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

AFFIDAVIT OF CALVIN CAMERON

I, **CALVIN CAMERON**, of Deer Lake, Newfoundland and Labrador, **MAKE OATH AND SAY THAT:**

I. OVERVIEW:

1. I am the co-owner, President, and a Director of Nemori Farms Ltd. ("**Nemori**" or the "**Applicant**"). As such, I have direct knowledge of its business and financial affairs.

2. This Affidavit is sworn in support of the Applicant's Motion for an extension of the period of the stay of enforcement and for enlargement of the stay of enforcement to include Nemori's directors and shareholders, namely, Calvin Cameron and Sheldon Cameron, and for no improper purpose.

3. I have reviewed the Motion and the facts contained therein are true to the best of my knowledge, information, and belief, based on my knowledge of Nemori's business and affairs and is accurate up to present.

4. Where the information provided herein is not based on my direct knowledge, I have indicated the third-party source for that information.

5. Unless otherwise indicated, monetary references in this Affidavit are references to Canadian dollars.

II. BACKGROUND:

6. On 07 March 2025, the Applicant obtained CCAA protection in the form of an initial order under s. 11 of the CCAA (the "Initial Order"), which appointed Grant Thornton Ltd. ("GT") as Monitor, granted a stay of proceedings for an initial seven-day period (the "Stay Period"). At the comeback hearing on 14 March 2025, the Applicant sought and received an extension to the Stay Period pursuant to the ARIO.

7. Most recently, on 24 April 2025, the Stay Period was extended further to 30 June 2025 to accommodate the SISP timelines and a hearing was scheduled for that date. The Court asked that the Applicant file a Motion on or before 24 June 2025 for any additional relief required at the 30 June 2025 hearing, including any additional extension of the Stay Period.

8. I learned on 23 June 2025 that the Monitor intended to advise Qualified Bidders in the SISP that the deadline for the selection of a Successful Bidder would be extended by the Monitor. I understand that the Monitor suggested that the Applicant seek an extension to the Stay Period to 31 July 2025 to accommodate the extended timeline.

9. 23 June 2025 was the date originally contemplated by the SISP procedures timelines for selection of a successful bidder.

10. The main point of electronic communication for the Company is the company's email address, namely, "nemorifarmsltd@outlook.com", which is monitored by both myself and my brother.

11. On Thursday, 19 June 2025, at 12:52:25 PM, an email was received by the Company from Mr. Michael Hrabowsky, attaching 10-day demands on personal guarantees from the Royal Bank of Canada for both myself and my brother.

12. A copy of the said demand sent to the Company's email address for me is attached hereto as Exhibit "A".

13. My most significant personal assets are the shares in the Company and my interest in our associated dairy quota and milk production licence.

III. STAY EXTENSION:

14. The Applicant is seeking an additional extension of the Stay Period for one month, up to and including 31 July 2025.

15. I believe that Applicant has acted in good faith and with due diligence throughout this CCAA proceeding since the granting of the Initial Order and will continue to do so throughout the extended Stay Period.

16. The Applicant has used the opportunity afforded by the current Stay of Proceedings to make improvements to the feed and water quality for the animals and has managed to increase average monthly milk production.

17. The Applicant has also made expenditures and efforts to plant and fertilize the Company's fields with a view to the Company carrying on as a going concern at the conclusion of this proceeding.

18. At all times the Applicant has kept the Monitor apprised of the status of the Company's operations and cashflows, with the assistance of the Company's SISP Advisor.

19. An extension of the Stay Period will allow the Applicant to continue to operate in the ordinary course while the SISP proceeds on the extended timeline. The Applicant's current cash flow permits this without necessitating additional DIP lending.

20. It is just and convenient and in the interests of the Applicant and its stakeholders that the Stay Period should be extended.

IV. EXTENSION OF CREDITOR PROTECTION:

21. My brother and I are the 50% shareholders and the sole director of the Applicant, and we are also responsible for the day-to-day operation of the farm, which requirements oversight generally from 5:00 a.m. through 7:00 p.m. each day.

22. For his part my brother actually resides full-time on the Company's farm property in the farmhouse.

23. I have given personal guarantees both the Royal Bank of Canada, and to other creditors for the purpose of funding and facilitating the Company's equipment and operations.

24. Subsequent to the deadline for submission of bid in the SISP process, but prior to the deadline for selection of successful bids, RBC wrote to indicate its intention to enforce against me with respect to a personal guarantee I gave in favour of the Company (see **Exhibit "A"**).

