Companies of BMO's concerns, gathered background information from the Companies, and provided some initial responses.

41. Section 36.1 of the CCAA declares that s.95-101 of the BIA apply to CCAA proceeding, with modification as the circumstances may require, in respect of the compromise or plan of arrangement unless the compromise of plan of arrangement provides otherwise. While s.95(2) creates a presumption of a preference if the payment has the effect of a preference, this presumption can be rebutted.

42. The Monitor does not intend to complete an investigation or seek to recover these amounts at this time, nor has the Monitor made any conclusion whether the payments were preferences. This matter can be dealt with in any compromise or plan or dealt within an appropriate process that provides any interested stakeholder an opportunity to participate. The Monitor will continue discussions with the Companies and BMO on this issue.

CASH FLOW AND FINANCIAL ANALYSIS

43. Summarized below is BEI's budget to actual cash flow for the first 10 weeks, ending September 8, 2023, relative to the BEI – Cash Flow Period as presented in the First Report:

Big Erics Inc. - Cash Flow Weeks 1-10			
Line Items	**Budget**	**Actual**	**Variance**
Gross Sales	**4,703,090**	**4,745,136**	**42,046**
Cash Receipts			
Collection of Accounts Receivable	5,248,624	5,780,867	532,243
Miscellaneous	27,190	96	(27,094)
Total Cash Receipts	**5,275,814**	**5,780,963**	**505,149**
Operational Disbursements			
Cost of Sales	(3,458,549)	(3,409,239)	49,310
Rent & Municipal Taxes	(163,867)	(176,779)	(12,912)
Utilities	(23,136)	(14,126)	9,010
Insurance	(9,708)	(23,555)	(13,847)
Payroll	(884,975)	(783,523)	101,452
Key Employee Retention Payments	(34,000)	(32,300)	1,700
Warehouse Expenses	(115,453)	(205,953)	(90,500)
Selling Expenses	(57,617)	(24,424)	33,193
Bank Charges and POS Transaction Fees	(53,275)	(47,085)	6,190
HST Payable/Refund	25,188	2,584	(22,604)
Administrative and Miscellaneous	(74,434)	(57,366)	17,068
Total Operational Disbursements	**(4,849,826)**	**(4,771,766)**	**78,060**
Professional Fees	(145,000)	(93,849)	51,151
Total Disbursements	**(4,994,826)**	**(4,865,615)**	**129,211**
Net Cash Flow	**280,988**	**915,348**	**634,360**
Operating Line - Opening	(4,930,567)	(4,930,567)	-
Net Cash Flow	280,988	915,348	634,360
Operating Line - Closing	**(4,649,579)**	**(4,015,219)**	**634,360**
Less: Borrowing Base	(4,930,567)	(4,931,000)	(433)
Line of Credit Liquidity	**280,988**	**915,781**	**634,793**

44. The Monitor's understanding of the key variances in the BEI actual receipts and disbursements as compared to budget are as follows:

(a) Gross Sales: Slightly ahead of forecast with a favourable variance of $42,046.

(b) Total Cash Receipts: Net favourable variance of $505,149 due to better than expected speed to which accounts receivable was collected, and higher than expected balance of customer deposits.

(c) Total Operational Disbursements: Net favourable variance of $78,060 primarily due to the following:

i. Cost of Sales favourable variance of $49,310 mostly due to tight management of vendor costs and work to maintain margins;

ii. Payroll under budget $101,452 due to timing of pension and benefits payments, as well as three fewer employees in Newfoundland and Labrador than forecasted; and

iii. Warehouse Expenditures are over budget by $90,500 due to actual courier, freight and other shipping costs being higher than budget as a result of higher vendor rates and higher fuel surcharges;

(d) Professional Fees: Favourable variance of $51,151 is primarily due to timing of invoicing from the Monitor, Monitor's legal counsel, and the Companies legal counsel which is tracking to budget, and partially offset by increased fees from Noseworthy Chapman.

45. The following is a summary of BEI's accounts receivable balances, net of customer deposits received on order, as of Week 10 compared to Week 2:

Accounts Receivable Summary						
	Week 2		Week 10			
	Balance	Percentage	Balance	Percentage	Variance	
Current	974,240	43%	1,446,791	61%	472,551	**-18%**
30 Days	664,438	29%	502,981	21%	(161,457)	**8%**
60 Days	479,885	21%	317,079	13%	(162,806)	**8%**
90 Days	161,850	7%	(31,649)	-1%	(193,499)	**9%**
120 Days	109,610	5%	157,921	7%	48,311	**-2%**
150 Days	(134,672)	-6%	(32,741)	-1%	101,931	**-5%**
Futures	-	0%	-	0%	-	**0%**
Total	**2,255,350**		**2,360,382**		**105,032**	

46. The following is a summary of BEI's accounts payable balances as of Week 10 compared to Week 2:

Accounts Payable Summary						
	Week 2		Week 10			
	Balance	Percentage	Balance	Percentage	Variance	
Current	1,788,643	70%	139,385	5%	1,649,258	**65%**
30 Days	637,533	25%	495,980	18%	141,553	**7%**
60 Days	19,372	1%	1,353,957	50%	(1,334,585)	**-49%**
90 Days	8,239	0%	597,254	22%	(589,015)	**-22%**
120 Days	93,839	4%	121,522	4%	(27,683)	**-1%**
150 Days	-	0%	-	0%	-	**0%**
Futures	-	0%	-	0%	-	**0%**
Total	**2,547,626**		**2,708,098**		**(160,472)**	

47. The following is a summary of BEI's inventory balances as of Week 10 compared to Week 2:

Inventory Summary	Week 2	Week 10	Variance
Opening Inventory	4,654,706	3,776,965	(877,741)
Purchases	222,476	136,516	(85,960)
Cost of Sales	(281,995)	(248,102)	33,893
Consignment		(32,546)	(32,546)
Ending Inventory	**4,595,187**	**3,632,833**	**(962,354)**

