2023 01G
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. and Terra Nova Old Port Foods Inc.

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.)

AFFIDAVIT

I, **BILL BARLETT,** of Halifax, in the province of Nova Scotia, **MAKE OATH AND SAY**:

1. I am the chief financial officer ("**CFO**") of each of the applicants, Big Erics Inc. ("**BEI**") and Terra Nova Old Port Foods Inc. ("**TNOPFI**" collectively with BEI, the "**Applicants**" or each an "**Applicant**"). Accordingly, I have personal knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

2. On 03 July 2023, the Applicants filed Notices of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the "**BIA**") and Grant Thornton Ltd. ("**GTL**") was appointed as proposal trustee (the "**Proposal Trustee**").

3. This affidavit is sworn in support of the Applicants' request for an Order (the "**Initial Order**"), among other things, continuing the NOI proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**"), and appointing GTL as the court-appointed monitor of the Applicants (in such capacity, the

"**Proposed Monitor**") in the CCAA proceedings, in order to facilitate the restructuring of the Applicants for the benefit of all stakeholders.

4. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.

I. OVERVIEW OF THE APPLICANTS

A. The Business of the Applicants

5. The Applicants are a part of a corporate group (the "**Debtor Group**") which have common ownership and share certain human resources, including my role as CFO for both companies, Chair of the Board for both companies, and an IT Manager. The main business engaged in by BEI is the buying and sale of kitchen, restaurant and janitorial equipment and supplies, to both commercial and residential customers, while the main business of TNOPFI is the manufacture and sale of protein products (i.e. beef and pork products), the sale of third party producers finished food products, the production and sale of white labelled food products for clients, and the general buying and selling of food products. We refer to the business of the Debtor Group herein collectively as the "**Business**". A copy of the Debtor Group organizational chart is appended hereto as **Exhibit "A"**.

(i) Big Erics Inc.

6. BEI is a corporation registered under the *Canadian Business Corporations Act* (the "**CBCA**") with its registered head office in Newfoundland and Labrador located at Suite 1100, 235 Water Street, St. John's, NL A1C 1B6 and maintains operations throughout the Atlantic Provinces region and beyond, with warehouse, management and distribution locations in St. John's, Newfoundland and Labrador, and Dartmouth, Nova Scotia. A copy of the Corporate Profile Report of BEI is appended hereto as **Exhibit "B"**.

(ii) Terra Nova Old Port Foods Inc.

7. TNOPFI is a corporation registered under the CBCA with its registered head office in Newfoundland and Labrador located at Suite 1100, 235 Water Street, St. John's, NL A1C 1B6 and maintains operations primarily throughout the Atlantic Provinces region from its production facility, ambient and cold temperature storage warehouse, management, and distribution facilities located in 49 James Lane, St. John's, Newfoundland and Labrador.

A copy of the Corporate Profile Report of TNOPFI is appended hereto as **Exhibit "C".**

B. Employees & Pension Plans

8. As of the date of this affidavit, the Applicants have approximately 90 employees. All of the Applicants' employees are employed by either BEI or TNOPFI. Of the active employees, 18 of those who work for TNOPFI are unionized through Unifor.

9. The Applicants have a registered pension plan for the employees with Manulife. The pension plan is paid up to 30 June 2023.

C. Cash Management

10. The Applicants maintain chequing accounts at Bank of Montreal ("**BMO**") for their day-to-day cash management requirements and to deposit receipts from customers. BEI also maintains a BMO US dollar account where deposits and withdrawals are made in US dollars.

11. The Applicants also have corporate Mastercard credit cards through BMO with a combined credit limit of $150,000.00. As at the date of this affidavit, the consolidated credit card balance is approximately $46,000.00.

12. Wayne Myles, Joan Myles, Nicole Myles Brook, Stuart Pallister, and I are signing officers on the bank accounts for BEI. Wayne Myles, Joan Myles, Hutson Myles, Ingo Eckholdt, Sheila Nugent and I are signing officers on the bank accounts for TNOPFI. I am advised by the Proposal Trustee that, if appointed as Monitor, he will continue to monitor the receipts and disbursements from the Applicants' bank accounts during the CCAA proceeding in its capacity as Monitor.

II. EVENTS LEADING UP TO THIS APPLICATION

13. The Debtor Group has been in business for more than 75 years. The current financial issues with the Debtor Group can be primarily attributed to the unforeseen, devastating and other diverse impacts and losses occasioned by the Covid-19 Pandemic which began in March 2020.

14. Starting in March 2020, the Debtor Group (like many of its customers, suppliers, and

other businesses) faced an unprecedented and unpredictable financial and operational impact due to the COVID 19 pandemic. Given both of the Applicants' extensive involvement in and business with the restaurant, food service, hospitality and commercial building maintenance industries, the nationwide shutdown and sporadic openings of bars, restaurants, the hospitality and other commercial businesses and facilities, coupled with the stay-at-home orders issued across the country, took a significant toll on the Debtor Group's Business. Due to worldwide supply chain disruptions, the construction of new kitchen projects for businesses affected to lesser degrees by COVID 19 restrictions, also came to an abrupt halt. The loss of this important source of new customers and business for BEI was devasting as new projects were either cancelled or delayed but have shown significant improvement in Q4 of 2022 and are an important source of current growth for BEI.

15. As a result of the severe and diverse impacts of Covid 19, the Debtor Group's turned to government wage support programs, Federal government loan guarantee programs, and were also supported by private loans. This is reflected in this filing with reference to the EDC BCAP loan and Mezzanine Debt (defined below).

16. At this juncture, the Debtor Group is now faced with another material challenge with the increasing debt service costs occasioned by soaring interest rates and the material impacts of inflation, both impacting their operations directly but likewise virtually all of their customers and suppliers. The monthly costs of supporting the government guaranteed loans obtained during the Covid 19 period, and the Debtor Groups ordinary course business loans with BMO, have now increased up to approximately 167%, beyond any predictable interest rate levels that could have been contemplated when the loans were entered into by the Debtors.

17. As of the date of filing, the government guaranteed loans programs alone required the Debtor Group to pay very large principal payments and much heavier than expected payments of guarantee fees and interest.

III. ASSETS AND LIABILITIES

A. Financial Statements of the Applicants

18. The Applicants do not maintain consolidated financial statements. However, recent

internal, unaudited financial statements for 2021 are available for BEI and TNOPFI.

19. A copy of 2021 financial statements for BEI are appended hereto as **Exhibit "D"**. A copy of the 2021 financial statements for TNOPFI are appended hereto as **Exhibit "E"** (collectively, the "**2021 Financial Statements**").

20. The 2022 internal draft financial statements for BEI, in the form as previously provided to BMO, is appended hereto as **Confidential Exhibit "F"**. A copy of the 2022 internal draft financial statements for TNOPFI, in the form as previously provided to BMO, is appended hereto as **Condiential Exhibit "G"** (collectively, the "**2022 Internal Draft Financial Statements**"). The 2022 Internal Draft Financial Statements are being submitted on a confidential basis pursuant to s.10(3) of the CCAA.

21. The Applicants' financial statements are prepared on an accrual basis in accordance with Canadian Generally Accepted Accounting Principles ("**GAAP**"). According to the 2021 Financial Statements, as of 31 December 2021 the Applicants held total assets of approximately $15.4 million, including accounts receivable.

(i) Equipment

22. The 2021 Financial Statements state the aggregate value of the Applicants' equipment as approximately $0.952 million.

(ii) Accounts Receivable

23. The Debtor Group accounts receivable as of the filing date, being the aggregate amount of accounts receivable of both BEI and TNOPFI was $3.64 million as of 03 July 2023.

B. Secured Obligations of the Applicants

24. Other than certain equipment lessors, the applicants have two primary secured lenders; (i) BMO, who are party to various credit agreements with the Debtor Group as further detailed below (the "**BMO Credit Agreements**"); and (ii) certain mezzanine (the "**Mezzanine Lenders**"), represented by Wayne and Joan Myles as Collateral Agents for one or more lenders or their assignees (as determined from time to time), pursuant to a Loan Agreement (the "**Mezzanine Debt Credit Agreements**") between the Mezzanine Lenders, the Debtor Group and Lighthouse Capital Atlantic Inc. ("LCAI"), as further detailed below.

