Notice of Intention (NOI): Chester Basin Seafoods Group (FAQ)

November 21, 2023

On November 7, 2023, Chester Basin Seafoods Group Inc. ("**CBSG**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the restructuring provisions of the Bankruptcy and Insolvency Act ("**BIA**"). Upon filing of the NOI, Grant Thornton Limited, a Licensed Insolvency Trustee, was appointed as trustee (the "**Proposal Trustee**") under the proceedings.

Q: Is the company Bankrupt or in Receivership?

The Company is not bankrupt or subject to a receivership proceeding. The Company intends to continue operating and has availed themselves of a proceeding where an insolvent company has an opportunity to restructure its financial affairs, subject to approval by the creditors and the Supreme Court of Nova Scotia (the "**Court**").

A proposal has not yet been made to creditors as of November 21, 2023. The Company is afforded a stay of proceedings (the "**Stay**") effective November 7, 2023 for a period of 30 days to make a proposal, or request an extension of the Stay by approval from the Court.

Q: What is the role of the Trustee?

The role of the Proposal Trustee in this matter includes, among other things, monitoring the cash flows of CBSG during these proceedings, providing assistance to the Company in its efforts to restructure its business, liaising with creditors and explaining the restructuring process.

Q: Can Creditors realize on debts pre-filling (before Novemeber 7, 2023)?

The BIA provides the Company certain relief upon the filing of the NOI, including the imposition of the Stay against the Company and its assets. The Stay is effective November 7, 2023. Claims against CBSG for payment of goods and services supplied to the Company prior to November 7, 2023 are suspended and creditors are prohibited from continuing or commencing any actions or exercising any rights against the Company, except with leave of the Court.

Q: Can Creditors cease to provide goods and services or credit to CBSG?

The BIA restricts parties from terminating or amending any agreement with the Company by reason only that an NOI has been filed. However, the BIA does not require creditors to advance further credit to the Company or prevent creditors from requiring immediate payment for goods and services after the NOI has been filed.

The Proposal Trustee would encourage all suppliers to contact Daniel Gaudet with CBSG at daniel@chesterbasinseafoods.com or by phone at 902.880.9965 regarding payment for services provided by suppliers post-filing of the NOI.

Q: What does this mean going forward?

The Company has 30 days from November 7, 2023 to prepare a plan to restructure its affairs and present it to creditors, or in the alternative, to seek an extension of the Stay from the Court.

The Proposal Trustee understands that it is the Company's intention to request from the Court, among other things, an extension of the Stay to the maximum amount of time permitted under the BIA, being an additional 45 days to January 21, 2024.

Q: Where can I stay up to date on the proceedings?

Further information will be distributed to creditors in due course. Creditors are also encouraged to monitor updates to the proceedings by way of the Proposal Trustee's website at www.GrantThornton.ca/ChesterBasinSeafoods.

Should you have any questions regarding the NOI proceedings, please contact Ben Chisholm of the Proposal Trustee's office at 902.417.2829 or ChesterBasinSeafoods@ca.gt.com.