48. Summarized below is TNOPFI's budget to actual cash flow for the first 9 weeks, ending September 1, 2023, relative to the TNOPFI – Cash Flow Period as presented in the First Report:

Terra Nova Old Port Foods Inc. - Cash Flow Weeks 1-9			
Line Items	**Budget**	**Actual**	**Variance**
Net Sales	**795,200**	**921,983**	**126,783**
Cash Receipts			
Collection of Accounts Receivable	1,206,551	1,094,451	(112,100)
Remaining Inventory Sales	52,700	30,113	
Capital Asset Sales	-	59,635	
Miscellaneous	-	20,068	20,068
Total Cash Receipts	**1,259,251**	**1,204,267**	**(54,984)**
Operational Disbursements			
Cost of Sales	-	(38,491)	(38,491)
Rent & Municipal Taxes	(89,910)	(66,094)	23,816
Utilities	(21,000)	(6,403)	14,597
Insurance	(7,500)	(1,866)	5,634
Payroll	(147,192)	(164,970)	(17,778)
Key Employee Retention Payments	(8,000)	(6,865)	1,135
Freight	(22,500)	(48,319)	(25,819)
Administration and Miscellaneous	(9,000)	(8,169)	831
Total Operational Disbursements	**(305,102)**	**(341,177)**	**(36,075)**
Professional Fees	(67,000)	(137,432)	(70,432)
Total Disbursements	**(372,102)**	**(478,609)**	**(106,507)**
Net Cash Flow	**887,149**	**725,658**	**(161,491)**
Operating Line - Opening	(1,355,000)	(1,355,000)	-
Net Cash Flow	887,149	725,658	(161,491)
Operating Line - Closing	**(467,851)**	**(629,342)**	**(161,491)**
Less: Borrowing Base	(1,355,000)	(1,341,000)	14,000
Line of Credit Liquidity	**887,149**	**711,658**	**(175,491)**

49. The Monitor's understanding of the key variances in the TNOPFI actual receipts and disbursements as compared to budget are as follows:

(a) Gross Sales: Favourable variance of $127,783 due to increases sales (liquidation) in the final weeks of operation and bring opportunistic with sales opportunities to customers early in the proceeding.

(b) Total Cash Receipts: Unfavourable variance of $54,984 mostly due to the collection of accounts receivable taking longer than forecast. Collection from major retailers has taken longer than expected. Management continues to pursue collections on the outstanding accounts receivable, of which, 92% is either current or within 30-60 days.

(c) Total Operational Disbursements: Unfavourable variance of $36,075 mostly due to the following:

i. Cost of Sales over budget $38,491 due to inventory purchases at the beginning of the CCAA proceeding to take advantage of opportunistic sales opportunities at margins >20%. The inventory was sent directly from the vendors to local restaurants. This overage is related to the increased sales;

ii. Rent and Municipal Taxes under budget $23,816 due to lower than budgeted rent payments to LRAI and July-August property tax payments;

iii. Utilities under budget $14,597 is due to the timing of utilities billing and related payments;

iv. Payroll over budget $17,778 primarily due to an additional week of operating by 4 employees in early July 2023 than forecasted in the cash flow. The extra work of week was required to complete the processing of work in process (raw meat) into finished product for which there was confirmed sales to customers; and

v. Freight overbudget $25,819 due to higher than forecasted payments to couriers.

(d) Professional Fees: Unfavourable variance of $70,432 due to higher than budget Company legal fees. Monitor and Monitor's legal fees are consistent with the forecast.

50. The following is a summary of TNOPFI's accounts receivable balances as of Week 9 compared to Week 3:

Accounts Receivable Summary						
	Week 3		Week 9			
	Balance	Percentage	Balance	Percentage	Variance	
Current	346,914	79%	184,102	56%	(162,811)	**23%**
30 Days	49,808	11%	119,559	36%	69,751	**-25%**
60 Days	16,777	4%	9,840	3%	(6,937)	**1%**
90 Days	9,976	2%	8,542	3%	(1,434)	**0%**
120 Days	1,584	0%	8,252	2%	6,668	**-2%**
150 Days	13,922	3%	1,166	0%	(12,757)	**3%**
Futures		0%		0%	-	**0%**
Total	**438,980**		**331,461**		**(107,519)**	

51. The following is a summary of TNOPFI's accounts payable balances as of Week 9 compared to Week 3:

Accounts Payable Summary						
	Week 3		Week 9			
	Balance	Percentage	Balance	Percentage	Variance	
Current	115,018	13%	8,283	1%	106,735	**12%**
30 Days	512,748	57%	37,121	4%	475,627	**53%**
60 Days	125,858	14%	379,573	41%	(253,715)	**-27%**
90 Days	145,202	16%	505,660	54%	(360,458)	**-38%**
120 Days		0%		0%	-	**0%**
150 Days		0%		0%	-	**0%**
Futures		0%		0%	-	**0%**
Total	**898,826**		**930,637**		**(31,810)**	

52. TNOPFI had a Week 1 ending inventory balance of $1,046,384. As of Week 9, the inventory balance was $NIL due to the winding down of operations.

REVISED CASH FLOW PROJECTIONS

53. The Companies, with assistance from the Monitor, prepared the BEI – September Revised Cash Flow Projection covering the period of September 11, 2023 to December 29, 2023 (the "**BEI – Revised Cash Flow Period**").

54. The BEI – Revised Cash Flow Projection was prepared on the assumption that BEI's operations continue in the ordinary course. A copy of the BEI – Revised Cash Flow Projection is attached hereto as **Appendix "E"**.

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

56. The Monitor has reviewed the BEI – Revised Cash Flow Projection to the standard required of a Court-appointed Monitor by Section 23(1)(b) of the CCAA. The Monitor's review of the BEI – Revised Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by Management of BEI. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to the same were limited to evaluating whether they were consistent with the purpose of the BEI – Revised Cash Flow Projection. The Monitor has also reviewed the support provided by BEI for the Probable and Hypothetical Assumptions and the preparation and presentation of the BEI – Revised Cash Flow Projection. 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 BEI – Revised Cash Flow Projection;

(b) As at the date of this Second Report, the Probable and Hypothetical Assumptions developed by Management are not suitably supported and consistent with BEI's plans or do not provide a reasonable basis for the BEI – Revised Cash Flow Projection, given the Probable and Hypothetical Assumptions; or

(c) The BEI – Revised Cash Flow Projection do not reflect the Probable and Hypothetical Assumptions.