25. Pursuant to the BMO Credit Agreements, BMO extended the following credit facilities (collectively, the "**BMO Credit Facility**") to the Applicants as co-borrowers, jointly and severally in the aggregate amount of $10.7 million.

26. Pursuant to the Mezzanine Debt Credit Agreements, the Mezzanine Lenders extended demand secured credit facilities (collectively, the "**Mezzanine Debt Facility**") to the Applicants and LCAI, jointly and severally, and the balance owing under the Mezzanine Debt Facility as of 03 July 2023 was $1.9 million.

27. In total, the Debtor Group is currently indebted to BMO in the total amount of approximately $10.7 million, with accrued interest paid up to and including 30 June 2023 and the Mezzanine Lenders approximately $1,938,652.28, while interest was due to be paid monthly to the Mezzanine Lenders, the last interest paid was to them was on December 30, 2022. LCAI has provided BMO with a guarantee of a limited amount and scope in respect of the BMO indebtedness.

C. Unsecured Obligations

28. As at the date of this affidavit, in aggregate the Applicants, either as borrower or guarantor, owe BMO, on the loan guaranteed by Export Development Canada ("**EDC**") approximately $4,400,000.00 million (included in the BMO debt described in paragraphs 24 and 26 above) under the Covid-19 related Business Credit Availability Program (the "**BCAP Loan**"). The BCAP Loan is secured by the existing BMO security provided under the BMO Credit Facilities.

29. I am not aware of any registered security held directly by EDC.

30. In addition to the secured debt, the Applicants also have various unsecured shareholder loan obligations, unsecured trade and other payables.

31. The Debtor Group is up to date on remittances of HST and source deductions.

D. Continuing and Ordinary Course Obligations

(i) Vendors and Suppliers

32. The Debtor Group relies on various vendors and suppliers to operate the Business. As

of the date hereof, the Debtor Group has approximately $3,314,389 in ordinary course unsecured trade liabilities.

33. The Applicants expect to be able to continue to make payments to vendors and suppliers providing post-filing services during the proposed CCAA Proceedings. It is possible that the Applicants may require a debtor in possession loan (a "**DIP Loan**") and I am still working with the Applicants management team and advisors to determine our needs in that regard.

(ii) Employee Obligations

34. As at the date of this Affidavit, the Applicants employ approximately 90 employees who are paid biweekly in the normal course. The Debtor Group is current on all employee payments, including source deductions and remittances.

IV. CASH FLOW FORECAST

35. The Debtor Group, with the assistance of the Proposed Monitor, has prepared a weekly projected cash flow forecast of the Applicants for the initial period of the CCAA filing, through a thirteen-week (13) period, up to 30 September 2023 (the "**CCAA Cash Flow Forecast**"). The CCAA Cash Flow Forecast will be appended to the First Report of the Proposal Trustee to be filed prior to the return date of this motion.

36. The CCAA Cash Flow Forecast will demonstrate that if the relief requested is granted on the terms described herein, the Debtor Group will have sufficient liquidity to meet its obligations during the initial period of the CCAA filing. As noted, the Debtor Group are considering whether DIP financing will be required to maintain normal course purchasing of product and other expenses during the CCAA period.

V. COMMENCEMENT OF RESTRUCTURING PROCEEDINGS

A. Rationale for Commencement

37. These NOI proceedings were initiated by the Applicants in response to threats made by BMO that they intended to enforce their security.

38. In a written communication received on 21 June 2023 the Debtor Group was informed

that BMO intended to serve demands and a notice of intention to enforce security pursuant to s. 244 of the BIA to TNOPFI and LCAI. At or about the same time, the Debtor Group was informed that BMO was cutting the available credit on the revolving facility by approximately $3,000,000.00 and that a temporary special accommodation facility of approximately $900,000.00 may not be continued beyond June 30, 2023. The Debtor Group was also advised that BMO would require TNOPFI, BEI and LCAI to enter into a forbearance agreement and to obtain various waivers and subordinations from other entities, including landlords, Mezzanine Lenders and the 3rd party mortgage lender of a landlord. While BMO was aware that various informal accommodations had been provided by landlords and the Mezzanine Lenders, they were previously informed that formal waivers and subordinations were not available, and yet they continued to impose that condition. At a meeting with the Debtor Group and others on June 30, 2023, BMO again indicated they would issue the demands and notices on the next available business day (being 04 July 2023), would not reinstate the $3,000,000.00 reduction in the limit on the revolving credit facility and would not continue the special credit facility of up to $900,000.00 beyond June 30, 2023. BEI and TNOPFI initiated the NOI proceedings on 03 July 2023. Consistent with their threat of issue demands, BMO issued a formal demand letter to the guarantor, LCAI, on or about 04 July 2023.

VI. OBJECTIVES OF CCAA FILING

A. Continuation of NOI Proceedings Under the CCAA

39. The Applicants seek to continue the restructuring efforts initiated through these NOI proceedings pursuant to s. 11.6 of the CCAA. The continuation of this proceeding under the CCAA will, among other things:

(a) permit the Applicants to continue carrying on their respective Business operations and to continue to solicit going concern investment offers through a continuing formal investment solicitation process;

(b) avoid the devastating effects of bankruptcy and liquidation, which is avoidable if the proceedings are permitted to continue under the CCAA. The value in each Business is derived from purchasing and sales contracts and going-concern nature of the operations. A bankruptcy or liquidation would destroy significant value for stakeholders and result in a material loss of employment for the

Applicants' employees; and

(c) preserve the *status quo* while attempts are made to maximize value for stakeholders.

40. Prior to commencing the NOI proceedings, the Applicants undertook and were conducting a formal process by discretely soliciting and negotiating with known market participants who may be interested in acquiring an interest in the Business (the "**Formal Investment Process**"). The accounting firm of Noseworthy Chapman assisted the Debtor Group in this Formal Investment Process.

41. The Applicants' immediate objectives in this CCAA proceeding will be: (i) stabilize operations and ensure customers and suppliers are secured through a discussion and explanation of the CCAA proceeding; and (ii) to formally canvass the market for investors in or, if deemed most viable, purchasers of each of the Business as a going-concern through a court-supervised continuation of the Formal Investment Process.

42. I am also advised by counsel and do believe that the CCAA process is not subject to the strict timeframes applicable under the current BIA proposal process, which deem the Applicants bankrupt upon the expiry of time or if a material proposal falls through.

43. Most critically, the CCAA will allow the Debtor Group the flexibility to deal with its restructuring without a strict 6-month timeline.

44. Considering the Debtor Group's demonstrated viability as a going concern, a bankruptcy and liquidation are not commercially reasonable. I believe that it is appropriate for these proceedings to continue under the CCAA in order to maximize value for all stakeholders.

VII. RELIEF BEING SOUGHT

A. Appointment of the Monitor

45. GTL has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval. A copy of the Proposed Monitor's consent is attached hereto as **Exhibit "H"**. I am advised by Phil Clarke, Partner with GTL, that GTL is a trustee within the meaning of section 2 of the BIA and is not subject to any of the restrictions on who may be appointed as a monitor as set out in section 11.7(2) of the CCAA.

B. Continued Stay of Proceedings

46. In order to permit the Debtor Group to continue operating as a going-concern while it pursues a restructuring, the Applicants are seeking an order that the NOI stay of proceedings provided under the BIA be continued under s. 11.6 of the CCAA up to and including the 30 of September 2023.

47. The requested stay will provide the Applicants with the breathing room necessary to implement and conclude the Formal Investment Process without having to return to Court to seek a further extension of the stay during the Formal Investment Process.

C. Administration Charge

48. In connection with the First Stay Order the Applicants seek an administration charge over the assets, property, and undertakings of the Applicants up to a maximum amount of $300,000 (the "**Administration Charge**"). It is proposed that the Administration Charge will be granted a priority ranking over all other charges.