25. My personal financial situation and its stability is substantially intertwined with the CCAA Proceeding because my participation is essential to the Applicant's operations to the success of the CCAA process. It is important that I remain able to act for the Applicant during the CCAA. I will not be able to continue as a director of the Applicant if I am forced to file for personal bankruptcy.

26. My inability to participate in this CCAA proceeding would potentially cause the process to fail and result in a liquidation of the Company, with far-reaching economic and non-economic impacts, not least to the health of the over 500 animals whose well-being the Company is responsible for maintaining. It is essential that I and my brother remain empowered in our current positions as officers and directors of the Applicant and that we focus on the CCAA process while minimizing distractions from the CCAA proceedings.

27. Considering the importance of the Applicant as one of the province's largest milk-producing farms, the amount of work required to property manage the operations of the Company, the additional work required in order to property carry out these CCAA proceedings, the stage of the CCAA proceedings, and the likely complexity of any coming transaction or transactions involving the Company, I believe that it is in the best interests of the Company that this Honourable Court agree to enlarge the Stay to my personal guarantees and to any personal loans and security granted in favour of securing financing or financing extensions procured wholly for the purpose the Applicant acquiring its assets and/or for funding the Applicant's business operations.

28. I believe that consideration should also be given to the purpose of the proceedings before the Court. A SISP process is underway, and I believe that the burden of distraction that would be placed on the process if RBC is allowed to attempt to collect from me personally would be greatly prejudicial to the process.

SWORN at the City of Corner Brook, Newfoundland and Labrador, this 25th day of June 2025, before me:	)	
A Commissioner of Oaths, being a Solicitor **Adam G. Baker** **Barrister (NL)**	)	**CALVIN CAMERON**

This is Exhibit "A" to the affidavit of Calvin Cameron sworn before me on the 25th day of June, 2025.

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EXHIBIT "A"

BY REGISTERED MAIL
BY EMAIL: *nemorifarmsltd@outlook.com*

June 19, 2025

Calvin Cameron
191 Goose Arm Road
Deer Lake, Newfoundland & Labrador
A8A 3H9

RE: Indebtedness of Nemori Farms Ltd. (the "Debtor") to Royal Bank of Canada

We represent Royal Bank of Canada (the "**Bank**") in respect of this matter.

As you are aware, in respect of the Debtor's indebtedness to the Bank, you executed a Guarantee and Postponement of Claim dated March 16, 2022 (the "**Guarantee**") guaranteeing to the Bank payment on demand of all debts and liabilities, present or future, direct or indirect, at any time owing by the Debtor to the Bank, which Guarantee limited your liability to the Bank to the sum of **$1,000,000.00**, together with interest thereon from the date of demand for payment at the rate of Prime Interest Rate of the Bank plus 5.00% per annum.

The Debtor has defaulted in its obligations to the Bank. As at June 5, 2025, the Debtor was indebted to the Bank in the amount of $10,885,629.52 with further interest accruing thereon at a rate of $1,579.44 per day.

On behalf of the Bank, **WE HEREBY DEMAND** that you repay the Debtor's indebtedness up to the limit of the Guarantee of **$1,000,000.00**, together with interest thereon from today's date at the rate Prime Interest Rate of the Bank plus 5.00% per annum.

We are instructed to commence a legal proceeding against you in the event that you fail to make adequate arrangements for payment in full of the amount guaranteed by you **within 10 days** of the date of this demand. For your information, we enclose a copy of the Guarantee.

Yours truly,

Michael Hrabowsky

Michael Hrabowsky | Lawyer
Direct 709 570 55211 *Main* 709 738 7800 *Fax* 709 738 7999 *Email* mhrabowsky@coxandpalmer.com
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6

Royal Bank of Canada
Guarantee and Postponement of Claim

SRF:
559200449

BRANCH ADDRESS:
226 WATER ST (MAIN BR)
ST JOHNS, NL
A1C 1A9

BORROWER:
NEMORI FARMS LTD.

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **NEMORI FARMS LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **$1,000,000.00 One Million Dollars** together with interest thereon from the date of demand for payment at a rate equal to **the Prime Interest Rate of the Bank plus 5.000 Five** percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business

by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of Newfoundland and Labrador** ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(Applicable to all P.P.S.A Provinces.)

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 16 day of March, 2020

WITNESS

CALVIN CAMERON

Insert the full name and address of guarantor (Undersigned above).

Full name and address
Calvin Cameron
14 Reid's Lane Deer Lake NL A8A2A1