57. BEI's liquid cash position in its Operating Line with BMO as at September 8, 2023 was approximately $915,781. The BEI – Revised Cash Flow Projection estimates approximately $8.2M of cash receipts and total cash disbursements of approximately $8.3M, resulting in an overall reduction in the BMO Operating Line of $100K. The reduction is due Week 26 collection of accounts receivable, which is expected to be lower given this is the week between Christmas and New Years.

58. The Monitor makes the following general comments on the BEI – Revised Cash Flow Projection:

(a) Cash receipts arising from the collection of sales of BEI's customers are commensurate with the level of expenses being incurred for operations;

(b) Cash disbursements appear to be consistent with the level of recent operations and as contemplated by Management;

(c) The BEI – Revised Cash Flow Projection contemplates paying employee wage and other employee obligations in the ordinary course;

(d) The Cash Flow Projections contemplates payment to the Canada Revenue Agency of BEI's post-filing HST and source deduction obligations;

(e) The Cash Flow Projections contemplates payments to vendors in accordance with existing and/or modified credit terms;

(f) Disbursements include forecasted payments to the Companies legal counsel, the Monitor and its legal counsel and to Noseworthy Chapman for accounting and advisory services.

59. Since the BEI – Revised Cash Flow Projection is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur. Such variations may be material. Accordingly, the Monitor expresses no assurance as to whether the BEI – Revised Cash Flow Projection 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 Second Report or relied upon by the Monitor in preparing this Second Report.

60. The BEI – Revised Cash Flow Projection has been prepared solely for the purposes described in Note 1 on page 2 of the BEI – Revised Cash Flow Projection and readers are cautioned that it may not be appropriate for other purposes.

61. TNOPFI has ceased to operate, with limited disbursements expected to occur in the coming weeks as Management continues to collect on outstanding accounts receivable and complete the filing of statutory reporting such as filings with the Canada Revenue Agency, Workplace NL, employee benefit reporting, T4's, ROE, and to support the administration of WEPPA. TNOPFI has retained on contract the former controller to complete these tasks, which is expected to take an additional 3 weeks. TNOPFI had $711,658 of liquidity on its BMO Operating Line as of September 1, 2023 which will be sufficient to cover any remaining disbursements.

ANTICIPATED NEXT STEPS IN THE CCAA PROCEEDINGS

62. The Monitor understands that BEI has developed a draft SISP which has been shared with the Monitor and senior secured creditors who are providing input into the process.

The objective of BEI is to seek consent to the process. Absent consent, the Monitor understands the Companies will be seeking a court hearing to approve a proposed SISP.

63. With regards to TNOPFI, discussions with two parties interested in certain intellectual property assets had been ongoing, however no transaction has been agreed. The proposed SISP does not contemplate the inclusion of TNOPFI.

64. BEI and its sale advisor, Noseworthy Chapman, have continued discussions with interested parties in the Investment Solicitation Process; a process which began prior to the NOIs Proceedings. The Monitor is not aware of any offers that have been made pursuant to that process, however the Monitor has been advised by BEI and Noseworthy Chapman that there are 5 active interested parties, and 3 parties who have declined to participate in the process.

65. The Monitor is advised that BEI and Noseworthy Chapman are continuing to engage with certain parties involved in the Investment Solicitation Process post CCAA filing, including:

(a) Advising all parties that the Investment Solicitation Process will continue as a court-approved SISP;

(b) All forms of transactions would be considered including an outright sale of BEI (the original Investment Solicitation Process was restricted to only contemplating an equity investment, and was targeted to parties generally not in competition with BEI); and

(c) Any transaction would require court approval as required by the ARIO.

66. The Investment Solicitation Process has not resulted in any letters of intent or generated any indication of value. The Monitor continues to engage with BEI to develop a draft SISP.

67. The proposed SISP is expected to be broader by 1) expanding the types of possible transactions and 2) expanding the target market to all potential interested parties, including business competitors of BEI.

NO MATERIAL ADVERSE CHANGE

68. The Monitor is not aware of any issue or condition that could be considered a Material Adverse Change pursuant to s.23(1)(d).

69. The Monitor continues to be of the opinion that s.23(1)(h) does NOT apply and it would be more beneficial to the Companies' creditors to continue with the CCAA Proceedings.

GOOD FAITH AND DUE DILIGENCE

70. The Monitor continues to believe the Companies are acting in good faith and with due diligence.

RECOMMENDATION

71. The Monitor continues to be of the view that BEI is continuing to advance a restructuring plan that includes a broad SISP and is preserving going concern value by continuing operations. The Monitor notes that BEI is operating on a cash flow positive basis and expects to maintain liquidity through the extended stay period. The Monitor continues to hold the view that these CCAA Proceedings are the best suited proceedings for TNOPFI as it continues to collect the remaining accounts receivable.

72. The Monitor is of the view that the CCAA Proceedings are in the best interests of the Companies and their stakeholders, and with respect to BEI, and will increase the chances of a successful restructuring by allowing BEI to continue operations while seeking new financing or equity investment, or a sale of the business (in whole or in part) through a court approved SISP.

73. The Monitor notes that any SISP will likely extend beyond December 31, 2023 and that a Stay of Proceedings throughout any SISP provides stability with the probable effect of maximizing participation, and hence value, in the process.