49. It is contemplated that the Proposed Monitor, along with its counsel and the Applicants' counsel along with Noseworthy Chapman will continue to be involved during the CCAA proceedings. These professionals have contributed and will continue to contribute to the restructuring of the Applicants, and it is requested that their respective reasonable fees and expenses be covered by the Administrative Charge.

VIII. CONCLUSION

50. The Applicants seek to convert the NOI proceeding to a CCAA proceeding to permit them additional time to conduct the Formal Investment Process to preserve jobs while maximizing the value for their stakeholders and creditors. I believe that converting the NOI proceeding to a proceeding under the CCAA will allow the Applicants sufficient breathing room to achieve an orderly restructuring that would not be possible under the 6-month deadline imposed by the BIA for proposals.

[signature page follows]

SWORN before me by video conference at the city of St. John's in the Province of Newfoundland and Labrador this 11 day of July 2023:	**Name:**
	Bill Barlett
A Commissioner for Taking Affidavits	**BILL BARLETT**

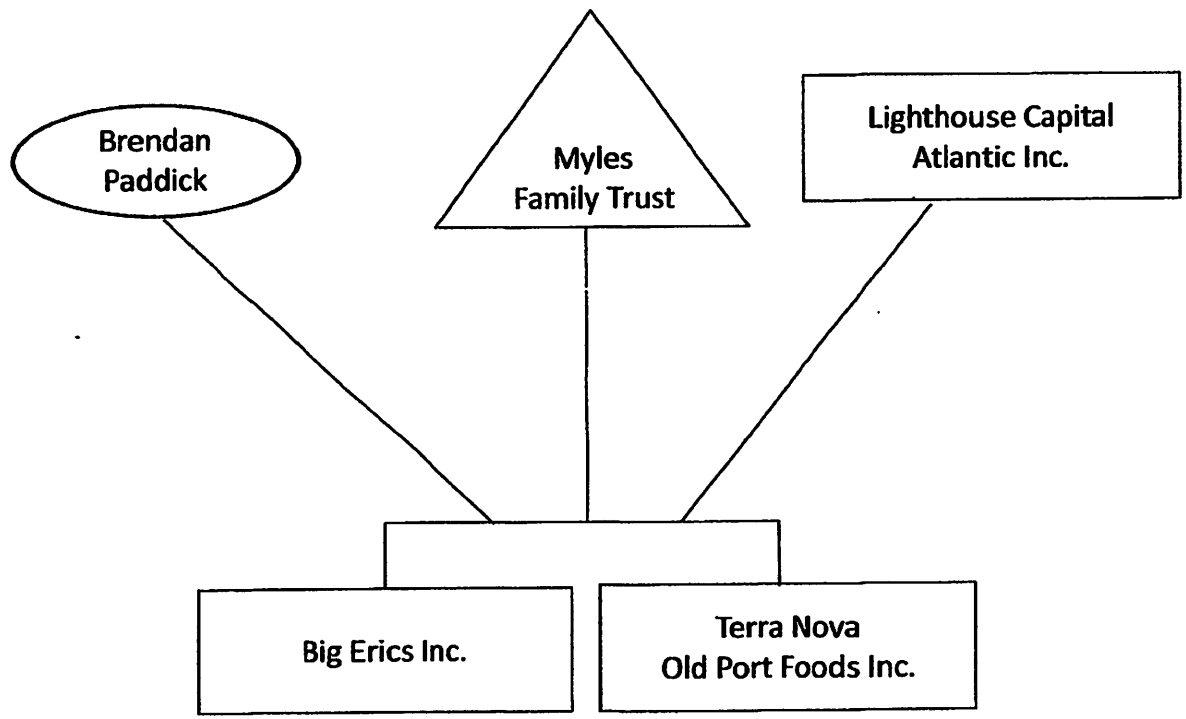
Darren D. O`Keefe, B.C.L, LL.B
Barrister, Solicitor, Notary Public
Newfoundland & Labrador, Canada

This is Exhibit "A" to the affidavit of Bill Butler sworn before me on the 11 day of July 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of Newfoundland and Labrador and Nova Scotia

EXHIBIT "A"

Big Erics/Terra Nova Old Port Foods Corporate Structure March 2023



This is Exhibit "B" to the affidavit of Bill Barrett sworn before me on the 11 day of July 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of Newfoundland and Labrador and Nova Scotia

EXHIBIT "B"

Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2023-07-11 4:18 PM	(AAAA-MM-JJ) Date et heure du Profil corporatif

CORPORATE INFORMATION / RENSEIGNEMENTS CORPORATIFS

Corporate name / **Dénomination**

Big Erics Inc.

Corporation number 1153350-9 **Numéro de société ou d'organisation**

Business number 879569010RC0003 **Numéro d'entreprise**

Governing legislation / **Régime législatif**

Canada Business Corporations Act (CBCA) - 2019-07-24

Loi canadienne sur les sociétés par actions (LCSA) - 2019-07-24

Status / **Statut**

Active

Active

REGISTERED OFFICE ADDRESS / ADRESSE DU SIÈGE

Cox & Palmer, Scotia Centre, Suite 1100, 235 Water Street
St. John's NL A1C 1B6
Canada

ANNUAL FILINGS / DÉPÔTS ANNUELS

Anniversary date (MM-DD) 07-24 **(MM-JJ) Date anniversaire**

Filing period (MM-DD) 07-24 to/au 09-22 **(MM-JJ) Période de dépôt**

Status of annual filings / **Statut des dépôts annuels**

Not due	2023	N'est pas dû
Filed	2022	Déposé
Filed	2021	Déposé

Date of last annual meeting (YYYY-MM-DD) 2022-06-28 **(AAAA-MM-JJ) Date de la dernière assemblée annuelle**

Type / **Type**

Non-distributing corporation with 50 or fewer shareholders

Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins

DIRECTORS		**ADMINISTRATEURS**
Minimum number	1	**Nombre minimal**
Maximum number	9	**Nombre maximal**
Current number	4	**Nombre actuel**

Brendan Paddick	54 Fortune Bay Inlet, PO Box F-42498, Free Port, Grand Bahama 42498, Bahamas
Joan Myles	1 Chemin de la Pointe, Grand-Digue NB E4R 4C6, Canada
Nicole Myles Brook	1561 Henry Street, Halifax NS B3H 3K1, Canada
Wayne Myles	93 Water Street, St. John's NL A1C 1A5, Canada

CORPORATE HISTORY — **HISTORIQUE CORPORATIF**

Corporate name history (YYYY-MM-DD) — (AAAA-MM-JJ) **Historique de la dénomination**

2019-07-24 to present / à maintenant — Big Erics Inc.

Certificates issued (YYYY-MM-DD) — (AAAA-MM-JJ) **Certificats émis**

Certificate of Continuance
Previous jurisdiction:
Newfoundland and Labrador

2019-07-24 Certificat de prorogation
Juridiction précédente :
Terre-Neuve-et-Labrador

Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.

Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.

Documents filed (YYYY-MM-DD) — (AAAA-MM-JJ) **Documents déposés**

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.

Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.

This is Exhibit "C" to the affidavit of Bill Butler sworn before me on the 11 day of Feb 20 23.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador and Nova Scotia

EXHIBIT "C"

Corporations Canada
C. D. Howe Building
235 Queen St
Ottawa ON K1A 0H5

Corporations Canada
Édifice C.D.Howe
235 rue Queen
Ottawa ON K1A 0H5

Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2023-07-11 4:20 PM	(AAAA-MM-JJ) Date et heure du Profil corporatif

CORPORATE INFORMATION — RENSEIGNEMENTS CORPORATIFS

Corporate name — **Dénomination**

Terra Nova Old Port Foods Inc.

