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

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

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

SECOND AMENDED AND RESTATED INITIAL ORDER

Before the Honourable Justice A. MacDonald:

WHEREUPON the Monitor has filed a motion for, among other things, approval of a sale transaction and a reverse vesting order;

AND UPON reading the Notice of Motion and the report of the Monitor dated September 4, 2025 (the "**Sixth Report**"), and the Memorandum of Fact and Law filed on behalf of the Monitor, and on hearing the submissions of counsel for the Monitor and such other counsel as appeared, with all parties being duly served, the following is ordered and declared:

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including 15 October 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Company or the Monitor, or affecting the Business or the Property except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

APPOINTMENT OF MONITOR

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

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

(a) monitor the Companies' receipts and disbursements;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $250,000 in respect of the Monitor, counsel to the Monitor and the Company's counsel, and a further $150,000 in respect of the Monitor and counsel to the Monitor as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 35 to 40herein.

DIP FINANCING

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

30. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Company and the DIP Lender dated as of 12 March 2025 as attached hereto as Schedule "A" and any amendments thereto, (as amended, the "**Commitment Letter**"), filed.

31. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive**

Documents"), as are contemplated by the DIP Term Sheet and any amendments thereto or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

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

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

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

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

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

34. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge ($250,000 plus a further $150,000)

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

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

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

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

39. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant

to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

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

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

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

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

SERVICE AND NOTICE

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

42. **THIS COURT ORDERS** that the Company and Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

47. **THIS COURT ORDERS** that any interested party (including the Company and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

Dated at St. Johns, NL
this 11th day of September 2025

Assistant Deputy Registrar

SCHEDULE "A"

DIP Term Sheet

DEBTOR-IN-POSSESSION FINANCING TERM SHEET

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

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

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

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

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

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

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

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

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

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

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

Jr

dl

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

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

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

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

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

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

Covenants: The DIP Loan Party covenants and agrees that:

(a) the DIP Loan Party shall pay all amounts and satisfy all obligations in respect of the DIP Loan, including the Commitment Fee (which shall be paid as set out above);

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

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

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

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

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

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

(h) the DIP Loan Party shall not enter into any Transaction without the approval of the Monitor and the Court, as per the terms of the initial sought in conjunction with the CCAA Proceedings (including any amendments or restatements thereof) (the "**CCAA Order**");

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

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

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

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

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

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

SISP: Following a period of thirty (30) days from the Closing Date (the "**Refinance Period**"), if no Transaction is approved by the Monitor and the Court which sees the repayment in full of all obligations owing to the DIP Lender (under this DIP Term Sheet and all pre-filing loan and credit agreements made between the DIP Lender and the DIP Loan Party from time to time), the DIP Loan Party will conduct a sale and investment solicitation process (the "**SISP**") aimed at seeking offers for the sale of all or substantially all of the business assets of the DIP Loan Party or significant investment in the business carried on the DIP Loan Party.

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

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

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

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

Reporting Requirements:

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

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

(b) on a monthly basis

a

a

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

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

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

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

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

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

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

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

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

Security:

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

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

a

W

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

Events of Default:

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

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

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

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

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

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

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

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

(h) the occurrence of any other event or circumstance that has, or could reasonably be expected to have, a material adverse effect on the DIP Loan Party, the Collateral, or the likelihood of repayment of the DIP Loan, including a material adverse change from the Approved Cash Flow budget as determined by the DIP Lender in its sole discretion; and

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

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

Conditions Precedent, to first advance:

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

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

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

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

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

Fees and Expenses: The DIP Loan Party shall pay all of the DIP Lender's out-of-pocket expenses (including the fees and expenses of its counsel and advisors), whether or not any of the transactions contemplated hereby are consummated and whether incurred prior to or after the date of the DIP Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the DIP Loan, and the enforcement of any and all of its remedies at law (collectively, the "**DIP Expenses**").

Governing Law, Jurisdiction:	Laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable in the Province of Newfoundland and Labrador. The DIP Loan Party agrees to submit to the exclusive jurisdiction of the courts of the Province of Newfoundland and Labrador with respect to any dispute or matter related to, arising from, or in connection with the construction, validity, or performance of this DIP Term Sheet or the rights of any party under it.

[*EXECUTION PAGES FOLLOWS*]

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

NEMORI FARMS LTD.

Per: ______________________________
Name: Calvin Cameron
Title: owner operator

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

ROYAL BANK OF CANADA

Per: [signature]

Name: Stephane Ménard,
Title: Director Special Loans

Per: Sarah Couture

Name: Sarah Couture
Title: Senior Manager, Special Loans

AV   ow

SCHEDULE "B"
Amendment to DIP Term Sheet

AMENDMENT TO DEBTOR-IN-POSSESSION FINANCING TERM SHEET

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

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

(the DIP Lender)

-and-

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

(the DIP Loan Party)

RECITALS:

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

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

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

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

1. Definitions. In this Amendment:

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

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

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

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

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

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

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

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

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

4.3.1. approving this Amendment;

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

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

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

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

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

5. General Provisions.

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

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

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

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

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

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

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

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

[*EXECUTION PAGE FOLLOWS*]