74. For the reasons set out in this Second Report, the Monitor is of the view that the relief requested by the Companies is reasonable and respectfully recommends to this Court to grant the requested extension of the Stay of Proceedings to December 31, 2023, or until such date as the Court may subsequently order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of September 2023.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS MONITOR OF
BIG ERICS INC. AND TERRA NOVA OLD PORT FOODS INC.
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Bankruptcy and Insolvency *Act* R.S.C., 1985 c. B-3 as Amended (the "**BIA**");

AND 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 Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**")

Estate Nos.	51-2962147 (Terra Nova Old Port Foods Inc.) 51-2962148 (Big Erics Inc.)
Court Nos.	24543 (Terra Nova Old Port Foods Inc.) 24544 (Big Erics Inc.)

AMENDED AND RESTATED INITIAL ORDER
(*Companies' Creditors Arrangement Act*, RSC 1985 C-36)

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this 18th day of July, 2023.

ON READING the affidavit of Bill Barlett sworn July 11, 2023, and the Exhibits thereto (the "**Barlett Affidavit**"), the affidavit of Nicole Myles Brook sworn July 16, 2023 and the Exhibits thereto (the "**Myles Brook Affidavit**") the report dated July 17, 2023 (the "**First Report**"), of Grant Thornton Ltd. ("**GTL**") in its capacity as proposal trustee (the "**Proposal Trustee**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the Proposal Trustee, as well as any person listed on the affidavit of service of Sharon Kour filed with this application, and further upon reading the consent of GTL to act as the monitor (the "**Monitor**").

Filed July 28/23 (D)

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

3. **THIS COURT ORDERS AND DECLARES** that effective July 18, 2023, the Applicants' proposal proceedings (the "**Proposal Proceedings**") commenced under Part III of the BIA are hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicants and all Orders granted during the Proposal Proceedings shall remain valid and binding, notwithstanding the commencement of the CCAA proceedings. For greater certainty, in the event of a conflict between an Order granted during the Proposal Proceedings and this Order, this Order shall govern.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants 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

5. **THIS COURT ORDERS** that the Applicants shall each remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, whether real, personal, immovable or moveable, inchoate or intangible, including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their respective business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, officers, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem

reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place with the Bank of Montreal ("**BMO**"), as described in the Barlett Affidavit (as may be altered with the consent of BMO) (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 Applicants 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 Applicants, 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 the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that from and after the date of this Order, the Applicants shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Applicants shall not commingle funds and revenues received or receivable by the Applicant nor incur or pay any expenses or costs payable directly by the other Applicant or for the benefit of the other Applicant. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of BMO and the Monitor or leave of this Court.

8. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

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

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

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants 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 including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services;

(b) payment for goods or services actually supplied to the Applicants following the date of this Order; and

(c) payment of amounts in respect of the key employee retention plan ("**KERP**") as described in the First Report.

10. **THIS COURT ORDERS** that the Applicants 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, (ii) Canada Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or 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 each of the Applicants.

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, insurance, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time (**"Rent"**), for the period commencing from and including the date of this Order, twice-monthly 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.

12. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are 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 Applicant 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

13. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their Business or operations, and to dispose of redundant or non-material assets not exceeding $75,000 in the aggregate;

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

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

14. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' 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 Applicants' 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 Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants 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 Applicants' claim to the fixtures in dispute.

15. **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 Applicants 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 Applicants 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 APPLICANTS OR THE PROPERTY

16. **THIS COURT ORDERS** that until and including September 30, 2023, 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 Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are

hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **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 Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants 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

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform or provide any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with the Applicants 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, food and food processing safety monitoring, food storge services, facility cleaning services or other services to the Business or the Applicants, 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 Applicants, and that the Applicants 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or

as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **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 Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **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 Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants 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 Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants 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.

23. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $150,000, as security for the indemnity provided in paragraph 22 of this Order. The Director' Charge shall have the priority set out in paragraphs 34 and 36 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that GTL is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

26. **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 Applicants' 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 and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicants in their preparation of the Applicant's cash flow statements;

(d) advise the Applicants in their development of the Plan and any amendments to the Plan;

(e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) 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 Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage 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; and

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

27. **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.

28. **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*, the *Environmental Protection Act* (Newfoundland and Labrador) the *Water Resources Act* (Newfoundland *and Labrador)* the *Environment Act* (Nova Scotia), the *Water Resources Protection Act* (Nova Scotia) 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.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants 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 Applicants is

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confidential or commercially sensitive, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **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 wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel and other external professional advisors to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' 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 $150,000, as security for their professional fees and disbursements incurred at the 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 34 and 36 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First - Administration Charge (to the maximum amount of $150,000);

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Second - Directors' Charge (to the maximum amount of $150,000);

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors Charge or the Administration Charge (collectively, the "**Charges**") shall not be required, and that the 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.

36. **THIS COURT ORDERS** that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges 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.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

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

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Evening Telegram (St. John's) and the Chronicle Herald (Halifax) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order make this Order publicly available in the manner prescribed under the CCAA, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the Applicants 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 Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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

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

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

43. **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 Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that each of the Applicants 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.

45. **THIS COURT ORDERS** that any interested party (including the Applicants 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.

46. **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.

COURT OFFICER

Appendix “B”

2023 01G 3233
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Bankruptcy and Insolvency Act* R.S.C., 1985 c. B-3 as Amended (the "**BIA**");

AND 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 Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**")

Estate Nos. 51-2962147 (Terra Nova Old Port Foods Inc.)
51-2962148 (Big Erics Inc.)

Court Nos. 24543 (Terra Nova Old Port Foods Inc.)
24544 (Big Erics Inc.)

AMENDED AND RESTATED INITIAL ORDER
***(Companies' Creditors Arrangement Act,* RSC 1985 C-36)**

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this 18th day of July, 2023.

ON READING the affidavit of Bill Barlett sworn July 11, 2023, and the Exhibits thereto (the "**Barlett Affidavit**"), the affidavit of Nicole Myles Brook sworn July 16, 2023 and the Exhibits thereto (the "**Myles Brook Affidavit**") the report dated July 17, 2023 (the "**First Report**"), of Grant Thornton Ltd. ("**GTL**") in its capacity as proposal trustee (the "**Proposal Trustee**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the Proposal Trustee, as well as any person listed on the affidavit of service of Sharon Kour filed with this application, and further upon reading the consent

Filed Aug 25 23

of GTL to act as the monitor (the "**Monitor**").