Corporation number 1153361-4 **Numéro de société ou d'organisation**

Business number 720146281RC0001 **Numéro d'entreprise**

Governing legislation — **Régime législatif**

Canada Business Corporations Act (CBCA) - 2019-07-24

Loi canadienne sur les sociétés par actions (LCSA) - 2019-07-24

Status — **Statut**

Active

Active

REGISTERED OFFICE ADDRESS — ADRESSE DU SIÈGE

Cox & Palmer, Scotia Centre, Suite 1100, 235 Water Street
St. John's NL A1C 1B6
Canada

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Filed	2021	Déposé

Date of last annual meeting (YYYY-MM-DD) 2022-06-28 **(AAAA-MM-JJ) Date de la dernière assemblée annuelle**

Type — **Type**

Non-distributing corporation with 50 or fewer shareholders

Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins

DIRECTORS		ADMINISTRATEURS
Minimum number	1	Nombre minimal
Maximum number	5	Nombre maximal
Current number	4	Nombre actuel

Joan Myles	1 Chemin de la Pointe, Grand-Digue NB E4R 4C6, Canada
Brendan Paddick	54 Fortune Bay Inlet, PO Box F-42498, Freeport, Grand Bahama 42498, Bahamas
F. Hutson Myles	63 Ennis Avenue, St. John's NL A1A 1Y7, Canada
Wayne Myles	93 Water Street, St. John's NL A1C 1A5, Canada

CORPORATE HISTORY — **HISTORIQUE CORPORATIF**

Corporate name history (YYYY-MM-DD) — (AAAA-MM-JJ) **Historique de la dénomination**

2019-07-24 to present / à maintenant — Terra Nova Old Port Foods Inc.

Certificates issued (YYYY-MM-DD) — (AAAA-MM-JJ) **Certificats émis**

Certificate of Continuance Previous jurisdiction: Newfoundland and Labrador	2019-07-24	Certificat de prorogation Juridiction précédente : Terre-Neuve-et-Labrador

Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.

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Documents filed (YYYY-MM-DD) — (AAAA-MM-JJ) **Documents déposés**

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.

Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.

This is Exhibit "D" to the affidavit of Bill Barrett sworn before me on the 11 day of Jan 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of Newfoundland and Labrador and Nova Scotia

EXHIBIT "D"

BIG ERICS INC.

Non-Consolidated Financial Statements

Year Ended December 31, 2021

BIG ERICS INC.
Index to Non-Consolidated Financial Statements
Year Ended December 31, 2021

NOSEWORTHY CHAPMAN
chartered professional accountants

A: Suite 201, 516 Topsail Rd / St. John's NL / A1E 2C5
T: 709.364.5600 F: 709.368.2146 W: noseworthychapman.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders of Big Erics Inc.

We have reviewed the accompanying non-consolidated financial statements of Big Erics Inc. (the company) that comprise the non-consolidated balance sheet as at December 31, 2021, and the non-consolidated statements of loss and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises (ASPE), and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-consolidated financial statements do not present fairly, in all material respects, the non-consolidated financial position of Big Erics Inc. as at December 31, 2021, and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in accordance with ASPE.

Noseworthy Chapman

Chartered Professional Accountants
St. John's, NL
June 28, 2022

BIG ERICS INC.

Non-Consolidated Balance Sheet

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Accounts receivable	$ 1,731,107	$ 2,218,446
Inventory	4,436,928	3,986,154
Income taxes recoverable	-	129,774
Prepaid expenses	107,769	18,673
Due from related party *(Note 4)*	192,639	305,504
	6,468,443	6,658,551
CAPITAL ASSETS *(Note 5)*	772,434	1,037,810
LONG TERM INVESTMENT *(Note 6)*	74,505	75,700
FUTURE INCOME TAXES	1,024,843	593,223
GOODWILL	2,846,596	2,846,596
	$ 11,186,821	$ 11,211,880
LIABILITIES		
CURRENT		
Bank indebtedness *(Note 7)*	$ 2,319,040	$ 727,938
Accounts payable	1,889,144	2,438,756
Government remittances payable	23,843	66,462
Due to related parties *(Note 4)*	211,952	237,329
Callable debt due in one year *(Note 8)*	866,671	66,667
	5,310,650	3,537,152
Callable debt due thereafter *(Note 8)*	2,333,329	3,133,333
	7,643,979	6,670,485
LONG TERM DEBT *(Note 9)*	1,799,745	1,799,745
DUE TO RELATED PARTIES *(Note 4)*	4,450,000	4,450,000
RETRACTABLE SHARES LIABILITY *(Note 10)*	1,002,341	-
	14,896,065	12,920,230
CONTINGENT LIABILITIES *(Note 7)*		
LEASE COMMITMENTS *(Note 11)*		
SHAREHOLDERS' DEFICIENCY		
Share capital (redemption value of preferred shares $Nil; 2020: $1,002,341) *(Note 12)*	20	157
Deficit	(2,707,060)	(1,708,507)
Retractable shares offset *(Note 10)*	(1,002,204)	-
	(3,709,244)	(1,708,350)
	$ 11,186,821	$ 11,211,880

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

See notes to financial statements

BIG ERICS INC.
Non-Consolidated Statement of Loss and Deficit
Year Ended December 31, 2021

	2021	2020
SALES	**$ 15,309,931**	$ 20,247,269
COST OF SALES	**11,084,808**	14,933,321
GROSS PROFIT *(28%; 2020 - 26%)*	**4,225,123**	5,313,948
EXPENSES		
Warehouse and distribution *(Schedule 1)*	**899,911**	1,003,243
Selling (*Schedule 2*)	**2,457,257**	2,299,496
Administration *(Schedule 3)*	**3,436,923**	4,168,057
	6,794,091	7,470,796
LOSS FROM OPERATIONS	**(2,568,968)**	(2,156,848)
OTHER INCOME		
Canada Emergency Wage Subsidy *(Note 13)*	**913,523**	1,263,487
Canada Emergency Rent Subsidy *(Note 13)*	**216,057**	-
Gain on disposal of capital assets	**10,410**	13,754
	1,139,990	1,277,241
LOSS BEFORE INCOME TAXES (RECOVERED) AND EQUITY IN INCOME (LOSS) OF SUBSIDIARY	**(1,428,978)**	(879,607)
INCOME TAXES RECOVERY - FUTURE	**(431,620)**	(268,211)
LOSS BEFORE EQUITY IN INCOME (LOSS) OF SUBSIDIARY	**(997,358)**	(611,396)
EQUITY IN INCOME (LOSS) OF SUBSIDIARY *(Note 6)*	**(1,195)**	(23,849)
NET LOSS	**(998,553)**	(635,245)
DEFICIT - BEGINNING OF YEAR	**(1,708,507)**	(1,073,262)
DEFICIT - END OF YEAR	**$ (2,707,060)**	$ (1,708,507)

See notes to financial statements

BIG ERICS INC.

Non-Consolidated Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from customers	**$ 15,797,269**	$ 24,446,969
Cash paid to suppliers and employees	**(18,059,466)**	(23,146,854)
Income taxes recovered	**129,774**	-
Interest paid	**(688,964)**	(574,041)
Canada Emergency Wage Subsidy *(Note 13)*	**913,523**	1,263,487
Canada Emergency Rent Subsidy *(Note 13)*	**216,057**	-
Cash flow (used by) from operating activities	**(1,691,807)**	1,989,561
INVESTING ACTIVITIES		
Purchase of capital assets	**(4,998)**	(4,578)
Proceeds on disposal of capital assets	**18,215**	65,668
Cash flow from investing activities	**13,217**	61,090
FINANCING ACTIVITIES		
Advances from (to) related parties	**87,488**	(1,132,963)
Proceeds from callable debt financing	**-**	3,200,000
Proceeds from long term financing	**-**	1,449,745
Increase (decrease) in bank indebtedness	**1,591,102**	(5,567,433)
Cash flow from (used by) financing activities	**1,678,590**	(2,050,651)
INCREASE IN CASH	**-**	-
Cash - beginning of year	**-**	-
CASH - END OF YEAR	**$ -**	$ -

See notes to financial statements

1. DESCRIPTION OF BUSINESS AND COVID-19

Big Erics Inc. (the "company") is incorporated under the Canada Business Corporations Act. The company operates sanitation and janitorial supply businesses as well as food service and equipment supply and services businesses throughout the Atlantic provinces.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the company's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the company's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The non-consolidated financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment and software	30%	declining balance method
Leasehold improvements	20%	declining balance method
Paving	8%	declining balance method

Long term investment

The company's investment in Mack Restaurant and Kitchen Services Inc. of which it owns 100% of the outstanding shares is accounted for by the equity method. Accordingly, the investment is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and dividends received.