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

3. **THIS COURT ORDERS AND DECLARES** that effective July 18, 2023, the Applicants' proposal proceedings (the "**Proposal Proceedings**") commenced under Part III of the BIA are hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Applicants, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicants and all Orders granted during the Proposal Proceedings shall remain valid and binding, notwithstanding the commencement of the CCAA proceedings. For greater certainty, in the event of a conflict between an Order granted during the Proposal Proceedings and this Order, this Order shall govern.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants 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

5. **THIS COURT ORDERS** that the Applicants shall each remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, whether real, personal, immovable or moveable, inchoate or intangible, including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their respective business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, officers, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place with the Bank of Montreal ("**BMO**"), as described in the Barlett Affidavit (as may be altered with the consent of BMO) (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 Applicants 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 Applicants, 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 the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management

System.

7. **THIS COURT ORDERS** that from and after the date of this Order, the Applicants shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Applicants shall not commingle funds and revenues received or receivable by the Applicant nor incur or pay any expenses or costs payable directly by the other Applicant or for the benefit of the other Applicant. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of BMO and the Monitor or leave of this Court.

8. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

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

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

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants 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 including, without limitation,

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payments on account of insurance (including directors and officers' insurance), maintenance and security services;

(b) payment for goods or services actually supplied to the Applicants following the date of this Order; and

(c) payment of amounts in respect of the key employee retention plan ("**KERP**") as described in the First Report.

10. **THIS COURT ORDERS** that the Applicants 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, (ii) Canada Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or 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 each of the Applicants.

11. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, insurance, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly 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.

12. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are 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 Applicant 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

13. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of the Business or operations of TNOPFI, and to dispose of redundant or non-material assets;

(b) permanently or temporarily cease, downsize or shut down any of the Business or operations of BEI, and to dispose of redundant or non-material assets not exceeding $75,000 in the aggregate, or such other amount as consented to in writing by BMO, the lenders pursuant to the Applicants' mezzanine demand secured credit facilities, and the Monitor, or pursuant to further Order of the Court;

(c) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate; and

(d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

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

14. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' 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 Applicants' 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 Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants 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

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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 Applicants' claim to the fixtures in dispute.

15. **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 Applicants 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 Applicants 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 APPLICANTS OR THE PROPERTY

16. **THIS COURT ORDERS** that until and including September 30, 2023, 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 Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any

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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 Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants 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

18. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform or provide any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with the Applicants 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, food and food processing safety monitoring, food storge services, facility cleaning services or other services to the Business or the Applicants, 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 Applicants, and that the Applicants shall be entitled to the continued use of their current

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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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **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 Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **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 Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants 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 Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants 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.

23. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $150,000, as security for the indemnity provided in paragraph 22 of this Order. The Director' Charge shall have the priority set out in paragraphs 34 and 36 herein.

24. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. **THIS COURT ORDERS** that GTL is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise

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the Monitor of all material steps taken by the Applicants 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.

26. **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 Applicants' 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 and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicants in their preparation of the Applicant's cash flow statements;

(d) advise the Applicants in their development of the Plan and any amendments to the Plan;

(e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) 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 Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage 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; and

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

27. **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.

28. **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,* the *Environmental Protection Act* (Newfoundland and Labrador) the *Water Resources Act* (Newfoundland *and Labrador)* the *Environment Act* (Nova Scotia), the *Water Resources Protection Act* (Nova Scotia) 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

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Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants 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 Applicants is confidential or commercially sensitive, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **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 wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel and other external professional advisors to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to, the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

32. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time.

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33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' 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 $150,000, as security for their professional fees and disbursements incurred at the 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 34 and 36 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First - Administration Charge (to the maximum amount of $150,000);

Second - Directors' Charge (to the maximum amount of $150,000);

35. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors Charge or the Administration Charge (collectively, the "**Charges**") shall not be required, and that the 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.

36. **THIS COURT ORDERS** that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges 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.

37. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

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

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Evening Telegram (St. John's) and the Chronicle Herald (Halifax) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order make this Order publicly available in the manner prescribed under the CCAA, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the Applicants 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 Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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.

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GENERAL

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

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

43. **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 Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that each of the Applicants 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.

45. **THIS COURT ORDERS** that any interested party (including the Applicants

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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.

46. **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, this 25th day of August, 2023.

COURT OFFICER

Appendix “C”

Notice by Debtor Company to Disclaim or Resiliate an Agreement

To:
Lighthouse Realty Atlantic Inc.
c/o 235 Water Street
St. John's
NL Canada
A1C 1B6
Attention: Joan Myles
via email: joan@mylesandcompany.com

And with a Copy to:
The Monitor, Grant Thornton Limited
via email

TAKE NOTICE THAT:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**") were commenced on the 8th day of July 2022.

2. In accordance with subsection 32(1) of the Act, TNOPFI gives you notice of its intention to disclaim or resilitate the following agreement (the "**Agreement**"):

    i. Lease agreement for 49-51 James Lane, St. John's, Newfoundland and Labrador, between TNOPFI and Lighthouse Realty Atlantic Inc.

3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to the court for an order that the agreement is not to be disclaimed or resiliated.

4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 31st day of August 2023, being 30 days after the day on which this notice has been given.

Dated at the City of St. John's, in the Province of Newfoundland and Labrador, on the 31st day of July 2023.

TERRA NOVA OLD PORT FOODS INC.

Per: Ingo Eckoldt
General Manager

[Monitor signature page follows]

The Monitor approves the proposed disclaimer or resiliation.

Dated at the City of St. John's, in the Province of Newfoundland and Labrador, on the 31 day of July 2023.

Grant Thornton Limited
Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “D”

August 11, 2023

Terra Nova Old Port Foods Inc
49 James Lane P.O. Box 1418
St. John's, NL
A1C 5N8

ATTENTION: Mr. Ingo Eckoldt

RE: Food Processing Equipment

Please find under cover our appraisal/desktop appraisal report for the food processing equipment as requested.

We propose for auction an online 3-day event. Our commission rate would be 20%.

Trusting this is the information required; thank you for using our services.

Yours truly,

Blair Loveless CAI, ICCA
President

APPRAISAL REPORT

Food Processing Equipment

Submitted to: Ingo Eckholdt/Terra Nova Old Port Foods Inc

Submitted by: Fitzpatrick's Auctioneering

Date: August 11, 2023

Fair Market Value

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Recapitulation

For

Food Processing Equipment

****

($ 72950.00)

****

(SEVENTY TWO THOUSAND NINE HUNDRED AND FIFTY DOLLARS)

****

The appraisal/desktop appraisal was undertaken to determine the Fair Market Value of food processing equipment.

For the purpose of this appraisal/desktop appraisal we define "**FAIR MARKET VALUE"** as:

> As *the price, expressed in terms of money the items would bring in an open unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed, prudent and who are acting independently of each other and are under no compulsion to buy or sell. The **fair market value** of the items is not to be determined by the sale price of the items in a market other than that in which such items are most commonly sold to the public, taking into account the location of the items wherever appropriate.*

Ordinary wear and tear common to these pieces is not noted. It can be assumed that these items appraised, not having specific condition statements, were found to show only normal wear and tear.

LIMITING CONDITIONS AND QUALIFYING STATEMENTS

1. Some of the equipment has been physically inspected.

2. The values provided are based on current market conditions. No guarantee of past or future value is being offered.

3. Existing transferable warranties have been taken into consideration.

4. Because quality, condition and desirability affect the appraisal market where items would be purchased by the public, different markets were considered for different items of equipment.

5. All items were found to be in good condition; however, they could only be considered used equipment.

6. The appraisal/desktop appraisal is made at the request of the parties need for its use. It is not an indication or certificate of title or ownership. .

VALUE STATEMENTS

The values of equipment have been determined by the following means:

1. A physical inspection to verify description and determine condition has taken place for some of the items.

2. The values expressed herein are based on the appraiser's best judgment and opinion and are not a representation or warranty that the items will realize that value if offered for sale at auction or otherwise. The values expressed are based upon information available as of the effective date of the appraisal and no opinion is expressed as to any future values nor, unless otherwise stated, as to any past values

3. Stated values are given item by item unless stated as being per grouping. The total of the individual item values shall not be construed as an appraised value for the whole collection, but merely as the addition a single item values. Where values are given by a grouping, the value for the group is for the whole and no opinion is given as to individual or proportionate values within the group.

4. The use of various guides and publications used and accepted in the industry to assist in determining value.

5. Unless otherwise stated, values expressed are based on the general expertise and qualifications of the appraiser as to the purpose and function involved as well as to the most appropriate market for the items listed.

6. Unless otherwise stated herein, this appraisal/desktop appraisal is based only on the readily apparent identity of the items appraised and no further opinion nor guarantee of authenticity, genuineness, attribution, or authorship is made.

This report is offered with no other contingent or limiting conditions which would affect the values stated. I also state that I have no present nor contemplated future interest in the items appraised or any other interest which would bias the appraisal report. Employment to make this appraisal and compensation for it are not contingent upon evaluation found.

Should, in conjunction with this appraisal services or the appraiser be requested by the client, his agent or attorney, or the courts (such as for added time researching for other value purposes, pretrial conferences, count appearances, court preparation etc..); then compensation for same shall be at the customary hourly rate charged by the appraiser at that time and shall be paid by the client immediately upon receipt of a statement of said work.

I certify that to the best of my knowledge.

1. Statements of fact contained in my report are true and correct. The opinions stated are based on fair consideration of the facts available.

2. The report analyzes, opinions and conclusions are limited only by the reported critical assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyzes, opinions, and conclusions.

3. I have no present nor contemplated future interest in the appraised or any other interest which would bias the appraisal report. I have no personal interest with respect to the persons involved, nor do I have bias towards the people or equipment involved

4. My engagement in this assignment was not contingent upon the developing or reporting predetermined results.

5. I have not personally inspected the listed equipment

6. Unless noted, no one provided significant professional assistance to the appraiser.

7. This appraisal/desktop appraisal has been prepared in conformity with and is subject to the current version of the International Society of Appraisers *Appraisal Report Writing Standard* and *Code of Ethics*. In addition, my analyzes, opinions, and conclusions were developed, and this report has been prepared, in conformity with the current version of the Appraisal Foundation=s *Uniform Standards of Professional Appraisal Practice* (USPAP)

8. Possession of this report or any copy does not carry with it the right of publication, nor may same be used for any purpose by anyone but the above-named without the prior written consent of the appraiser, and in any event, only in its entirety with the proper qualifications and limiting conditions. No change of any item in the appraisal report shall be made by anyone other than the appraiser and the appraiser shall have no responsibility for any such unauthorized change.

I regard all information concerning this appraisal/desktop appraisal as confidential. I will retain a copy of this document along with my original notes, and I will not allow others to have access to these records without your written permission unless so ordered by a court of law.

Addendum

Blair Loveless:

30+ years experience in the auction industry, 22 as an auctioneer.

Blair holds the following designation:

1. ICCA – Institute of Canadian Certified Auctioneers
2. CAI – Certified Auctioneer's Institute

Blair has completed personal property and industrial appraisals all over Newfoundland and Labrador.

Numbered among our major clients are: all major Banks, Trust Companies, Car Dealers, Oil Companies, Law Firms, Accounting Firms, Trustees and Householders.