When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale. Such impairments can be subsequently reversed if value subsequently improves.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Future income taxes

Income taxes are reported using the future income taxes method, as follows: current income tax expense is the estimated income taxes payable for the current year after any refunds or the use of losses incurred in previous years, and future income taxes reflect:

- the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes; and
- the benefit of unutilized tax losses that will more likely than not be realized and carried forward to future years to reduce income taxes.

Future income taxes are estimated using the rates enacted by tax law and those substantively enacted for the years in which future income tax assets are likely to be realized, or future income tax liabilities settled. The effect of a change in tax rates on future income tax assets and liabilities is included in earnings in the period when the change is substantively enacted.

Goodwill

Goodwill, arising on the acquisition of a business, represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets and liabilities of the business recognized at the date of acquisition. Goodwill is initially recognized at cost and is subsequently measured at cost less any impairment losses. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Special and preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

The fair value of non-interest bearing long term amounts due to related parties is less than carrying value because the amounts are non-interest bearing. However, because the amounts have no fixed repayment terms, the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The company recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Government assistance

Government assistance for current expenses is recorded as other income.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Examples of significant estimates include: the amortization of capital assets including the estimated useful lives of capital assets, the allowance for doubtful accounts, the allowance for inventory obsolescence and the recoverability of long term investments.

3. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers, callable debt, long-term debt and accounts payable.

(continues)

3. FINANCIAL INSTRUMENTS *(continued)*

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The company is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its floating interest rate credit facilities.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant other price risks arising from these financial instruments.

4. RELATED PARTIES

	2021	2020
Related party transactions		
Lighthouse Realty Atlantic Inc.		
(Subject to common control)		
Rent expense	$ **195,315**	$ 195,315
Interest expense	**217,466**	188,946
Terra Nova Old Port Foods Inc.		
Subject to common control		
Management, accounting, and data processing fees recovery	$ **153,454**	$ 214,637
Rent expense	**16,200**	16,200

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due from/to related parties

	2021	2020
Current portion due from related party		
Terra Nova Old Port Foods Inc.	$ **192,639**	$ 305,504

(continues)

4. RELATED PARTIES *(continued)*

	2021	2020
Current portion due to related parties		
Lighthouse Capital Atlantic Inc.	$ 200,410	$ 225,787
Mack Restaurant and Kitchen Services Inc.	11,542	11,542
	211,952	237,329
Long term portion due to related parties		
Lighthouse Capital Atlantic Inc.	4,250,000	4,250,000
Directors	200,000	200,000
	4,450,000	4,450,000
	$ 4,661,952	$ 4,687,329

The current portion of amounts due from/to related parties are non-interest bearing.

The long term portion of due to Lighthouse Capital Atlantic Inc. is non-interest bearing and is postponed as a condition of the Bank of Montreal credit agreement. Lighthouse Capital Atlantic Inc. holds preferred and special shares in the company.

The amount due to directors is non-interest bearing.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	$ 1,842,982	$ 1,589,334	$ 253,648	$ 315,501
Motor vehicles	103,637	83,592	20,045	36,644
Computer equipment and software	2,648,006	2,262,162	385,844	545,136
Leasehold improvements	492,896	383,634	109,262	136,577
Paving	7,167	3,532	3,635	3,952
	$ 5,094,688	$ 4,322,254	$ 772,434	$ 1,037,810

6. LONG TERM INVESTMENT

	2021	2020
Mack Restaurant and Kitchen Services Inc., a wholly-owned subsidiary		
Investment, beginning of year	$ 75,700	$ 99,549
Equity in net earnings (loss) for the year	(1,195)	(23,849)
Investment, end of year	$ 74,505	$ 75,700

Mack Restaurant and Kitchen Services Inc. discontinued its business operations in March 2020. Management has determined that there is no impairment in the carrying amount of the investment.

7. BANK INDEBTEDNESS AND CONTINGENT LIABILITIES

The company and its related company Terra Nova Old Port Foods Inc. (as co-borrower) have a shared operating line of credit with a borrowing limit of $12,000,000, subject to interest at prime plus 0.25% plus a facility fee of $2,000 per month, as well as a credit card facility with a borrowing limit of $250,000 subject to the rate of interest set by the bank from time to time. The credit facility is secured by a General Security Agreement and Registered Section 427 of Big Erics Inc. and Terra Nova Old Port Foods Inc. and a corporate guarantee from Lighthouse Capital Atlantic Inc.

The total balance of the line of credit was $3,609,493 as at December 31, 2021 (2020: $2,387,159). This amount has been utilized as follows: Big Erics Inc. - $2,322,538 (2020: $754,270) and Terra Nova Old Port Foods Inc. - $1,286,955 (2020: $1,632,889).

The company and Lighthouse Capital Atlantic Inc. have guaranteed a non-revolving demand loan of Terra Nova Old Port Foods Inc. to the Bank of Montreal. The loan is subject to interest at the bank's prime rate plus 2% per annum, matures April 2026 and is secured by existing security in place in favour of Bank of Montreal as noted above and a guarantee by Export Development Canada for 80% of the principal amount of the loan. The balance of the indebtedness was $1,200,000 as at December 31, 2021.

The company, Lighthouse Realty Atlantic Inc. and Lighthouse Capital Atlantic Inc. had a joint and several obligation relating to indebtedness of Lighthouse Realty Atlantic Inc. to the Business Development Bank of Canada. The indebtedness is subject to interest at the bank's floating base rate minus 1.35% per annum, matures on March 23, 2030 and is secured by a general security agreement and land and buildings owned by Lighthouse Realty Atlantic Inc. with a carrying value of $4,335,050. The balance of the indebtedness was $1,023,060 as at December 31, 2021.

8. CALLABLE DEBT

	2021	2020
Bank of Montreal loan bearing interest at prime plus 2% per annum, repayable in interest only payments to December 2021 and commencing January 2022 monthly principal payments of $66,667 plus interest. The loan matures on November 17, 2025 and is secured by existing security in place in favour of Bank of Montreal (as noted in Note 7) and a guarantee by Export Development Canada for 80% of the principal amount of the loan. Loan is callable on demand.	**$ 3,200,000**	$ 3,200,000
Principal due in one year	**(866,671)**	(66,667)
	$ 2,333,329	$ 3,133,333

Principal repayment terms are approximately:

2022	$ 866,671
2023	800,004
2024	800,004
2025	733,321
	$ 3,200,000

9. LONG TERM DEBT

	2021	2020
Promissory note payable to Lighthouse Realty Atlantic Inc. bearing interest at 15% per annum payable monthly. The loan matures in February 2025, unless repayment is demanded earlier, and is secured by a General Security Agreement, subject to existing encumbrances in favour of the Bank of Montreal and an unlimited guarantee from Terra Nova Old Port Foods and Lighthouse Capital Atlantic Inc. Principal repayments are being deferred with the consent of the lender.	**$ 1,449,745**	$ 1,449,745
Promissory note payable to Myles & Company Inc. bearing interest at 15% per annum payable monthly. The loan matures in December 2024, unless repayment is demanded earlier, and is secured by a General Security Agreement, subject to existing encumbrances in favour of the Bank of Montreal and an unlimited guarantee from Terra Nova Old Port Foods and Lighthouse Capital Atlantic Inc. Principal repayments are being deferred with the consent of the lender.	**350,000**	350,000
Amounts payable within one year	**-**	-
	$ 1,799,745	$ 1,799,745

10. RETRACTABLE SHARES

In December 2009, the company issued 135 non-voting, redeemable and retractable special shares with a redemption value of $902,340 in exchange for 135 common shares outstanding at that time in conjunction with a tax planning arrangement.