	Estimated Used Value
SAWS	
Hobart 3	$ 2000
Hobart 4	$ 2000
Hobart 5	$ 2000
Biro	$ 2000
WRAPPER / LABELLER	
EXACT Workhorse	$ 5000
Mettler Toledo Labeller & Printer	$ 2500
SCALES	
Cardinal Floor Scale	$ 600
M1 Scale 0110	$ 300
M1 Scale 2119	$ 300
M1 Scale 3065	$ 300
M1 Scale 3905	$ 300
M1 Scale 8361	$ 300
M1 Scale 8363	$ 300
Hobart Quantum 1	$ 350
Hobart Quantum 2	$ 350
Hobart Quantum 3	$ 350
Hobart Hti	$ 350
TUMBLERS	
Sipromac Tumber 1	$ 2500
Sipromac Tumbler 2	$ 2500

MINCER

Honart Mincer	$ 2000

CHIPPER

Biro Chipper	$ 7500

SAUSAGE FILLER

ak Ramon Libra Stuffer	$ 2500

HEAT SEALERS

Heat Seal Wrapper	$ 350
Impulse Heat Sealer	$ 250

FORKLIFTS

Linde E20	$ 3500
Hyundai 18BRP-9	$ 5000
Noblelift EDGE Pallet Truck	$ 10000

2	s/s tables 250/ea	$ 500
3	s/s drain tables 250/ea	$ 750
2	pallet jacks 300/ea	$ 600

1	qty office and lunchroom furniture – 7desks, 8 chairs 4 filing cabinets, 2 plastic foldup tables, 10 Foldup chairs	$ 1000
1	qty pallet racking bolted to the floor removing it can cause damage to the floor as it is bolted to the floor	$ 4500
2	Sipromac chamber vac sealers 4500/ea	$ 9000
1	Scrunchions machine	$1200

Appendix “E”

Big Erics Inc.
Revised Cash Flow Projection
Beginning the week of September 11, 2023

	Actual Weeks 1-10	11-Sep-23 Week 11	18-Sep-23 Week 12	25-Sep-23 Week 13	2-Oct-23 Week 14	9-Oct-23 Week 15	16-Oct-23 Week 16	23-Oct-23 Week 17	30-Oct-23 Week 18	6-Nov-23 Week 19	13-Nov-23 Week 20	20-Nov-23 Week 21	27-Nov-23 Week 22	4-Dec-23 Week 23	11-Dec-23 Week 24	18-Dec-23 Week 25	25-Dec-23 Week 26	Total Weeks 11-26	Grand Total Weeks 1-26	Notes
Gross Sales	4,745,136	434,363	434,363	434,363	546,923	546,923	546,923	546,923	444,534	444,534	444,534	444,534	444,534	546,456	546,456	546,456	300,456	7,653,274	12,398,410	
Cash Receipts																				
Collection of Accounts Receivable	5,809,017	591,376	559,973	534,851	514,754	521,187	526,334	530,452	533,746	515,904	501,630	490,211	481,075	473,767	488,305	499,935	309,239	8,072,739	13,881,757	3
Miscellaneous	23,483	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	-	90,000	130,000	153,483	
Total Cash Receipts	**5,832,500**	**591,376**	**559,973**	**574,851**	**514,754**	**521,187**	**526,334**	**530,452**	**533,746**	**515,904**	**501,630**	**490,211**	**481,075**	**473,767**	**488,305**	**499,935**	**399,239**	**8,202,739**	**14,035,239**	
Cash Disbursements																				
Operational																				
Cost of Sales	(3,409,239)	(407,006)	(407,006)	(330,933)	(330,933)	(330,933)	(330,933)	(330,933)	(406,651)	(406,651)	(406,651)	(219,311)	(410,000)	(342,000)	(342,000)	(342,000)	(342,000)	(5,685,939)	(9,095,177)	
Rent & Municipal Taxes	(176,779)	-	(7,300)	(65,854)	-	-	-	-	(65,854)	-	-	-	(65,854)	-	-	-	-	(204,863)	(381,642)	
Utilities	(14,126)	-	(11,568)	-	-	-	-	-	(11,568)	-	-	-	(11,568)	-	-	-	(11,568)	(46,272)	(60,398)	
Insurance	(23,555)	-	(4,854)	-	-	-	-	-	(4,854)	-	-	-	-	(4,854)	-	-	-	(14,562)	(38,117)	
Payroll	(783,523)	-	(160,000)	-	(165,000)	-	(165,000)	-	(165,000)	-	(165,000)	-	(165,000)	-	(165,000)	-	(165,000)	(1,315,000)	(2,098,523)	4
Key Employee Retention Payments	(32,300)	-	-	-	-	-	-	-	-	-	-	-	-	(74,000)	-	-	-	(74,000)	(106,300)	5
Warehouse Expenses	(205,953)	(19,388)	(19,388)	(17,702)	(17,702)	(17,702)	(17,702)	(17,702)	(15,511)	(15,511)	(15,511)	(15,511)	(15,511)	(18,888)	(18,888)	(18,888)	(18,888)	(280,393)	(486,345)	6
Selling Expenses	(24,423)	(5,584)	(5,584)	(4,930)	(4,929)	(4,928)	(4,927)	(4,926)	(5,584)	(5,584)	(5,584)	(5,584)	(5,584)	(5,584)	(5,584)	(5,584)	(5,584)	(86,061)	(110,484)	7
Bank Charges and POS Transaction Fees	(70,471)	(5,290)	(5,290)	(5,478)	(5,374)	(5,374)	(5,374)	(5,374)	(4,369)	(4,369)	(4,369)	(4,369)	(4,369)	(5,370)	(5,370)	(5,370)	(5,370)	(80,880)	(151,351)	
HST (Payable)/Refund	(25,567)	-	-	(51,306)	-	-	-	-	(64,652)	-	-	-	(40,371)	-	-	-	(43,228)	(199,556)	(225,123)	
Administrative and Miscellaneous	(57,366)	(7,476)	(7,476)	(7,314)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(76,897)	(121,930)	(179,296)	8
Professional Fees																				
Monitor and Monitor's Legal Fees	(40,424)	(10,000)	(20,000)	(2,500)	(2,500)	(10,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(72,500)	(112,924)	
Company Legal Fees	(6,739)	(10,000)	(30,000)	(3,000)	(3,000)	(20,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(99,000)	(105,739)	
Accounting and Advisory Services	(46,687)	(3,000)	(2,000)	(1,000)	(2,100)	(3,150)	(3,850)	(3,850)	(3,150)	(3,150)	(3,150)	(3,150)	(4,550)	(4,550)	(3,150)	(3,150)	(1,050)	(48,000)	(94,687)	
Total Cash Disbursements	**(4,917,150)**	**(467,744)**	**(680,466)**	**(490,017)**	**(533,435)**	**(393,984)**	**(535,183)**	**(370,182)**	**(754,590)**	**(442,662)**	**(607,662)**	**(255,322)**	**(730,204)**	**(462,643)**	**(547,389)**	**(382,389)**	**(675,084)**	**(8,328,955)**	**(13,246,105)**	
Net Cash Flow	**915,350**	**123,632**	**(120,493)**	**84,834**	**(18,682)**	**127,203**	**(8,849)**	**160,270**	**(220,843)**	**73,242**	**(106,032)**	**234,889**	**(249,129)**	**11,124**	**(59,084)**	**117,546**	**(275,845)**	**(126,216)**	**789,134**	
Operating Line - Opening	**(4,930,567)**	**(4,015,217)**	**(3,891,586)**	**(4,012,078)**	**(3,927,244)**	**(3,945,926)**	**(3,818,723)**	**(3,827,572)**	**(3,667,302)**	**(3,888,145)**	**(3,814,903)**	**(3,920,935)**	**(3,686,046)**	**(3,935,175)**	**(3,924,050)**	**(3,983,134)**	**(3,865,588)**	**(4,015,217)**	**(4,930,567)**	
Net Cash Flow	915,350	123,632	(120,493)	84,834	(18,682)	127,203	(8,849)	160,270	(220,843)	73,242	(106,032)	234,889	(249,129)	11,124	(59,084)	117,546	(275,845)	(126,216)	789,134	
Operating Line - Closing	**(4,015,217)**	**(3,891,586)**	**(4,012,078)**	**(3,927,244)**	**(3,945,926)**	**(3,818,723)**	**(3,827,572)**	**(3,667,302)**	**(3,888,145)**	**(3,814,903)**	**(3,920,935)**	**(3,686,046)**	**(3,935,175)**	**(3,924,050)**	**(3,983,134)**	**(3,865,588)**	**(4,141,433)**	**(4,141,433)**	**(4,141,433)**	
Less: Borrowing Base	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	(4,931,000)	
Line of Credit Liquidity	915,783	**1,039,414**	**918,922**	**1,003,756**	**985,074**	**1,112,277**	**1,103,428**	**1,263,698**	**1,042,855**	**1,116,097**	**1,010,065**	**1,244,954**	**995,825**	**1,006,950**	**947,866**	**1,065,412**	**789,567**	**789,567**	**789,567**	