In January 2019, the company issued 1 voting, redeemable and retractable Class F preferred share with a redemption value of $1 and 100,000 non-voting, redeemable and retractable Class G preferred shares with a redemption value of $100,000 in conjunction with a tax planning arrangement.

On January 1, 2021 the company adopted ASPE 3856 Financial Instruments, the new presentation requirements for retractable and mandatorily redeemable shares, without restatement of the comparative information. Under these requirements the retractable shares, which may be redeemed on demand, subject to existing encumbrances in favour of the Bank of Montreal, Lighthouse Realty Atlantic Inc and Myles & Company Inc, no longer qualify as equity and have been classified as a liability at their redemption amount.

The excess of the redemption price over the carrying value of the common shares at the time of the exchange has been classified as a separate component of equity. The balance of this separate component of equity will be charged proportionately to retained earnings as the retractable shares are called for redemption.

11. LEASE COMMITMENTS

The company has entered into various office equipment lease agreements with expiry dates to September 2022. Future minimum lease payments as at year end are as follows:

2022	$ 3,210

The company leases premises under a long term lease that expires October 31, 2029 with the option to renew for one further term of 5 years. Under the lease the company is required to pay annual base rent of $427,800 including common area charges with a 2% annual increase in the base rent. In 2020 the landlord provided a rent deferral totaling $146,379, which included common area charges, to be paid over the period January 1, 2022 to December 31, 2024. The rent deferral was accrued in the prior year. As well in 2020 the landlord provided a rent abatement totaling $63,502, including common area charges, which was included in net income in the prior year. For the fiscal year ending December 31, 2021 the landlord has provided rent deferral totaling $69,927 to be paid over the period January 1, 2022 to December 31, 2024 and a rent abatement totaling $82,878.

The company leases premises under a long term lease that expires October 31, 2029 with the option to renew for one further term of 5 years. Under the lease the company is required to pay annual base rent of $195,315 plus common area charges.

Future minimum lease payments for the next five years are as follows:

2022	$ 630,303
2023	637,778
2024	645,540
2025	653,303

12. SHARE CAPITAL

Authorized:

Unlimited	Class A Common shares
Unlimited	Class B Common shares
Unlimited	Class C Common shares
Unlimited	Class D Common shares
66	Class E preferred shares, non-voting, redeemable and retractable at $266.455 per share
Unlimited	Class F Preferred shares, voting, redeemable and retractable at $1 per share with no entitlement to dividends.
Unlimited	Class G Preferred shares, non-voting, redeemable and retractable at $1 per share entitled to non-cumulative dividends not exceeding the amount of the dividend required to be paid under section 74.1 of the Income Tax Act (Canada) to avoid corporate attribution on the preferred shares.
135	Non-voting special shares redeemable and retractable at $6,684 each with no entitlement to dividends

	2021			2020		
	Number Issued	**Stated Capital**	**Redemption Value**	Number Issued	Stated Capital	Redemption Value
Issued:						
Class A common shares	**200**	**$ 20**	**$ -**	200	$ 20	$ -
Class F preferred shares	**1**	**-**	**-**	1	1	1
Class G preferred shares	**-**	**-**	**-**	100,000	1	100,000
Special shares	**-**	**-**	**-**	135	135	902,340
		$ 20	**$ -**		$ 157	$ 1,002,341

During the year, the company adopted ASPE 3856 Financial Instruments resulting in the special shares and the Class F and G preferred shares being reclassified as a retractable shares liability in accordance with the standard (Note 10).

13. GOVERNMENT ASSISTANCE

The company has claimed $913,523 (2020: $1,263,487) as part of the Canadian Emergency Wage Subsidy (CEWS). Subsidy amounts have been reported as other income in the financial statements.

The company has claimed $216,057 (2020: $Nil) as part of the Canadian Emergency Rent Subsidy (CERS). Subsidy amounts have been reported as other income in the financial statements.

14. RESTRUCTURING COSTS

During the prior year, the company undertook a significant restructuring of the business platform. Restructuring costs are comprised of the related salaries, benefits, debt refinancing charges, legal fees and consulting fees. See Schedule 3.

15. NON-CAPITAL TAX LOSSES CARRIED FORWARD

The company has incurred losses of $3,864,231 for tax purposes which are available to reduce future taxable income. The future potential benefit of these losses is included in the future income tax asset. The losses will expire as follows:

2028	$ 21,973
2029	1,819,014
2030	706,927
2031	1,316,317
	$ 3,864,231

BIG ERICS INC.

Warehouse and Distribution Expenses *(Schedule 1)*

Year Ended December 31, 2021

(Unaudited)

		2021		2020
Freight	$	183,729	$	271,885
Plant maintenance and miscellaneous		39,289		36,974
Warehouse wages and benefits		676,893		694,384
	$	899,911	$	1,003,243

Selling Expenses *(Schedule 2)*

Year Ended December 31, 2021

(Unaudited)

		2021		2020
Advertising and business promotion	$	87,037	$	50,324
Bad debts, office supplies and miscellaneous		100,000		116,726
Travel		52,525		62,864
Vehicle operating		97,000		122,607
Wages and benefits		2,120,695		1,946,975
	$	2,457,257	$	2,299,496

Administration Expenses *(Schedule 3)*

Year Ended December 31, 2021

(Unaudited)

		2021		2020
Amortization	$	262,569	$	365,384
Computer maintenance		160,497		273,891
Insurance		73,466		66,603
Interest and bank charges		218,998		323,748
Interest on long term debt		469,966		250,293
Management, accounting and data processing		190,428		264,018
Miscellaneous		14		574
Office		36,251		41,162
Professional fees		199,518		260,165
Property taxes		139,518		133,033
Rental		496,082		566,324
Repairs and maintenance		116,842		148,504
Restructuring *(Note 14)*		-		215,298
Salaries and wages		903,254		1,012,620
Telephone		74,698		113,112
Training		7,676		9,317
Travel		-		27,923
Utilities		87,146		96,609
Subtotal		3,436,923		4,168,578
Less discounts and recoveries		-		(521)
	$	3,436,923	$	4,168,057

See notes to financial statements

This is Exhibit "E" to the affidavit of Paul Bailey sworn before me on the 11 day of July 2027.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador and Nova Scotia

EXHIBIT "E"

TERRA NOVA OLD PORT FOODS INC.
Index to Financial Statements
Year Ended December 31, 2021

NOSEWORTHY CHAPMAN
chartered professional accountants

A: Suite 201 515 Topsail Rd / St. John's NL / A1E 2C5
T: 709.364.5600 F: 709.368.2146 W: noseworthychapman.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders of Terra Nova Old Port Foods Inc.

We have reviewed the accompanying financial statements of Terra Nova Old Port Foods Inc. (the company) that comprise the balance sheet as at December 31, 2021, and the statements of loss and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises (ASPE), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Terra Nova Old Port Foods Inc. as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASPE.