Disclaimers:

1. This statement of projected cash flow (the "**BEI - Revised Cash-Flow Projection**" or, the "**Forecast**") of Big Erics Inc. ("**BEI**") is prepared by the debtor in accordance with s. 23(1)(b) of the *Companies Creditors' Arrangement Act* ("**CCAA**").

2. The Company has prepared this forecast (the "**BEI - Revised Cash Flow Projection**"), on probable and hypothetical assumptions that reflect BEI's planned course of action for the period of 16 weeks. Management is of the opinion that, as at the date of the BEI - Revised Cash Flow Projection, the assumptions used to develop the projection represent the most probable set of economic conditions facing BEI and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the BEI - Revised Cash Flow Projection.

3. The BEI - Revised Cash Flow Projection has been prepared by BEI and has been reviewed by Grant Thornton Limited in its capacity as Monitor (the "**Monitor**"). The Monitor has not verified or confirmed certain expenses incurred by BEI which are reflected in this Forecast.

4. The information contained in the Forecast is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. The BEI - Revised Cash Flow Projection should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances. All figures included in the BEI - Revised Cash Flow Projection are presented in Canadian dollars.

Notes to the Cash-Flow Projection:

1. The purpose of the BEI - Revised Cash Flow Projection is to estimate the liquidity requirement of BEI. BEI utilizes a Revolving Credit Facility ("**Operating Line**") with the Bank of Montreal ("**BMO**"). BMO has advised the Company that the current borrowing limit of the Operating Line as of the date of the Forecast is $4,931,000.

2. The BEI - Revised Cash-Flow Projection is presented on a weekly basis from September 11, 2023 to December 29, 2023 (the "**BEI - Revised Cash-Flow Period**"). The BEI - Revised Cash-Flow Projection represents Management's best estimate of the results of its operations during the BEI - Revised Cash-Flow Period.

3. BEI invoices upon a customer receipt of goods and services. Collection of accounts receivable includes collection of existing accounts receivable and future revenues to be invoiced. Collection is based on historical patterns and reflect payment terms, which vary based on the customer. Management has been communicating with BEI's customers and believe that collection of receivables as contemplated during the BEI - Revised Cash Flow Period is attainable.

4. Payroll costs represent gross payroll, statutory remittances to CRA for employee source deductions and pension costs.

5. The Key Employee Retention Plan ("**KERP**") payments are as approved by the Supreme Court of Newofundland and Labrador pursuant to the Amended and Restated Initial Order ("**ARIO**") dated August 25, 2023.

6. Warehouse Expenses includes freight (net of recovery from customers), repairs and maintenance to BEI's leased premises and other related expenditures.

7. Selling Expenses includes advertising, car and travel allowances to the travelling sales employees and other related expenditures.

8. Administrative and Miscellaneous includes office supplies, IT costs and other sundry expenditures.

As of September 20, 2023

Big Erics Inc.

DocuSigned by:

Bill Barlett

Per: A820571B75A64EF...

Bill Barlett, CPA, CA
Chief Financial Officer

Grant Thornton Limited, in its capacity as Monitor

DocuSigned by:

Phil Clarke

Per: 4EAEC93777BC456...

Phil Clarke, CPA, CA, CIRP, LIT
Senior Vice President