Noseworthy Chapman

Chartered Professional Accountants
St. John's, NL
June 28, 2022

TERRA NOVA OLD PORT FOODS INC.
Balance Sheet
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Accounts receivable	$ 1,272,280	$ 1,347,506
Inventory	1,849,371	1,911,013
Prepaid expenses	23,312	15,440
	3,144,963	3,273,959
CAPITAL ASSETS *(Note 4)*	179,318	109,586
GOODWILL	1	1
FUTURE INCOME TAXES	511,253	238,583
DUE FROM RELATED PARTIES *(Note 5)*	532,120	531,632
	$ 4,367,655	$ 4,153,761
LIABILITIES		
CURRENT		
Bank indebtedness *(Note 6)*	$ 1,251,694	$ 1,496,840
Accounts payable	1,055,954	1,041,155
Callable debt due in one year *(Note 7)*	200,000	-
Current portion of long term debt *(Note 8)*	2,461	5,908
	2,510,109	2,543,903
Callable debt due thereafter *(Note 7)*	1,000,000	-
	3,510,109	2,543,903
LONG TERM DEBT *(Note 8)*	-	2,462
DUE TO RELATED PARTY *(Note 5)*	192,744	305,504
RETRACTABLE SHARES LIABILITY *(Note 9)*	1,750,888	-
	5,453,741	2,851,869
CONTINGENT LIABILITIES *(Note 6)*		
LEASE COMMITMENTS *(Note 10)*		
SHAREHOLDERS' DEFICIENCY		
Share capital (redemption value of preferred shares: Nil; 2020: $1,750,888) *(Note 11)*	20	1,750,908
Deficit	(1,086,106)	(449,016)
	(1,086,086)	1,301,892
	$ 4,367,655	$ 4,153,761

ON BEHALF OF THE BOARD

________________________ *Director*

________________________ *Director*

See notes to financial statements

TERRA NOVA OLD PORT FOODS INC.
Statement of Loss and Deficit
Year Ended December 31, 2021

	2021	2020
SALES	**$ 10,042,479**	$ 11,927,275
COST OF SALES	**8,592,434**	9,854,899
GROSS PROFIT *(14%; 2020 - 17%)*	**1,450,045**	2,072,376
EXPENSES		
Warehousing and distribution (Schedule 1)	**1,254,485**	1,259,112
Selling (Schedule 2)	**590,175**	407,863
Administration (Schedule 3)	**1,042,948**	1,068,345
	2,887,608	2,735,320
LOSS FROM OPERATIONS	**(1,437,563)**	(662,944)
OTHER INCOME		
Canada Emergency Wage Subsidy *(Note 12)*	**432,738**	677,554
Canadian Emergency Rent Subsidy *(Note 12)*	**54,930**	-
Small Business Assistance Program *(Note 12)*	**38,610**	7,500
Gain on disposal of capital assets	**1,525**	6,816
	527,803	691,870
INCOME (LOSS) BEFORE INCOME TAXES (RECOVERED)	**(909,760)**	28,926
INCOME TAXES (RECOVERED)		
Future	**(272,670)**	-
NET INCOME (LOSS)	**(637,090)**	28,926
DEFICIT - BEGINNING OF YEAR	**(449,016)**	(477,942)
DEFICIT - END OF YEAR	**$ (1,086,106)**	$ (449,016)

See notes to financial statements

TERRA NOVA OLD PORT FOODS INC.

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from customers	$ 10,117,705	$ 12,417,705
Cash paid to suppliers and employees	(11,163,665)	(12,696,347)
Income taxes recovered	-	20,190
Interest paid	(157,165)	(140,751)
Canada Emergency Wage Subsidy	432,738	677,554
Essential Workers Support Program	38,610	-
Small Business Assistance Program	-	7,500
Cash flow from (used by) operating activities	(731,777)	285,851
INVESTING ACTIVITIES		
Purchase of capital assets	(105,447)	(13,519)
Proceeds on disposal of capital assets	1,525	6,816
Cash flow used by investing activities	(103,922)	(6,703)
FINANCING ACTIVITIES		
Advances from (to) related parties	(113,247)	341,876
Proceeds from callable debt financing	1,200,000	-
Repayment of long term debt	(5,908)	(161,966)
Decrease in bank indebtedness	(245,146)	(459,058)
Cash flow from (used by) financing activities	835,699	(279,148)
INCREASE IN CASH	-	-
Cash - beginning of year	-	-
CASH - END OF YEAR	$ -	$ -

See notes to financial statements

1. GENERAL AND COVID-19

Terra Nova Old Port Foods Inc. (the "company") was incorporated under the Corporations Act of the Province of Newfoundland and Labrador on December 18, 2018 and was subsequently continued under the Canada Business Corporations Act. The company operates a food distribution and processing business.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the company's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the company's business, financial condition or results of operations.The extent to which the COVID-19 outbreak impacts the company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

Inventory

Inventory is valued at the lower of average cost and net realizable value.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computers	20% declining balance method
Equipment	20% declining balance method
Leasehold improvements	20% declining balance method
Vehicles	30% declining balance method

Goodwill

Goodwill, arising on the acquisition of a business, represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets and liabilities of the business recognized at the date of acquisition. Goodwill is initially recognized at cost and is subsequently measured at cost less any impairment losses. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the goodwill may exceed the fair market value.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Future income taxes

Income taxes are reported using the future income taxes method, as follows: current income tax expense is the estimated income taxes payable for the current year after any refunds or the use of losses incurred in previous years, and future income taxes reflect:

- the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes; and
- the benefit of unutilized tax losses that will more likely than not be realized and carried forward to future years to reduce income taxes.

Future income taxes are estimated using the rates enacted by tax law and those substantively enacted for the years in which future income tax assets are likely to be realized, or future income tax liabilities settled. The effect of a change in tax rates on future income tax assets and liabilities is included in earnings in the period when the change is substantively enacted.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

The fair value of amounts due from and to related parties are less than carrying value because the amounts are non-interest bearing. However, because the amounts have no fixed repayment terms, the fair value and the exposure to related risk cannot be determined with any degree of certainty, and the amounts are therefore reported at their carrying value.

The fair value of the non-interest bearing long term debt is less than carrying value because the loan is not subject to interest. However, management has determined that the adjustment of the loan balance to its fair value would not be significant and it has not been recorded.

Revenue recognition

The company recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers.
- there is clear evidence that an arrangement exists.
- amounts are fixed or can be determined.
- the ability to collect is reasonably assured.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government assistance

Government assistance for current expenses is recorded as other income.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Examples of significant estimates include: the amortization of capital assets including the estimated useful lives of capital assets, the allowance for doubtful accounts, the allowance for inventory obsolescence and the recoverability of tangible assets.

3. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. In order to reduce its credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The company has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers, long term debt, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its floating interest rate credit facility.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	**2021 Net book value**	2020 Net book value
Computers	$ 9,819	$ 982	**$ 8,837**	$ -
Equipment	183,369	53,317	**130,052**	68,332
Leasehold improvements	56,301	20,938	**35,363**	34,017
Vehicles	14,770	9,704	**5,066**	7,237
	$ 264,259	$ 84,941	**$ 179,318**	$ 109,586

5. RELATED PARTIES

	2021	2020
Related party transactions		
Big Erics Inc.		
Subject to common control		
Management, accounting and data processing	**$ 153,454**	$ 214,637
Rental revenue	**16,200**	16,200
Lighthouse Realty Atlantic Inc.		
Subject to common control		
Rent	**$ 302,040**	$ 302,040

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due from and to related parties

	2021	2020
Long term portion due from related parties		
Lighthouse Capital Atlantic Inc.	**$ 520,641**	$ 520,153
Lighthouse Realty Atlantic Inc.	**11,479**	11,479
	$ 532,120	$ 531,632
Long term portion due to related party		
Big Erics Inc.	**$ 192,744**	$ 305,504

The amounts due from and to related parties are non-interest bearing with set terms of repayment. Lighthouse Capital Atlantic Inc. holds preferred shares in the company,

6. BANK INDEBTEDNESS AND CONTINGENT LIABILITIES

The company and its related company Big Eric's Inc. (as co-borrower) have a shared operating line of credit with a borrowing limit of $12,000,000, subject to interest at prime plus 0.25% plus a facility fee of $2,000 per month, as well as a shared credit card facility with a borrowing limit of $250,000 subject to the rate of interest set by the bank from time to time. The credit facility is secured by a General Security Agreement and Registered Section 427 of Big Erics Inc. and Terra Nova Old Port Foods Inc.

The total balance of the line of credit was $3,609,493 as at December 31, 2021 (2020: $2,387,159). This amount has been utilized as follows: Big Erics Inc. - $2,322,538 (2020: $754,270) and Terra Nova Old Port Foods Inc. in the amount of $1,286,955 (2020: $1,632,889).

The company and Big Erics Inc., as co-borrowers, are jointly liable for a non-revolving demand loan in the amount of $3,200,000 bearing interest at prime plus 2% per annum, repayable in interest only payments to November 30, 2021 and principal payments commencing January 31, 2022 of $66,667 plus interest. The loan is reported on the balance sheet of Big Erics Inc., is supported by an Export Development Canada (EDC) guarantee under the Business Credit Availability Program (BCAP) and is secured by a General Security Agreement and Registered Section 427 of the company and Big Erics Inc.

The company, Big Erics Inc. and Lighthouse Capital Atlantic Inc., as co-borrowers, are jointly liable to Myles & Company Inc. and Lighthouse Realty Atlantic Inc. for loans bearing interest at 15% in the amounts of $350,000 and $1,449,775 respectively. The loans are reported on the balance sheet of Big Erics Inc. and secured by a General Security Agreement, subject to existing encumbrances in favour of the Bank of Montreal.

7. CALLABLE DEBT

	2021	2020
Bank of Montreal loan bearing interest at prime plus 2% per annum, repayable in interest only payments to April 2022 and commencing May 2022 monthly principal payments of $25,000. The loan matures on April 30, 2026 and is secured by existing security in place in favour of Bank of Montreal (as noted in Note 6) and a guarantee by Export Development Canada for 80% of the principal amount of the loan. Loan is callable on demand.	**$ 1,200,000**	$ -
Principal due in one year	**(200,000)**	-
	$ 1,000,000	$ -

Principal repayment terms are approximately:

2022	$ 200,000
2023	300,000
2024	300,000
2025	300,000
2026	100,000
	$ 1,200,000

8. LONG TERM DEBT

		2021		2020
Retail instalment contract, non-interest bearing, repayable in monthly payments of $492. The contract matures on May 17, 2022 and is secured by the vehicle to which it relates which has a carrying value of $Nil.	$	2,461	$	8,370
Amounts payable within one year		(2,461)		(5,908)
	$	-	$	2,462

Principal repayment terms are approximately:

2022	$	2,461

9. RETRACTABLE SHARES

On January 1, 2019, the company issued voting, redeemable and retractable Class E Preferred shares with a redemption value of $1 and non-voting, redeemable and retractable Class G Preferred shares with a redemption value of $1,750,887 in conjunction with a tax planning arrangement.

On January 1, 2021 the company adopted ASPE 3856 Financial Instruments, the new presentation requirements for retractable and mandatorily redeemable shares, without restatement of the comparative information. Under these requirements the retractable shares, which may be redeemed on demand subject to existing encumbrances in favour of the Bank of Montreal, no longer qualify as equity and have been classified as a liability at their redemption amount.

10. LEASE COMMITMENTS

The company has entered into various equipment lease agreements with varying expiration dates to September 2024. The minimum lease payments, under these operating leases are as follows for the fiscal years ending:

2022	$	12,908
2023		9,594
2024		507

The company leases premises under a long term lease that expires October 31, 2029 with the option to renew for one further term of 5 years. Under the lease the company is required to pay monthly base rent of $25,170 plus common area charges. The minimum lease payments, under the agreement are as follows for the fiscal years ending:

2022	$	302,040
2023		302,040
2024		302,040
2025		302,040
2026		302,040
Thereafter		855,780

11. SHARE CAPITAL

Authorized:

Unlimited	Class A Common shares
Unlimited	Class B Common shares
Unlimited	Class C Common shares
Unlimited	Class D Common shares
Unlimited	Class E Preferred shares, voting, redeemable and retractable at $1 per share with no entitlement to dividends.
Unlimited	Class F Preferred shares, voting, redeemable and retractable at $1 per share with no entitlement to dividends.
Unlimited	Class G Preferred shares, non-voting, redeemable and retractable at $17.5089 per share entitled to non-cumulative dividends not exceeding the amount of the dividend required to be paid under section 74.1 of the Income Tax Act (Canada) to avoid corporate attribution on the preferred shares.

		2021	2020
Issued:			
200	Class A common shares	$ 20	$ 20
	Class E preferred shares	-	1
	Class G preferred shares	-	1,750,887
		$ 20	$ 1,750,908

During the year, the company adopted ASPE 3856 Financial Instruments resulting in the Class E and G preferred shares being reclassified as a retractable shares liability in accordance with the standard (Note 9).

12. GOVERNMENT ASSISTANCE

The company has claimed $432,738 (2020 - $677,654) as part of the Canadian Emergency Wage Subsidy (CEWS). Subsidy amounts have been reported as other income.

The company has claimed $54,930 as part of the Canada Emergency Rent Subsidy (CERS). Subsidy amounts have been reported as other income.

The company received a non-repayable contribution in the amount of $38,610 as part of the Essential Worker Support Program of the Department of Advanced Education, Skills and Labour to provide relief for the impacts felt as a result of the COVID-19 pandemic. The contribution has been recorded as other income.

13. NON-CAPITAL TAX LOSSES CARRIED FORWARD

The company has incurred losses of $1,669,609 for tax purposes which are available to reduce future taxable income. The potential future benefit of these losses has been recognized in the future income tax asset. The losses will expire as follows:

2039	$ 702,276
2040	8,462
2041	958,871

TERRA NOVA OLD PORT FOODS INC.

Warehouse and distribution expenses *(Schedule 1)*

Year Ended December 31, 2021

(Unaudited)

	2021	2020
Delivery vehicle operating	$ 140,408	$ 118,709
Freight	301,314	284,142
Plant maintenance and miscellaneous	145,667	170,859
Rent	302,040	283,586
Warehouse wages and benefits	365,056	401,816
	$ 1,254,485	$ 1,259,112

Selling expenses *(Schedule 2)*

Year Ended December 31, 2021

(Unaudited)

	2021	2020
Advertising and business promotion	$ 16,057	$ 3,058
Bad debts	78,004	43,839
Office supplies and miscellaneous	14,251	16,399
Telephone	24,067	25,725
Travel	2,517	1,923
Vehicle operating	29,345	41,624
Wages and benefits	425,934	275,295
	$ 590,175	$ 407,863

Administration expenses *(Schedule 3)*

Year Ended December 31, 2021

(Unaudited)

	2021	2020
Amortization	$ 35,715	$ 28,580
Heat and light	78,160	72,616
Insurance	21,895	25,671
Interest and bank charges	106,335	117,676
Interest on long term debt	50,829	23,076
Management, accounting and data processing	177,201	239,223
Miscellaneous	5,870	53
Municipal taxes	58,332	58,911
Office	3,464	4,175
Professional fees	111,175	85,512
Repairs and maintenance	14,630	14,159
Travel	1,743	30
Wages and benefits	393,799	414,863
Subtotal	1,059,148	1,084,545
Less: net rental income	(16,200)	(16,200)
	$ 1,042,948	$ 1,068,345

See notes to financial statements

This is Exhibit "F" to the affidavit of Bill Bulett sworn before me on the 11 day of Feb 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of Newfoundland and Labrador and Nova Scotia

EXHIBIT "F"

<u>Confidential Exhibit "F"</u>

2022 Internal Financial Statements

Submitted to the Court under cover of Letter dated 11 July 2023

Pursuant to s.10(6) of the *Companies Creditors Arrangement Act*

This is Exhibit "G" to the affidavit of B M Burt sworn before me on the 11 day of July 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador and Nova Scotia

EXHIBIT "G"

<u>Confidential Exhibit "G"</u>

2022 Internal Financial Statements

Submitted to the Court under cover of Letter dated 11 July 2023

Pursuant to s.10(6) of the *Companies Creditors Arrangement Act*

This is Exhibit "H" to the affidavit of Bill Barteet sworn before me on the 11 day of July 2023.

DARREN D. O'KEEFE
Barrister, Solicitor, Notary Public in the Provinces of Newfoundland and Labrador and Nova Scotia

EXHIBIT "H"

2023 01G _____
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. and Terra Nova Old Port Foods Inc.

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.)

CONSENT TO ACT AS MONITOR

MONITOR'S CONSENT

Grant Thornton Limited hereby consents to act as Court-appointed monitor of the Big Erics Inc. and Terra Nova Old Port Foods Inc. in respect of these proceedings.

Dated as of July 11th, 2023.

GRANT THORNTON LIMITED

Per: ____________________

Name: Phil Clarke, CPA, CA, CIRP, LIT
Title: Senior Vice President